

Sustainability of financial professional services through marketing strategy- an empirical research

Adriana DUTESCU

The Bucharest University of Economic Studies, Bucharest, Romania

Adriana Florina POPA

The Bucharest University of Economic Studies, Bucharest, Romania

Florin DOBRE

The Bucharest University of Economic Studies, Bucharest, Romania

Georgiana Oana STANILA

The Bucharest University of Economic Studies, Bucharest, Romania
gostanila@gmail.com

Abstract. All types of companies providing financial professional services use, formally or informally, marketing principles and tools for the development of their business, in order to straighten their sustainability. By the end of 2009, in Romania, the financial professional services market has had a relatively constant and predictable development, the mandatory nature of these services being their most important promoter. This article presents the results of a survey aimed to highlight the impact of different marketing principles, techniques and tools on the sustainability of financial professional services in accounting and audit nowadays. The research is based on a questionnaire circulated to professionals with the relevant expertise in the financial-accounting domain. The number of responses obtained was considered meaningful, allowing the research results to be extrapolated to the entire studied population. The respondents, whose anonymity was respected, had multiple choice answers for most of the questions and also having the option of opened answers. The main findings of our research are a starting point in providing solutions to improve the sustainability of financial professional services through a coherent, innovative and effective marketing strategy.

Keywords: marketing of services, sustainability, sustainable business, professional services, accounting.

Introduction

When it comes to small and medium enterprises and professional services market, the greatest challenge we are facing today is sustainability, both in the short medium and long term.

The purpose of this research is to bring into question the role of marketing in supporting the sustainability of the financial services. It provides objective and effective analysis of the responses obtained through a survey addressed to professionals in the financial professional services mostly in accounting and audit domain. Ensuring sustainable development of these services must be in line with the principle of continuous learning, as these activities involve constant adaptation to market changes.

We start our analysis from framing the basic concepts into the specialty literature and in the current economic context. In our approach, we are looking to determine the extent to which various marketing tools and techniques directly contribute to sales growth and,

therefore, support a sustainable business in professional services, with a particular focus on the financial - accounting and auditing services

Our goal is to bring into discussion the results of an investigation into the way the finance and accounting firms act in terms of understanding and using the marketing techniques in order to secure the sustainability of their business.

Professionals in the services field have earned a well-deserved place in various industries through their accumulated expertise. However this is not sufficient in the medium and long term. In order to secure their business sustainability, they must proactively generate a growth in turnover, and consistent marketing can support this decision.

Research context

As a general trend, nowadays the business environment is characterized by an increased level competition and an effective and efficient process of innovation that could have a significant positive effect in enhancing competitiveness (Rahman et al. 2015). The "Business-to-business" professional services represent a high growth area. Increasing complexity and advanced technology are the main characteristics of this sector, making new product development both essential and risky for firms (Brentani and Ragot, 1996). The recent financial crisis has generated the need to restructure and reposition the business in almost all industries, forcing the professional services to a new rethinking of their business models and to ensure an immediate sustainability (Lungu et al. 2012).

Despite the fact that the marketing is often seen as an antithesis of the concept of sustainability, there is a growing interest in analyzing the relationships between these two concepts (Jones et al, 2008). Selby et al (2009) refer to sustainability marketing and its need to combine with an organization's actual and aspired commitments and credentials to a sustainable position. One of the most obvious links between marketing and sustainability is the way in which companies are approaching their commitment to sustainability in an attempt to differentiate themselves from their competitors and to enhance their corporate brand and reputation (Jones et al, 2008).

A good innovative marketing strategy can strengthen the rapport with the existing customers and, mostly, it can increase the prospecting range. It can also lead to an increase in the turnover, improve the fee income per category of services and the visibility of the business, as a whole (Schultz and Doerr, 2009). Gummesson (2007) draws attention on the fact that the professional service firms usually do not have a marketing or sales department, based on the results of an empirical research.

Many of the firms who carried out some form of marketing to support their business evolution failed to capitalize their powerful impact on the quality of the customer service and also on the firm's profits because these activities have not been built into the business effectively (Young, 2005).

Understanding the interaction between client and supplier and the ability to manage the relationship between them is probably as important as the desire of buying the service (Axelsson and Wynstra, 2002, quoted in Vieira and Proenca, 2010). Understanding how customers determine which services are "professional" can help the professionals to better manage their public image and, in addition, to determine how they can extrapolate various results to other types of service (Thakor and Kumar, 2000).

The emotional part has a significant influence on the perception of the value of that service (Hume and Mort, 2010). In this respect, quality of service, corporate and / or services brand, customer relations, services promotion, distribution and prices tend to be key factors in business sustainability (Young, 2005). A study conducted by Reid (2008) on a sample of firms from Australia showed that professional firms are finding the market environment increasingly complex and competitive. On the long term, the quality of services significantly depends on the co-participation of customers, and companies will benefit more from sophisticated customers (Dong, Evens and Zou, 2007).

In Romania, the accounting profession has evolved with fluctuations, being greatly affected by frequent changes of paradigm, at the legislative level. The evolution of accounting to another level of knowledge generated a real need for professional services to adapt.

Research methodology

To achieve the research objective, we have generated a questionnaire distributed both in paper and in electronic format to professionals in the financial and accounting services, who either attend specialized courses organized by CECCAR (Body of Licensed Accountants and Expert Accountants from Romania) or are employees of audit and accounting firms. From the total number of respondents (102), 40 responses were provided online. In order to validate these 40 responses, 100 emails were sent to representatives of financial and accounting firms operating nationally. The other questionnaires were completed during the courses of professional development.

The questionnaire comprises 20 multiple-choice questions with one or more possible answers. This type of questions enables a quick synthesis of the results. Almost every question has an "Other" variant of response where the one who completes it may also provide other answer variants. The questionnaire also has 3 "filter" questions aiming to provide specific information and of referring to certain features of the analyzed elements. The "filter" questions refer to the way the clients' satisfaction degree is measured, the marketing information that can be found on the respondents' own website and the ease of its use. The questions are designed using scales (the scales contain between 3 and 6 answer variants).

The questionnaires were completed over a month. Since the respondents are individuals with similar expertise and skills, we believe that the sample has homogeneous characteristics and, therefore, the results can provide sufficient information necessary to develop a strategy at a national level.

The questionnaire is structured in two parts: the first part (questions 1 to 7 covers general characteristics of the respondent based on: the way they practice as professionals; the turnover of the entity they represent or the amount of proceeds obtained as an individual; the number of employees the business has; the industry'; the legal form in which they develop their activity and the number of years of experience. Questions 8-20 refer to the services provided to the clients and the way the marketing is carried out.

The results show both descriptive statistics associated with the variables included in the analysis (most of them are nominal variables) and the development of some correlation coefficients. Spearman coefficient was used to identify the correlation. The methodology associated with its foundation is based on the fact that each variable in a string is linked to a

rank. Rank “one” is given to the lowest value. The Spearman correlation coefficient reveals whether two variables are amended by a monotonic function. This can also be used for nominal or ordinal variables. In contrast, the Pearson correlation coefficient can be used only for determining the correlation between the two rows of numbers. This requires a certain linear relationship between variables.

To ensure the results are robust, the factors that can ensure the sustainability of financial professional services also had to be grouped. This issue involved reducing the dimensionality of the influence factors by providing an oblique rotation. Unlike the Varimax method (which involves the orthogonal rotation of factors and, therefore, requires the independence of factors), the used Promax method allows factors to be interdependent. In order to identify the number of factors, two criteria were used: one requires its own values obtained to be higher than 1, while the other is based on the results obtained, which suggest the use of only two main factors.

Research results and discussions

The responses were obtained as follows: approximately 39.21% were completed in the online format, while 60.19% were completed on paper. Table 1 summarizes the general information about the respondents.

Table 1. *General information about respondents*

Analysis elements	Results
Legal structure the respondent operates under	60,8% employees 12,7% shareholders or administrators 24,5% independent professionals
Turnover of the entity / Amounts cashed in as individual	63.7% small firms (turnover less than 100,000 euros) 11.8% large firms (turnover between 100,000 euros and 700,000 euros) 19.6% very large companies (turnover exceeds one million euros)
Number of employees	Most firms have less than 5 employees (approximately 36.3% of the total). Other high frequencies are associated entities in which the number of employees ranges between 20 and 50 (16 companies), over 100 people (14 companies) and between 10 and 20 employees (11 companies).

Source: Authors' own research.

The respondents largely belong to relatively small firms. However, about 13.7% of the total firms have more than 100 employees and about 19.6% have a turnover of over one million euros. From an economic perspective, these entities show a high flexibility, being able to adapt quickly to the changes in the market. The specific of the activity requires continuous updates on the market demands, marketing adequately designed to withstand the market conditions and to ensure sustainable development. The existence of a small number of employees facilitates lifelong learning process by attending courses from both within the organization and beyond. The small activity size drives cooperation between different entities and rapid adaptation to ensure the sustainability of the business. Table 2 shows the frequencies distribution in the areas the respondents operate.

Table 2. *Frequencies distribution on the areas of activity*

Area of activity	Frequencies computed relative to total responses		Frequencies computed relative to sample
	No of answers	Percentage	Percentage
Accounting	80	57,6%	78,4%
Financial Audit	21	15,1%	20,6%
Tax consultancy	22	15,8%	21,6%
Management consultancy	7	5,0%	6,9%
Other areas (expertise, inventory procedures, assessment, outsourced payroll etc.)	9	6,5%	8,8%
Total	139	100,00%	136,3%

Source: Authors' own research.

The data presented above shows that there is a relatively symmetrical distribution between the persons with little experience and of those with high experience. Thus, 55.9% have less than 7 years' experience (26.5% of the total under a year, while 13.7% of the total has experience between 1-3 years). Therefore, 44.1% have an experience of over 7 years, with 26 of the respondents having experience of over 15 years (approximately 25.5% of the total). The results indicate a balance in the analyzed sample. These issues can influence the manner in which each person or entity promotes their services.

Table 3 summarizes the main promoting means. Similar to table 2 (associated with question 4), the question allows multiple answers. For the results to be easily synthesized, the specific elements associated with the marketing of sustainable financial services were coded as follows: participation at radio or TV programs on topics of professional interest (Em radio_tv); attending professional conferences/seminars (organized by chambers of commerce etc) (Conf sem prof); attending various conferences/seminars connected to the area (Conf sem conexe); member in professional associations, other than mandatory ones (Membru alte asoc); other promoting techniques (Alte_metode).

Table 3. *Means of promoting financial - accounting and audit services*

Promoting means	Frequencies computed relative to sample		Frequencies computed relative to sample
	No of answers	Percentage	Percentage
Em radio_tv	9	5,4%	8,8%
Conf sem prof	39	23,4%	38,2%
Conf sem conexe	71	42,5%	69,6%
Membru alte asoc	40	24,0%	39,2%
Alte_metode	8	4,8%	7,8%
Total	167	100%	163,7%

Source: Authors' own research.

Data from Table 3 points out the promoting techniques mostly preferred in order to ensure sustainable development. We identified that the most popular marketing method is attending various conferences / seminars related to the activity area (42.5%). In addition, at sample level, about 69.6% of the respondents use this technique of promotion. About 24%

of all answers given, respectively 39.2% from the activities within the analyzed sample, use an affiliation with professional associations, while 23.4% of all activities, and 38.2% of the activities carried out within the sample are attending conferences/seminars professional.

The relevance of these business marketing techniques can be emphasized only if a correlation between the activity and its promoting means is performed. The meaning and statistical significance of these variables is important in economic terms for supporting the sustainable professional services. In order to facilitate the results interpretation, similarly to the services related to the business marketing, the areas in which the entities activate were coded as follows: accounting (Dom_cont), financial audit (Dom_Audfin), tax consultancy (Dom_consf), management consultancy (Dom_consm) and other areas (Alte_dom). The results are shown in Table 5.

Table 5. *Correlation between the marketing methods of promoting the business and the respondents' field of activity*

Domain/ Business marketing	<i>Dom_cont</i>	<i>Dom_Audfin</i>	<i>Dom_consf</i>	<i>Dom_consm</i>	<i>Alte_dom</i>
<i>Em radio_tv</i>	-0,257***	0,098	0,173*	0,052	-0,097
<i>Confsem_prof</i>	-0,127	0,298***	0,225**	0,106	0,111
<i>Confsem_conexe</i>	-0,036	0,178*	0,295***	0,095	-0,095
<i>Membru alte asoc</i>	-0,311***	0,386***	0,165*	0,1	0,104
<i>Alte_metode</i>	0,064	-0,149 (p=0,136)	-0,153 (p=0,125)	-0,079	0,166*

Note: The symbols ***, **, * correspond to the following levels of significance: 1%, 5% and 10%.

Source: Authors' own research

From Table 5 we can see that the respondents activating in the accounting field do not have membership in professional associations and do not advertise their activity by participating in radio or TV shows on topics of professional interest. In contrast, those working in the field of financial audit or tax consultancy promote their work by participating in radio or TV programs on topics of professional interest (only those who work in management consultancy), by participating in conferences/professional seminars (such as those organized by the Chamber of Commerce), by attending various conferences/seminars related to their field of activity and by the membership to professional associations. The activity of management consultancy does not seem to be correlated with any business promoting techniques. The explanation could be that there are a low number of individuals in the sample who have this activity.

For ease of interpretation of data, the methods used to attract new customers were coded as follows: organizing seminars and conferences for potential customers (org_sem_con), advertisements included in various publications related to professional services (r_anunt_pub), newsletters drafting and distribution (buletine_inf), publishing articles, analysis and expert opinions (pub_anz_op).

Table 6. *Correlations between the techniques of attracting new clients and the professional services*

Domain/ Business marketing	Dom_cont	Dom_Audfin	Dom_consf	Dom_consm	Alte_dom
<i>org_sem_con</i>	0,313***	-0,193*	-0,3***	-0,084	0,09
<i>r_anunt_pub</i>	0,0332***	-0,192*	-0,210**	-0,224**	-0,034

<i>buletine_inf</i>	0,120	-0,163 (p=10,2%)	-0,352***	-0,191*	0,003
<i>pub_anz_op</i>	0,287***	-0,325***	-0,325***	-0,133	0,036

Note: The symbols ***, **, * show the following levels of significance: 1%, 5% and 10%.

Source: Authors' own research.

Analyzing the results from Table 6, it can be seen that those who operate in the accounting field attract their new customers by organizing seminars and conferences, by drafting and distributing newsletters and by publishing articles, analysis and expert opinions. In contrast, those who operate in the field of financial audit or tax consultancy seem to prefer other ways to attract new customers than those included in this analysis. Referrals from existing customers are another mean of attracting new clients. Thus, approximately 18.6% of the respondents attract more than 50% of new customers through recommendations, while about 33.3% attract less than 5% of new customers this way. Unlike the results obtained, we believe that in certain sectors such as the financial audit, accounting or tax consultancy, the referral is a very important element as it implies achieving high quality services.

We believe that the existence of a website can attract new customers. However, only 52% of the respondents reported the existence of a business website. 53.84% report information about the types of services offered, 7.69% offer price information, 42.30% provide information about the experts who are involved in various activities, 21.15% disclose references from clients and 30.76% highlight the appearances in the media. However, at the sample level, it is observed that collaboration with other experts to ensure complete customer service is quite low. By analyzing these results, it can be concluded that the sustainability of the professional services could be improved by greater use of these proposed promotion methods.

In order to identify the factors with significant impact on sustainability, eight variables were used and measured by Likert scale (1932). The information collected relates to business sustainability in terms of price, quality of services, mix of services, reputation and the experts' experience, customization of services, legal regulations, location and timeliness of responses from professional firms in the field of finance and accounting. This analysis was based on the fact that the variables are considered ordinal. The validation of certain assumptions was also taken into account. The results are shown in Table 7.

Table 7. Validation of assumptions for factor analysis

Element	Value	Interpretation
Kaiser Meyer Olkin Measure of Sampling Adequacy (KMO test)	0,856	It measures the percentage from the business sustainability which can be explained by the analysis factors. The closer to 1.00 the value of this ratio is, the more relevant the variables included in the analysis are. Approximately 85.6% of professional services sustainability can be explained by factors included in the analysis.
Barlett test	Chi Square approx. 481,556	The null hypothesis of the test assumes that there is no correlation between the questions included in the analysis. In this case, the null hypothesis is rejected because the associated probability is less than 0.001

Source: Authors' own research.

Subsequent to the validation of these results, it is necessary to highlight the number of factors that were included in the analysis. In this regard, the factors with values greater than 1 have been selected. The results are shown in Table 8.

Table 8. *Number of factors to be included in the analysis*

Factor	Initial values			The values derived from initial data		
	Total	Variance %	Cumulative %	Total	Variance %	Cumulative %
1	4,806	53,399	53,399	4,444	49,373	49,373
2	1,066	11,846	62,245	0,587	6,522	55,895
3	0,926	10,288	75,533			
4	0,689	7,656	83,189			
5	0,427	4,743	87,931			
6	0,361	4,016	91,948			
7	0,262	2,945	94,893			
8	0,242	2,688	97,580			
9	0,218	2,420	100,000			

Source: Authors' own research.

The model involves the use of a method based on the factorial analysis of axis. In this case, because the factors are correlated, we cannot determine what percentage these variables recover from the total variance. It is recommended to include only two factors in the analysis. Therefore, we are interested in the elements that are component part of each factor.

The information was coded for ease of interpretation as follows: business sustainability in terms of price (Sust_preț), quality of services (Sust_calit_serv), mix of services (Sust_mixed_serv), reputation of experts (Sust_rep_exp), experience of experts (Sust_expr_exp), customization of services (Sust_pers_serv), legal regulations (Sust_reg_leg), location (Sust_loc) and timeliness of responses (Sust_promt), where the professional services are provided. These are shown in Table 9.

Table 9. *Component elements*

Element	Factor 1	Factor 2
<i>Sust_expr_exp</i>	0,912	
<i>Sust_rep_exp</i>	0,835	
<i>Sust_mixed_serv</i>	0,761	
<i>Sust_calit_serv</i>	0,754	
<i>Sust_promt</i>	0,598	
<i>Sust_preț</i>	0,345	
<i>Sust_reg_leg</i>		0,961
<i>Sust_loc</i>		0,508
<i>Sust_pers_serv</i>	0,410	0,475

Source: Authors' own research.

Analyzing the results from Table 9, it can be concluded that the first factor is related to the individual characteristics of accounting services. The values of the factors can range between -1 and 1. In this case, the values found are more likely to influence (weaker links) rather than correlation coefficients. The sign indicates the type of correlation or influence (positive in this case for all variables, meaning direct influence). The value obtained

indicates the magnitude of the element for the factor in question. A second factor relates to the characteristics measured at regional or national level. This factor can be named "existing facilities". These facilities can be highlighted by the national and regional regulations or by the position of one who performs the financial professional services in accounting and audit. We noticed that sustainability of service customization is not a one-dimensional factor since it is included in both the composition of factor 1, and factor 2. The explanation is that financial and accounting services are rarely customized. By estimating the model without these elements, the components and the hierarchy variables are similar to those shown in the table no. 8.

In this sense, it can be stated that the marketing for sustainable financial and accounting services may be provided through two components: the individual characteristics of variables and the existing facilities for these services. We believe that in order to improve their performance, a more targeted promoting activity should be performed. The research results indicate a reduced marketing activity in terms of attracting new customers, which affects the business sustainability. We believe that the more these services are promoted, the higher their quality becomes, contributing to their pronounced development. In this regard, the business marketing will contribute more strongly in the future to ensuring the sustainability of professional services.

Conclusions

This research highlights the understanding of the importance and role of marketing strategy in the value chain inside a business and aims to identify how the financial services use different business marketing principles, techniques and tools in ensuring their activity sustainability.

Summarizing the results of the research, we conclude that, presently, in Romania, there is a reduced promoting of the business sustainability through the marketing of financial professional services. Although related professionals understand and appreciate the role of an effective and innovative marketing strategy to support the sustainability of the business, currently there is, at least in our country, certain inertia in the systematic development and the wider use of specific marketing methods and tools.

However, due to market globalization of these services and of the effects of the 2008 General Financial Crisis, it becomes obvious that their sustainability can no longer rely solely on the legal framework. Moreover, not only the sustainability of businesses in this area but, above all, their development, cannot be achieved without a marketing plan and constant, innovative and sustained actions directed towards the client. In this regard, we believe that the appeal to techniques such as organizing specific seminars and conferences, drafting newsletters, publishing relevant analyzes, opinions and specialized publications can increase customers' confidence in these services, ensuring their sustainable development. Therefore the more effective the marketing of these services is, the more valuable they become, leading to the enhanced development of this sector.

The importance of professional services in the current context leads us to maintain a high interest in terms of academic research. Therefore, in a future research, we plan to extend this analysis to a greater number of professionals, to measure the evolution in time of the effects of the marketing of these services on ensuring business sustainability and to identify potential inter-professional correlations.

References

- Brentani, U.; Ragot, E. Developing new business-to-business professional services: What factors impact performance? *Industrial Marketing Management*, 1996, [e-journal] 6(25). Elsevier, Science Direct.
- Dong, B.; Evens K.R.; Zou, S. The effects of customer participation in co-created service recovery. *Journal of Academy of Marketing Science*, 2007, 36:123–137.
- Gummeson, E. The Marketing of Professional Services - An Organizational Dilemma. *European Journal of Marketing*, 2007, vol. 5(13) [pdf], Emerald Insight.
- Hume, M.; Mort, G.S. The consequence of appraisal emotion, service quality, perceived value and customer satisfaction on repurchase intent in the performing arts. *Journal of Services Marketing*, 2010, [e-journal] 2(24), Emerald Insight.
- Jones, P.; Clarke-Hill, C.; Comfort, D.; Hillier, D. Marketing and sustainability, *Marketing Intelligence and Planning*, 2008, vol. 26 (2), 123-130.
- Likert, R. A Technique for the Measurement of Attitudes. *Archives of Psychology* 1932, pg.140: 1–55.
- Lungu, C.; Caraiani, C.; Dascălu, C.; Cimpoeu, V.; M., Sahlian, D. Repoziționarea raportării financiare. Studii și cercetări, Ed. ASE, București. 2012.
- Rahman, M. N. A.; Doroodian, M.; Kamarulzaman, Y.; Muhamad, N. Designing and Validating a Model for Measuring Sustainability of Overall Innovation Capability of Small and Medium-Sized Enterprises. *Sustainability* 2015, 7, 537-562.
- Reid, M. Contemporary marketing in professional services. *Journal of Services Marketing*, 2008, [e-journal] 5(22), Emerald Insight.
- Schultz, M.; Doerr, J. Professional Services Marketing: How the Best Firms Build Premier Brands, Thriving Lead Generation Engines, and Cultures of Business Development Success in Book Summary Collection. 2014. Primento. Business News Publishing, 2009.
- Selby, D.; Jones, P.; Kagawa, F. Sustainability Promotion and Branding: Messaging Challenges and Possibilities for Higher Education Institutions, *Sustainability* 2009, 1, 537-555.
- Thakor, M. V.; Kumar, A. What Is a Professional Service? A Conceptual Review and a Bi-national Investigation, *Journal of Services Marketing*, 2000, Vol. 14/1.
- Vieira, I.; Proença, J. F. Relationships in business consulting services: a proposal of a research project. In: *IMP Conference*, Corvinus University. September 2010. Budapest: Hungary, [online], <http://www.impgroup.org/uploads/papers/7403.pdf>.
- Young, L. Marketing the Professional Services Firm Applying the Principles and the Science of Marketing to the Professions, 2005. England. Chichester: John Wiley & Sons, Ltd. [e-book].