CHAPTER 7.
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DISCUSSION

The foundation of any effective marketing program is as thorough an understanding as possible of what clients want, identification of target markets, understanding the needs of clients, the bases they use in the choices they make, and how they seek and purchases the service. Thus if professionals had a complete answer to all these questions and are both qualified and flexible, a marketing mix could be designed by them that would match clients needs perfectly and satisfy them in the best possible manner. But client behaviour may be inconsistent, clients may not have sufficient knowledge or understanding to make a fully informed or intelligent search; and clients may not be able to correctly evaluate the qualifications of competing professionals. Thus to have a thorough understanding of customer needs and desires - their functional requirements and emotional needs in buying professional services of accountants, a client survey or Market analysis of this type was done. The method of market analysis adopted is the same as is being used for goods, as there is a consensus on this issue. Cooke, (1970), for example, suggested that, "In so far as logical and procedural considerations are considered, there is no meaningful and substantive difference to be drawn between the process of defining and analysing a market for a product and a market for a service."
Stanton, (1981), confirms "Market Analysis is essentially the same whether a firm is selling a product or a service". This is because analysing the market is essentially concerned with human needs and wants. So Marketers of professional services need to understand what client wants, which type of services they want, motives underlying their purchase, attributes of Professionals affecting their behaviour and choices in their selection, sources of information they look into while making a purchase decision, degree of client loyalty, difference in user and non-user behaviour and the like, and on the basis of which clients' behaviour Models can be made which can guide the professionals in their approach to Marketing of Professionals Services. Such Models of consumer behaviour in existence are of:

Konard, (1968); Green & Tull, (1974); McDermott, (1978);

7.1 Client Uncertainty :-
This part of the study presents an important insight into what clients of professional accountancy services, really want.

One important conclusion that can be derived from the results of the study is that Today's consumer of
Professional Services are more informed, more aggressive, most cost-conscious, and probably engages in more comparative shopping than ever before. Some examples to illustrate it are given below:

1) As one client's objection to Professional was, "your fee seems high. I can engage the 'X' firm at half the price".

2) Another prospect's objection was, "you are handling my competitor's work".

3) Another client query related to Professional was, "How can you possibly justify such a charge for what we have asked you to do".

These and many other statements by clients shows the increased awareness among the clients. Therefore, the clients wants other things besides benefits that stem from the outcome of the application of the Firm's skills. Clients buy security and service. No doubt, as brought about in the study that all type of clients—individual, Institutional and other professionals hire Accountants for professional work of Auditing and Tax representation, and for other newer areas where they have started feeling needs like those of Secretarial and Company affairs, Management Services, EDP, Estate Planning and the like. Therefore, the purchase of professional service by the client was the purchase of uncertainty reductions. Therefore, high degree of emotionalism was built in the purchase of professional services, essentially intangibles, and often the clients used
to ask the question in their minds consciously or unconsciously that, "If I buy this service will my current unease be replaced by an acceptable feeling of comfort". For example, if some problem comes before the client relating to Company affairs, then he will, start searching here and there the professional accountant who can help him to be free of that worry and get the work accomplished. This is true for individuals as well as institutional client which leads to inference that client often buys 'people' i.e. "Professional Providers" rather than services which is critical for the professional service marketer to understand. The above conclusions of the researcher are supported by studies of Wittreich (1966), Stapleton (1980); Wilson (1972); Denney (1983); Kotler & Connor, (1977); Mahon (1978); Wheatley (1983); Bloom & Kotler (1983); Deardan and Kiser, (1981); Cowell (1984).

7.2 The Product - Service Offering :-

An important conclusion in this area can be that services be modified and improved based on market informations which provides an important guidelines to Professional Service Provider to improve knowledge of his market.

The results of the study clearly show that irrespective of being individual/Institutional or Professional clients, usefulness of Chartered Accountant for accounting needs was basically being realised for official business purposes of Auditing and Tax representation as opined by majority (90 to
100% respondents, or for areas of well being comprising those of Financial Planning, Internal Audit and Control and the like. However, little need was realised for them in the areas of other than official or Well being services like those of Real Property handling, Estate Planning, Staff Recruitments, etc. where the % of respondents distribution was very feasible being in the range of 0 to 10%. From this one can easily derive that since there was not much spread of education regarding the usefulness of Professional for all these areas to the clients, therefore, client uncertainty prevailed about the usefulness or necessity of CA for lending his services for all these newer areas of practice. One can analyse how often "knowledge of tax law or of Estate Planning" is translated into a "Problem solution and higher retained income for client," which is all that client want and is as not actually found in reality as a result of which the awareness of the usefulness of professional among non-users of CA services is less. Users being better informed and being already in touch with professionals, can better realise the usefulness of a Professional Accountant for future accounting needs and, therefore, can place a value on professionals.

Thus, the lesson is clear enough that what the customer/client buys is not necessarily what the provider sells. This is true in goods marketing as well as in case professional service also. Therefore, accountancy service providers should offer the features of services which are
benefits in the eyes of clients. The accountancy firms which will expand successfully will be those which will offer and deliver benefits and other client-satisfying attributes. Clients have become more demanding than before.

An implicit assumption of this study is that the increased use of Accountancy Services by potential client is desirable. And it can be interpreted that many people not using Professional Accountants can benefit from their use, in the form of "Reduction of Tax Liability; being reduced of worry and tension of Income calculation, better Investment of surplus funds, and to have more income by having their surplus funds being properly utilized."

But today the Professional Accountants are seen only as a liason representative between them and various other government agencies, and it is principally because of this role that they are hired. The image of "professionals" in the eyes of client in India is not that of Professional and they do not buy 'professionalism' which clients in advanced countries see. That is why observation of Gulrajani (1987) is pertinent here who observed that Accountancy Profession in India is 40 years behind the United States and Western Europe.

However, demand for professional Accountancy Services existed in the fields of
1. Auditing
2. Taxation
3. Internal Audit & Control
4. Financial Planning

(i) Electronic Data Processing consulting
(ii) International tax Consulting Services.
(iii) Medicare Audits of Hospitals, Nursing Homes, New Services
(iv) Secretarial & Company Affairs
(v) Management Services; organisational studies, staff recruitments etc.

IMPLICATIONS:

The foregoing discussion suggests the following:

(1) Professional Accountants should survey their local markets to determine potential accountancy needs of the area. Wilson (1972) says, "it is truly surprising how rarely well organised and managed firms have failed to audit all the areas in which they have capabilities."

(2) Real understanding of the clients' problems and the real understanding of the Organisation's professional resources be there, to ensure client satisfaction.

(3) Widespread awareness of their usefulness, be demonstrated to reduce the client uncertainty and enable them to answer themselves the question, "whether we have made the right choice of Professional Accountant or not". This is possible by uncovering all objections of the
clients, and paying close attention to their problems.
(4) Based on survey as recommended in (1) above, specialities can be developed and promoted, e.g. one professional accountant advertised about his experience in handling liaison work for NRI's, Foreign Nationals/Firms and Individuals in India. (Hindustan Times, March 1988). This will ensure increased use of specialised Accountancy Services by many clients.

The results are supported by many studies available from review of literature like Wilson (1986), Deardan, Deardan & Kiser (1981); Hallauer (1972); Deborah Rankin, (1977); Kotler & Bloom (1983); Mahon (1978); Dirsmith (1987); Helgeson and Birrer (1986); Wittreich (1966); Eiglier and Langeard (1981); Levitt (1960), Shostack (1977), Levitt, (1981), Wheatley (1983); Denney (1983); Parikh (1971); Bhandari (1971);

7.3 Sources of Information & Client Uncertainty:

Clients of professional accountancy services, buy an expectation of a result. They cannot know in advance what they will receive. Reputation, experience or long association with a particular firm does not guarantee that the quality, efficiency and speed of a service will replicate itself. Professional services are people based and people are unpredictable, even when operating within standard practices, procedures and precepts. The inability to know, positively, just what will be received is a major source of uncertainty.
Furthermore, there are many things about which clients are uncertain and will not or cannot specify. Some of these are:

(a) Uns sureness of their own needs.
(b) Lack of confidence of the Profession itself.
(c) Which firm to deal with.
(d) Ignorance about usefulness of the professional for special service.
(e) Value for money assessment.
(f) Unspecified or open-ended cost commitment.
(g) Rejection of liability by the professional services providers (i.e., no insurance liability exists in our country given by the Professionals to clients).

Because of all these uncertainties, prevailing in the professional market place, clients look to varied sources of information for reduction of uncertainty. Many sources available for goods promotion are restricted for professional service because of self regulation e.g., professional services cannot advertise. Still within these constraints, it was found from the study that personal information sources dominated the selection process for service providers of Accounting services. Personal Sources alone provides an opportunity to the clients to interact with the Professional Accountant and infer about his quality and integrity from his/her behaviour, with 50% users, (individual, institutional and other clients) opining in its favour. Referral sources and Daily Contacts were next only to Personal Information Sources being consulted opted
by approx. 8.5% user respondents. Personal Information Sources comprised mainly of family members, self, friends, relatives, coworkers and the like, while referral sources comprised of existing clients, other professionals; and Daily Contacts comprised of other Users recommendations. The results are very much in line with the work of Bloom and Kotler, (1983) who remarked "in an effort to reduce the great uncertainty experienced in buying professional services, people tend to seek large amount of information from others like family members, friends, co-workers and other trusted sources."

Results are further supported by works of Wilson(1986); Kotler & Connor (1977); Kuehl & Ford (1977); Feldman & Spenser (1975); Smith & Meyer (1980); Deardan, Deardan & Kiser(1981); Ward, Scott (1974); Bloom, (1977); Kotler(1980); Sarkar & Saleh, (1974); Wittreich, Warren (1966); Uhl & Upah (1980); Kotler & Bloom (1983).

Recommendations for professionals can be that:

(1) in an atmosphere of great uncertainty, clients do not want to feel uncertain about the Professionals they will be working with for which they should employ personal Contact strategy which alone will be the best approach to communication in such professional setting where other means of communication like advertising etc. are banned.
(2) Accountants could widen their personal social circles by becoming members of clubs etc. which can provide an opportunity to have access to non-users i.e. potential clients.

7.4 SELECTION CRITERIA:

The study revealed that clients/users were having some predetermined idea in their mind before they went in for the selection of Professional Accountants, as opined by majority 90-100% clients in various categories—Individual clients and other Professionals (94.68% and 100% respectively). As compared to institutional clients (88.63%) were found to be having more pre-decisive criteria's for professional service providers.

From among the different attributes of the professionals highlighted (compiled from literature and discussion), 'Technical Competence' was found to be the most sought for attribute in professional choice selection by the users ranked at No.1 with weightage of 558 pts i.e. 93%, followed with Quality of work/Service' at rank 2 with corresponding percentage of 90%; "overall reputation/Integrity of CA at rank 3 with percentage of 85%; 'Experience of Accountant' at rank 4 with a 68% respondents.

Among non-users category, attributes considered important were ranked as: overall reputation/integrity of CA Firm at rank 1, with percentage 95%; 'Technical Competence' at rank 2 with percentage 94%; 'quality of work' at rank 3 with percentage being 87% and Experience of CA at
rank 4 with 74% respondents. Thus while 'Technical Competence' was ranked at No.1 in case of users, non-users were more inclined for the 'overall reputation/integrity of Firm ranked at No.1. Thus, the users of Professional Service buys the capabilities of the seller. Spearman Rank Order correlation co-efficient ('R') further showed that considerable degree of consistency existed in the response pattern of the two groups - users and non-users.

The results of the study further revealed that the selection criterion that users were using and those that the professional accountants perceived their clients to be using, were quite similar. The Spearman rank order correlation co-efficient, (R=+.84) between these two groups demonstrated considerable consistency in response patterns.

It is important to note here that the most important attributes of Professional service Provider i.e. Technical competence, quality, integrity and experience correlated with the expected satisfaction of users and non-users, therefore adequate information required to generate reliable inferences of quality, integrity, competence, experience be made available to the clients before they make their choice. But such informations are not made available or inferred from external sources either because of (1) difficulties involved in assessing quality, competence and integrity of professionals (clients definition/may be different from those of Professionals definition) by the client, and secondly (2) advertising as means of mass communication is prohibited in the profession as a result of which much
information is not made available to client. Because of these reasons clients frequently turn to personal information sources like personal acquaintances and friends/relatives advice to select a Professional Accountant.

Other reported studies also support these findings such as Anderson et al (1976); Sarkar & Saleh (1974); Smith & Meyer (1980); Wood & Ball (1978); Kuehl & Ford (1977); Bloom (1984); Uhl & Upah (1983); Wittreich (1966); Helgesen (1986); Denney, (1981); Kotler and Bloom (1983).

Recommendations for Professionals:
(1) Professionals should provide tangible evidence to the intangible elements - (particularly human skills and aptitudes) of their service, to build consumer confidence before they are being selected.

(2) Use personal means of communication more pronouncingly like personal contact etc. for attracting the customers, and demonstration of their capabilities of providing better service than their competitors, like one commented providing "value-added Audit".

(3) Provide for a better 'environmental' and 'collateral' evidence, to instill confidence in the clients which include things like dress, manner, premises etc.

7.5 Necessity of Professional Accountants for different type of cases

Users, ranked the necessity of a Chartered Accountant for 'Business Taxation' and 'Auditing' work at rank 1 and 2
with respective weightages being 594 points and 569 points respectively. Other spheres where necessity of CA was felt by users were for 'consultations' at rank 3 followed with 'attestation of Financial Reports for arranging 'Bank Loans' at rank 4 and so on. This was true for all type of User clients - Individual, Institutional and other professionals.

Among non-users, the necessity of a CA was felt for 'Business Taxation', Auditing, 'Attestation of Financial Reports' for arranging Bank loans, 'consultations', 'Preparing Project Reports' etc. at rank 1, 2, 3, 4, and 5 respectively. Less need for CA was realised for cases, similar to those of users i.e. for staff recruitments, Appearance before Registrar or Monopolies cases, Functional Organisational studies, Amalagamation/Merger cases being ranked at 12th, 13th and 14th positions respectively.

Further, Spearman rank Order corelation co-efficient test (R), showed value of R, close to +0.9 for all type of client groups i.e. individual, Institutional and other professionals. It can thus be concluded that high degree of consistency existed in the response patterns of Users and non-users as regards the necessity of a CA for different type of cases.

Thus it can be interpreted from above that Auditing and Tax representation being the predominant areas where maximum cases are being currently handled, will continue to remain as predominant areas of practice in future times to come, with number of assesses on the increase as well as
number of companies being floated on the increase and statutory audit remaining important function of C.A.s. However, greater scope also lies in newer areas where cases can be found by the practicing C.A.s in greater numbers (future area of research). However, to tap business in these newer areas calls forth for the experience and skills which needs to be learnt and nurtured by these professional accountants to fully exploit the potentiality that lies in these newer areas of practice.

**Implications for Professionals**

(1) Necessity for Professional Accountants has to be seen from the client's angle and not from the angle of the performer i.e. provider of services so as to come out with innovations according to the clients expectations.

(2) Constant Audit of Service lines be done to keep track of the newer areas of practice and match the capabilities of the Firm with these opportunities. Staying alert and aggressive from client's angle is advocated. This is key to remain Market-oriented i.e. client-centered.

Studies that support the above conclusions are by Mahon, (1978); Wheatley, (1983); Denney, (1981); Denney, (1983); Turner, (1969); Kotler and Connor (1977); Kotler and Bloom, (1983) and Bloom, (1984).
7.6 CLIENT LOYALTY

The study revealed that although complete satisfaction of client can only be there from the results of professional services provider, which shows up only after the service is performed, but still when the case is in process, factors like 'behaviour of CA/Firm members'; 'service provided as regards accuracy, timeliness, promptness'; 'Fee' charged; and 'personal attention', become the attributes of a professional Accountant on which the satisfaction depends. If the intensity of satisfaction on any one of these attributes is rated as low by the clients, then the level of dis-satisfaction will increase and as a result of which clients will not repurchase or rehire the services of that particular Professional Accountant the next time.

The result of the study showed that clients were fully or moderately satisfied with these four attributes of the Professional Accountants, i.e. "their behaviour"; personal attendance; fee package charged, service provided as regards accuracy, Timeliness and promptness."

Further the results of Question No.8 shows that 66% (approx.) of individual clients, 65% of the institutional clients, and 83% (approx.) of other Professional respondents showed the 'Loyalty' towards the same Professional Accountant/firm if they will require the services of a C.A in future accountancy requirements.

IMPLICATIONS:

Thus to ensure the client loyalty for future
repurchase, like is there in case of goods marketing; professionals should demonstrate good behaviour, timely, accurate and prompt service, personal attention to clients, and reasonable fee package.

The results helped to conclude that the great uncertainty and consequent tension and anxiety - which many clients experience in buying professional services discourages 'shopping around' and encourages loyalty, like brand loyalty for products.

However, this is not to say that thus there is no need for the professionals to exert or make efforts. But results without serious effort may not well equate with the client view of skill, utilised time, involvement, care, or fees charged by the Professionals. So efforts that need to be done on the part of professionals cannot be overlooked. Findings are supported by studies done by; Wilson (1986); Kotler & Bloom (1983); Cooke, (1970); Wilson, (1972); Denney, (1981), & Kotler (1980);

7.7 Clients and Prospects: What they want from their Accountants

The total study clearly projected that there is a need to fully understand what clients and prospects want from their Accountants, so as to enable them to market their services effectively. A partial list would include the following:


2. Help in preventing problems.
3. Need to be perceived as having experience & Competence

4. Attention

5. Availability.

6. New Ideas & New Services

7. Timeliness

8. Confidence/Integrity or Peace of mind.

9. Quality of work according to clients requirements as have been brought in the conceptual frame-work.

10. Follow-up

11. Personal Counsel

12. Value for their money.

13. More and better information to help in professional choice and selection.

14. The right Chemistry i.e. work be got accomplished.

15. Project 'effort and activity'.

16. Project 'Environmental' & 'Collateral' evidence i.e. of Dress, manners, politeness, premises etc to instill confidence in the minds of clients & prospects.

The above list is not an exhaustive one, and further studies can be undertaken to uncover more consumer insights with regards to professionals (Future area of Research).