



Legal Buyer Behavior and Satisfaction Benchmarks for Law Firms

Kat Kocurek, VP of Marketing, ClearlyRated

About ClearlyRated



Est. 2003

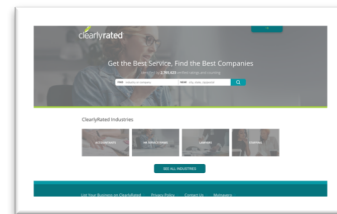
Focus on professional
service providers since
2007

We believe it's **good
business** to place client
satisfaction at the heart
of your growth strategy.



Annual award program for
client service.

Recognizes firms that
have demonstrated
exceptional service
quality based exclusively
on ratings provided by
their clients.



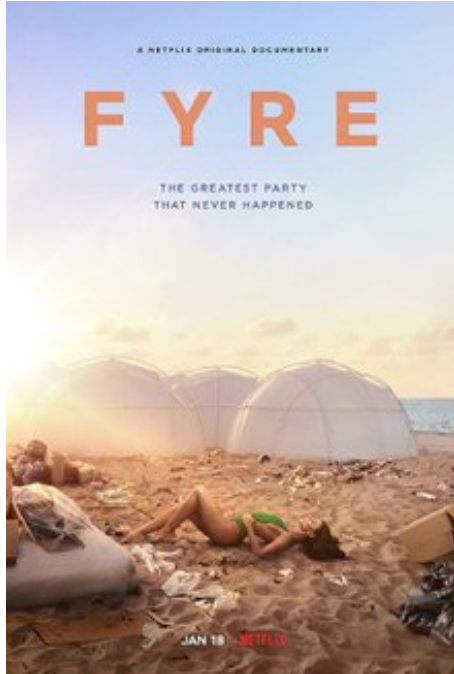
Launched July 2018

Online service provider
directory that translates
client satisfaction scores
into online ratings and
testimonials.

About Kat

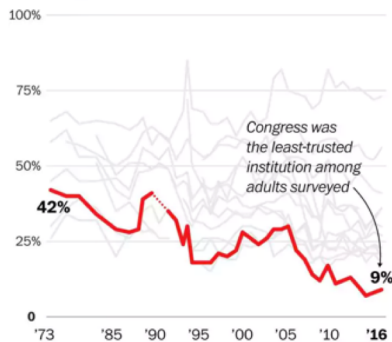


Fyre Festival

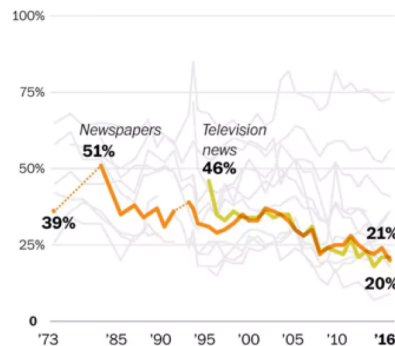


Trust is at a historically low level

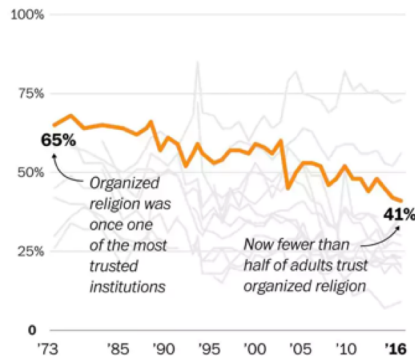
Congress



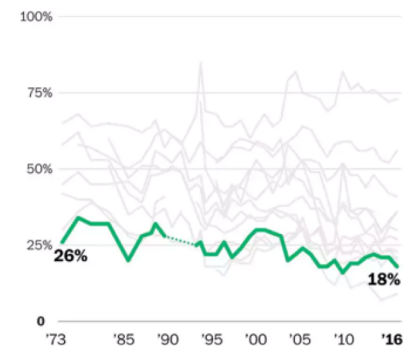
Media



The church or organized religion



Big business



SOURCE: Gallup Organization

2019 Legal Buyer Benchmark Report

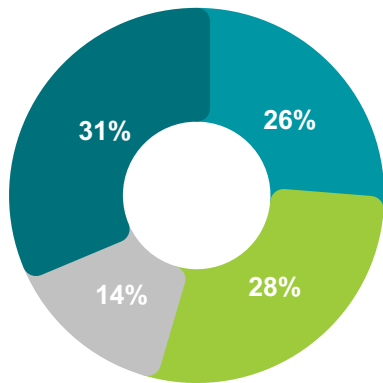
Surveyed **514 buyers and clients** of legal services on:

- How legal clients rate their experience with their primary law firm.
- What drives satisfaction with the legal service experience, and what drives willingness to refer.
- Which resources buyers of legal services prioritize when navigating and vetting prospective law firms to work with.
- How firm reputation and the client experience influence the buyer journey and opportunities for growth.

2019 Legal Buyer Benchmark Report

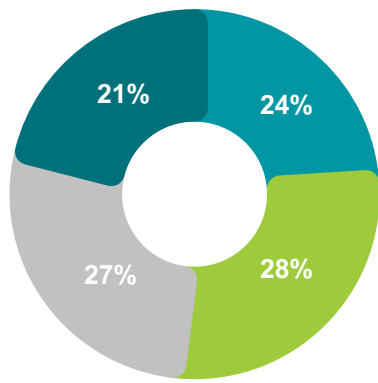
Sample Size: 514 clients and buyers of legal services

Company Size



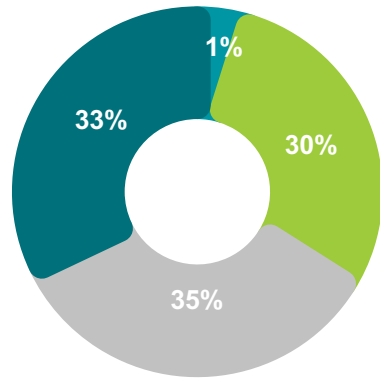
■ Less than 100 ■ 100 to 499
■ 500 to 999 ■ 1000 or More

Company Revenue



■ \$10 million or less ■ \$10-\$50 million
■ \$50-\$500 million ■ Over \$500 million

Generation

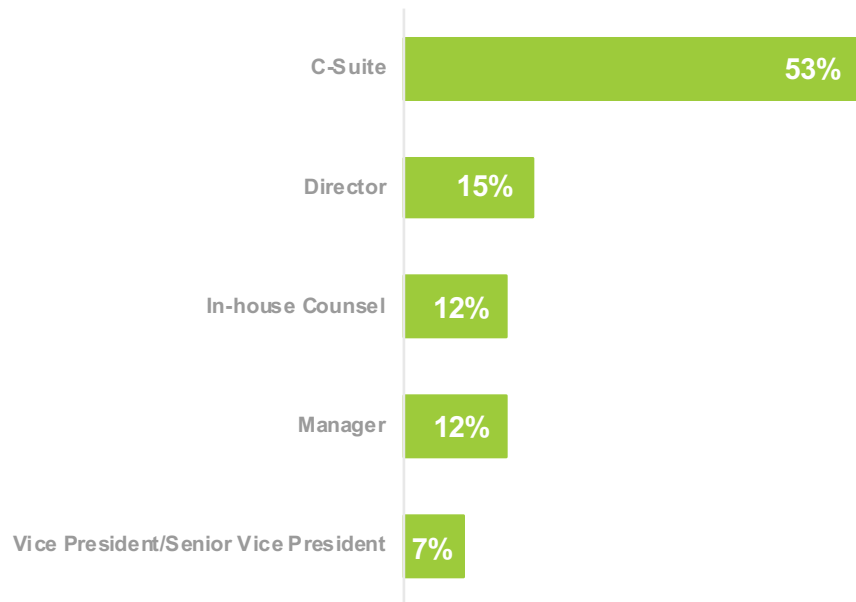


■ Gen Z (23 & under) ■ Millennial (24-38)
■ Gen X (39-53) ■ Baby Boomer (54-72)

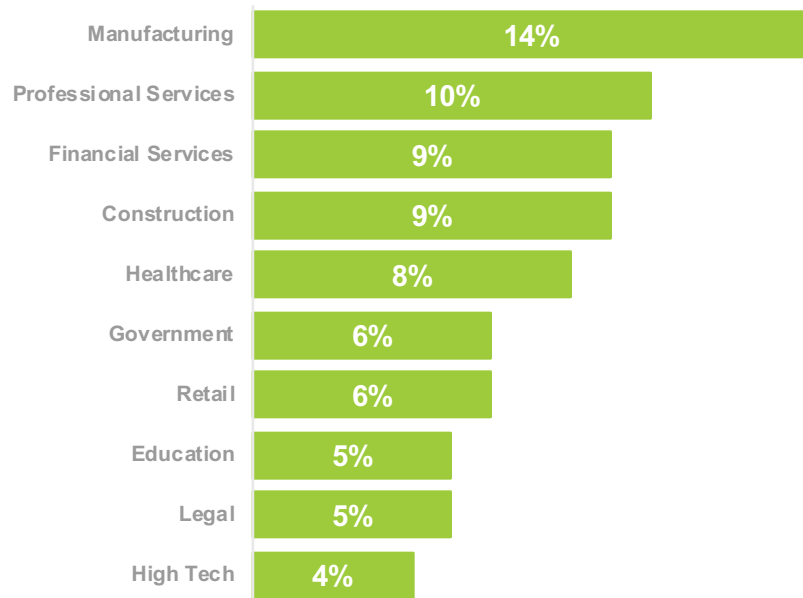
2019 Legal Buyer Benchmark Report

Sample Size: 514 clients and buyers of legal services

Job Title / Role

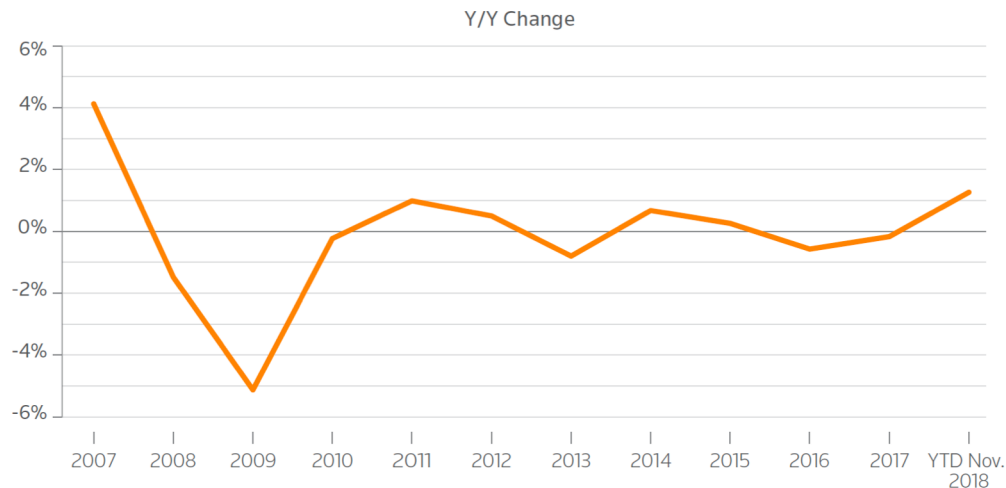


Industry



Promising trends in the market

Figure 2 – Growth in Demand for Law Firm Services



All timekeepers
Billable time type; non-contingent matters

Source: Thomson Reuters Peer Monitor®

SOURCE: Legal Executive Institute, Thompson Reuters 2019

Promising trends in the market

Over the coming year or two, do you expect your organization's legal services needs to increase or decrease?



Demand for legal services is growing:

47% of legal clients will see increased needs

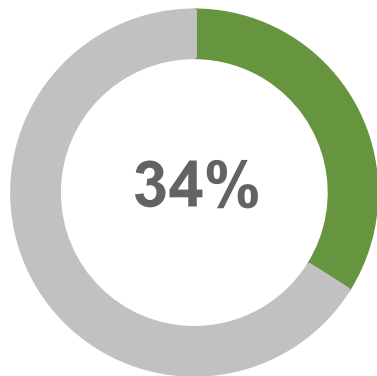
5% of legal clients will see decreased needs

SOURCE: ClearlyRated 2019

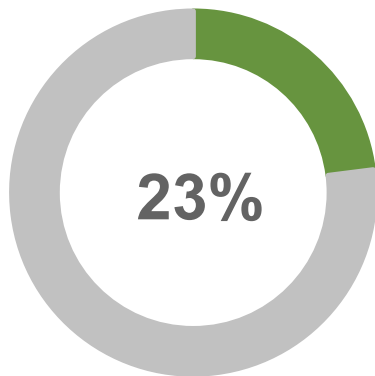
But competition is fierce, and the client experience, client loyalty, and referrability should be top of mind for any firm looking to grow in 2019 and beyond.

2019 Legal Buyer Benchmark Report

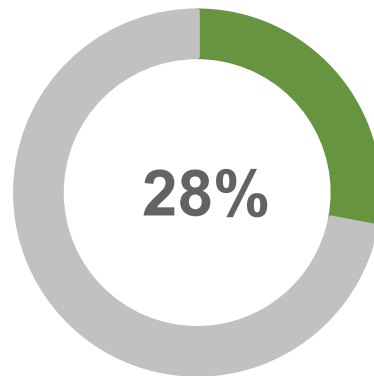
Percentage of clients that are committed to only using their current law firm



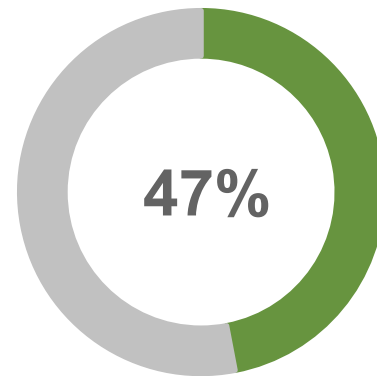
Overall



Millennials



Gen X

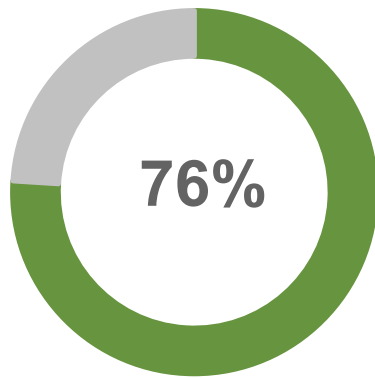


Baby Boomers

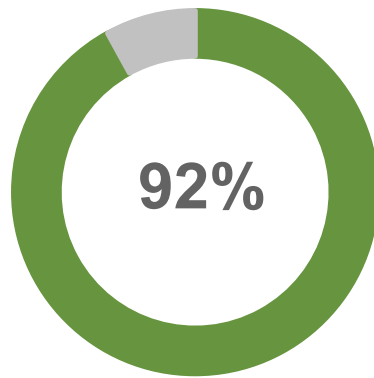
SOURCE: ClearlyRated 2019

3 in 4 clients are open to new law firms that are recommended to them

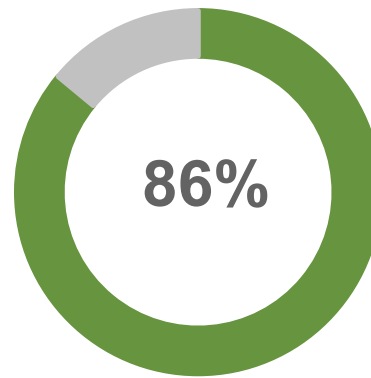
Percentage of clients that that would consider a new law firm that was recommended to them



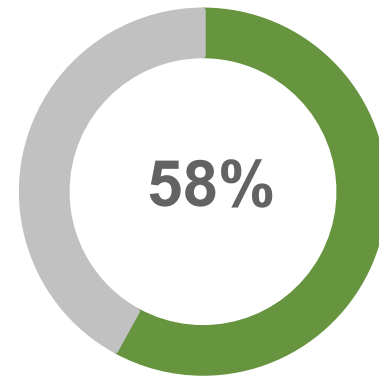
Overall



Millennials



Gen X



Baby Boomers

SOURCE: ClearlyRated 2019

Questions driving today's presentation

1. What buyer behaviors and preferences can we cater to in order to meet the buyer where they are in a **persuasive** and **credible** manner?
2. What can we learn from existing law firm clients to determine what drives **loyalty**, **retention**, and **referrability**?



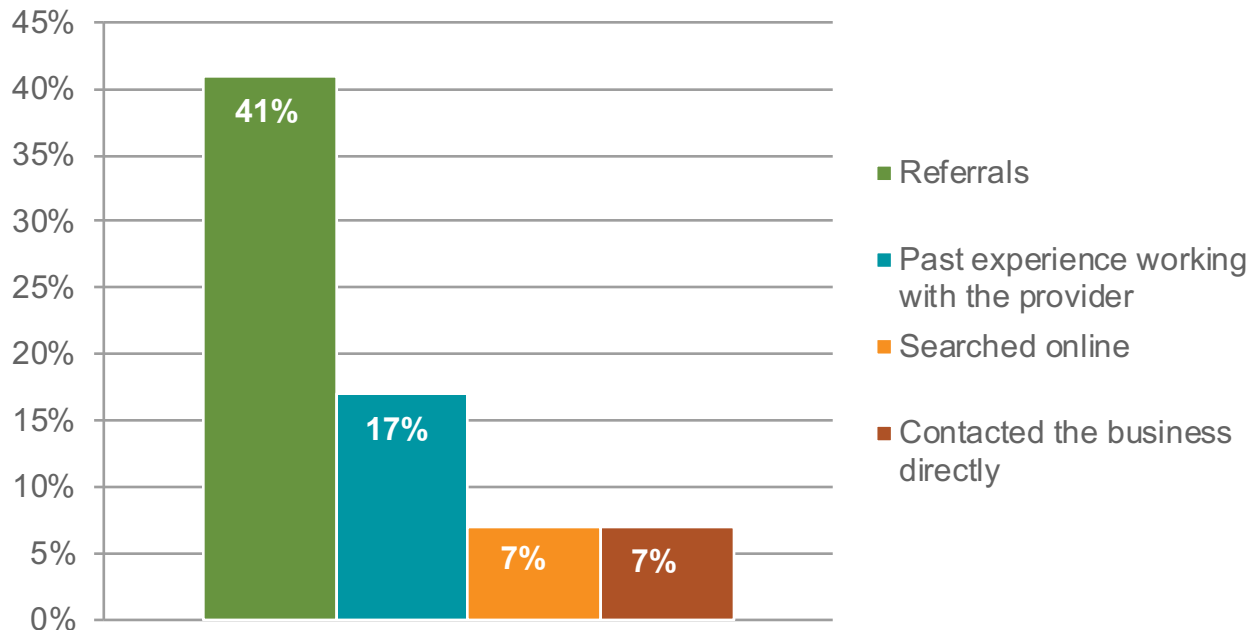
Buyer Behavior Key Takeaways

Buyer Behavior – Key Takeaways

- Referrals are still a top resource for buyers seeking a law firm to hire.

Referral ranks #1 when vetting your firm

First-used
resource for
selecting a
legal service
provider



SOURCE: ClearlyRated 2019

It's not safe to assume that “business as usual” will support firm growth



Buyer Behavior – Key Takeaways

- Referrals are still a top resource for buyers seeking a law firm to hire.
- But research continues after referrals (and before you hear from buyers).

Nearly all legal buyers do research on a firm that is recommended to them

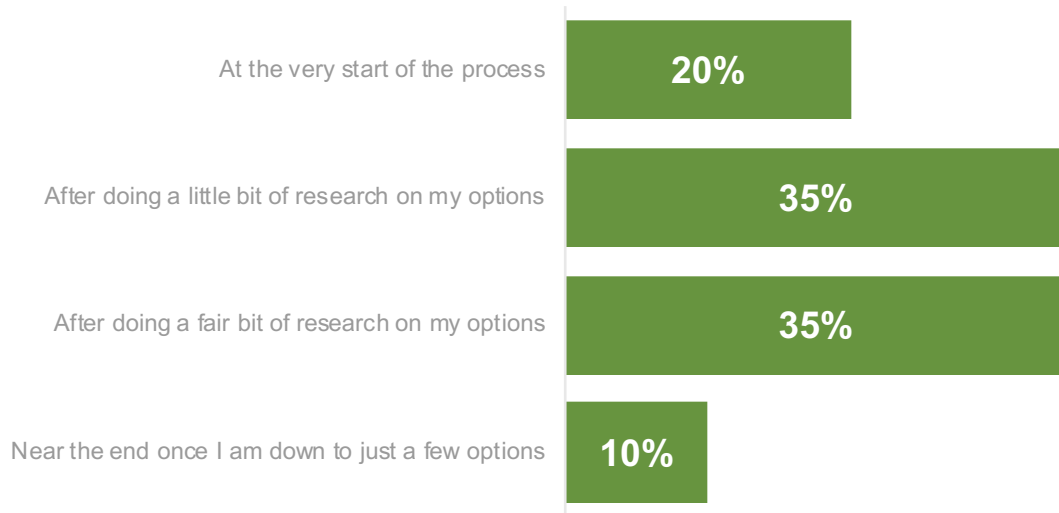


Overall

SOURCE: ClearlyRated 2019

Most legal buyers prefer to research a service provider before engaging with them

Ideally, when do you like to engage with a service provider that your company is considering?



80%

of legal buyers don't want to engage a provider until they have done at least some research on their own

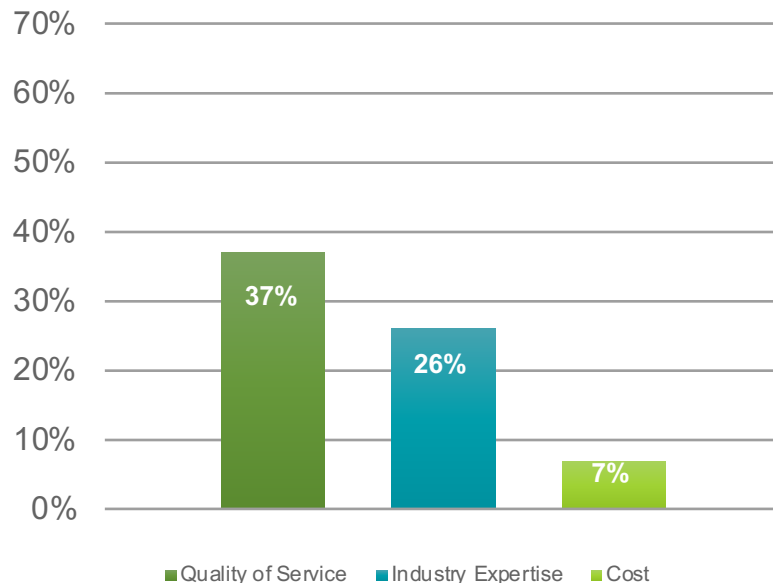
SOURCE: ClearlyRated 2019

Buyer Behavior – Key Takeaways

- Referrals are still a top resource for buyers seeking a law firm to hire.
- But research continues after referrals (and before you hear from buyers).
- Service quality and industry expertise are most important to your buyer.

Service quality and industry expertise are far more important than cost

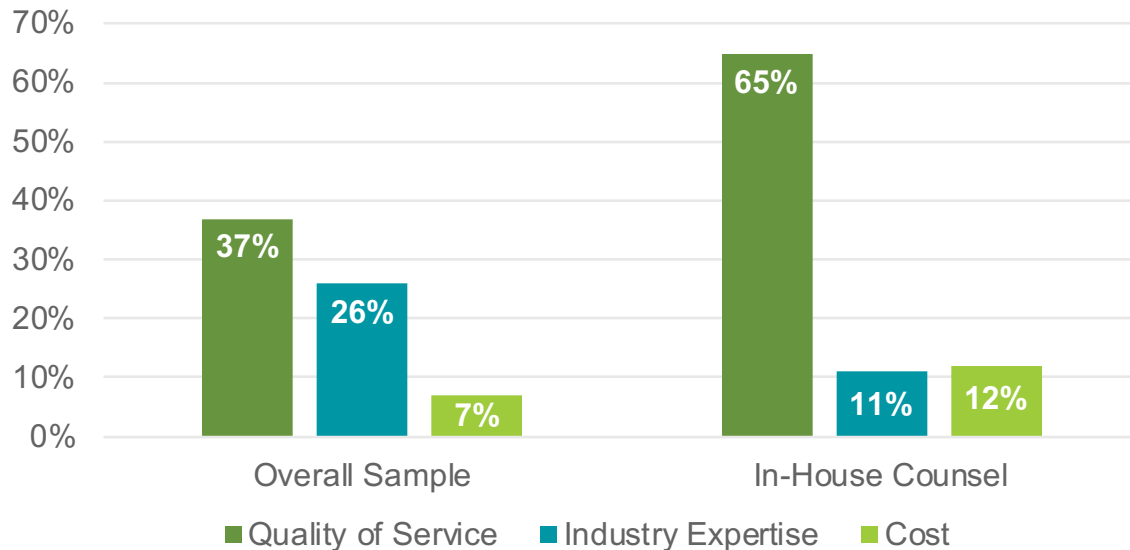
Most important factors considered when selecting a law firm.



SOURCE: ClearlyRated 2019

In-house counsel cohort demonstrates greater sensitivity to quality of service

Most important factors considered when selecting a law firm.



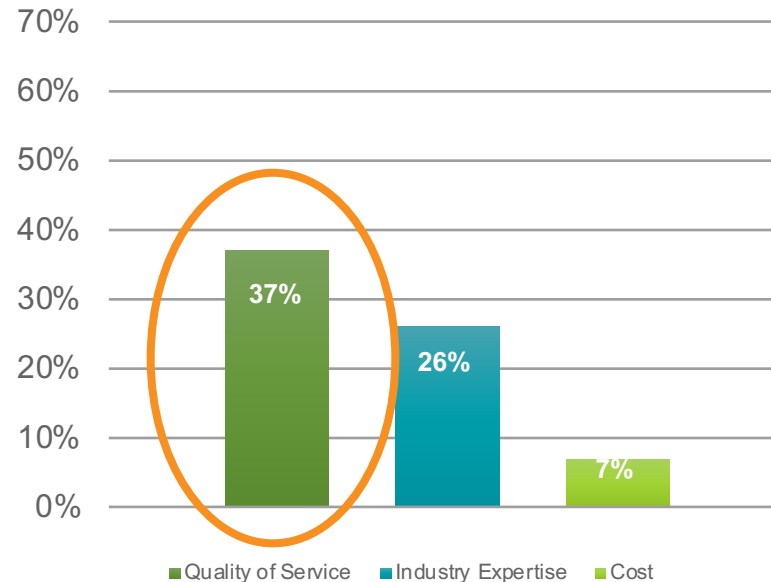
SOURCE: ClearlyRated 2019

Buyer Behavior – Key Takeaways

- Referrals are still a top resource for buyers seeking a law firm to hire.
- But research continues after referrals (and before you hear from buyers).
- Service quality and industry expertise are most important to your buyer.
- Proof of service quality and industry expertise doesn't come from you.

RECAP: Service quality and industry expertise are far more important than cost

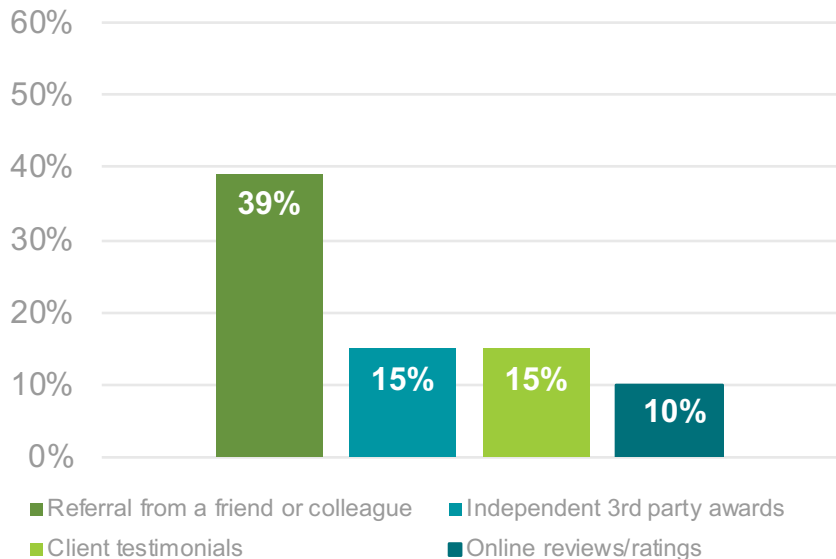
Most important factors considered when selecting a law firm.



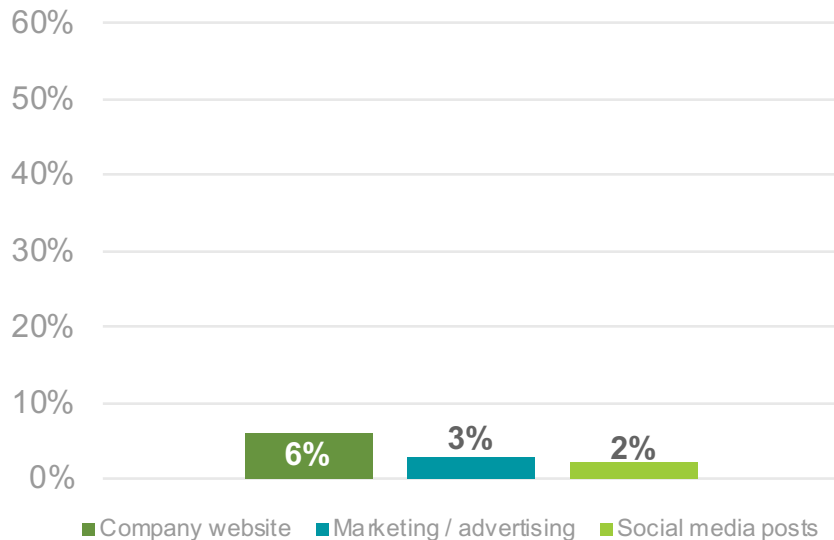
SOURCE: ClearlyRated 2019

What credibly demonstrates quality of a firm?

THINGS OTHER PEOPLE SAY



THINGS YOU SAY



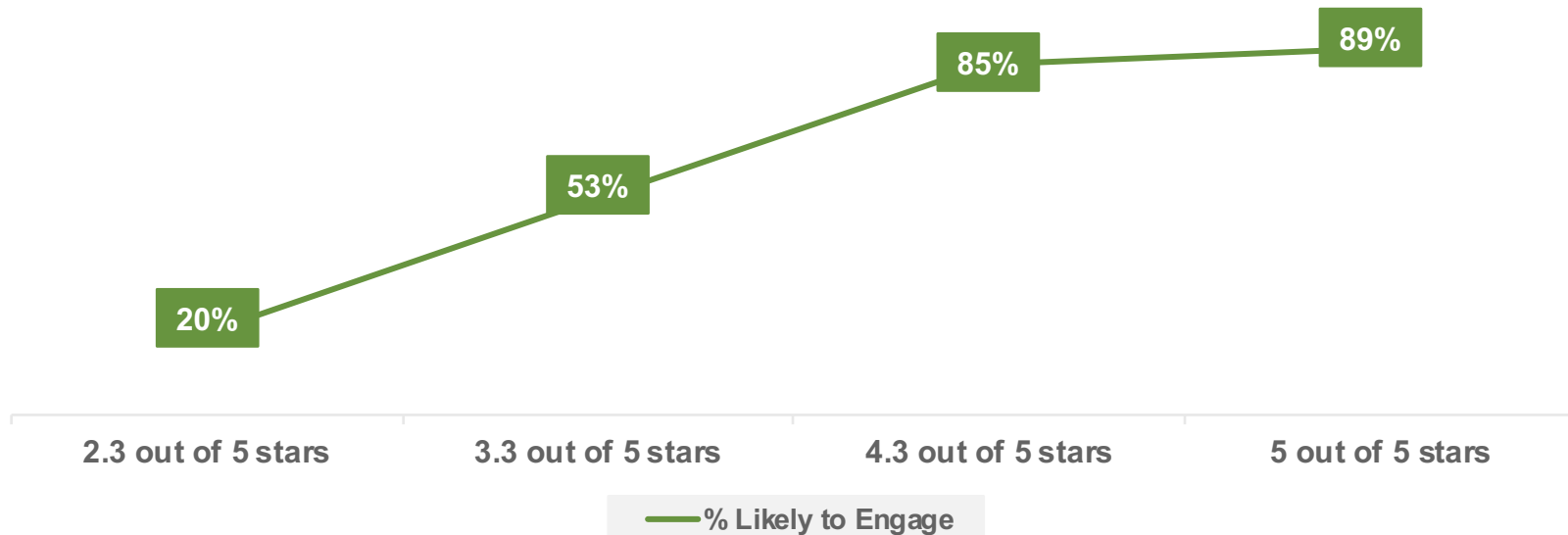
SOURCE: ClearlyRated 2019

A blurred background image of a business meeting. Two people in business attire are visible. One person is holding a pen and looking at a document, while the other is pointing at the same document. The image is overlaid with a semi-transparent teal filter.

A quick note about online reputation...

Higher online ratings = more engagement from potential buyers

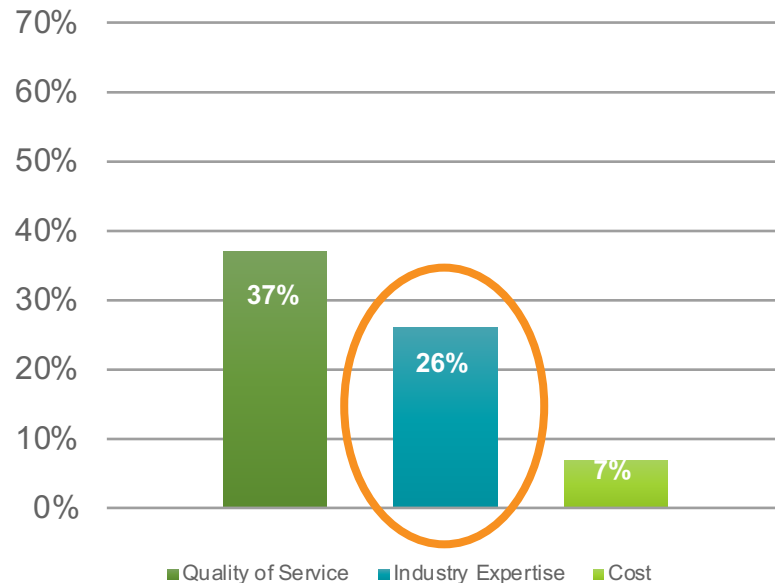
How likely are you to engage with a law firm you are considering that has online ratings of...



SOURCE: ClearlyRated 2019

RECAP: Service quality and industry expertise are far more important than cost

Most important factors considered when selecting a law firm.



SOURCE: ClearlyRated 2019

Testimonials and satisfaction scores strongest indicators of industry expertise

Best ways for a law firm to demonstrate they have industry expertise



SOURCE: ClearlyRated 2019

Buyer Behavior – Key Takeaways

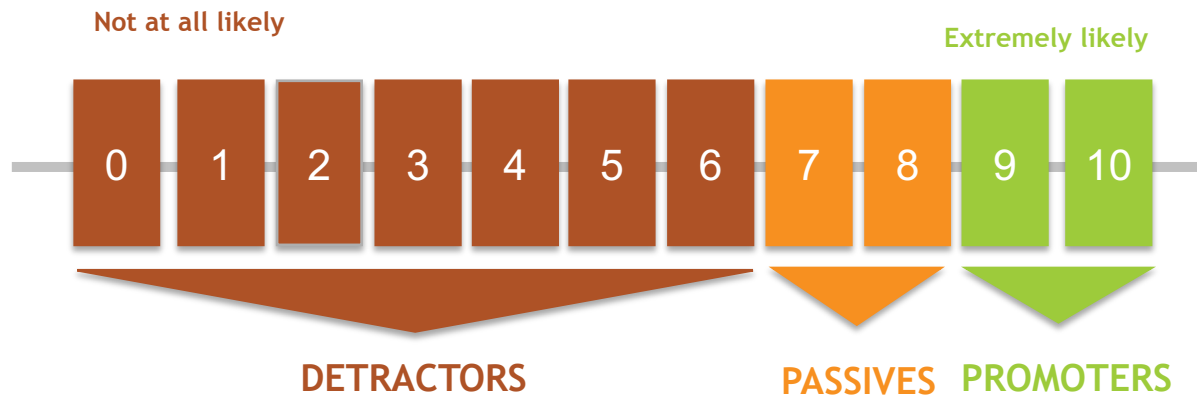
- Referrals are still a top resource for buyers seeking a law firm to hire.
- But research continues after referrals (and before you hear from buyers).
- Service quality and industry expertise are most important to your buyer.
- Proof of service quality and industry expertise doesn't come from you.



Satisfaction benchmarks for law firms. What drives referrability?

Net Promoter® Methodology

How likely are you to recommend our firm to a friend or colleague?

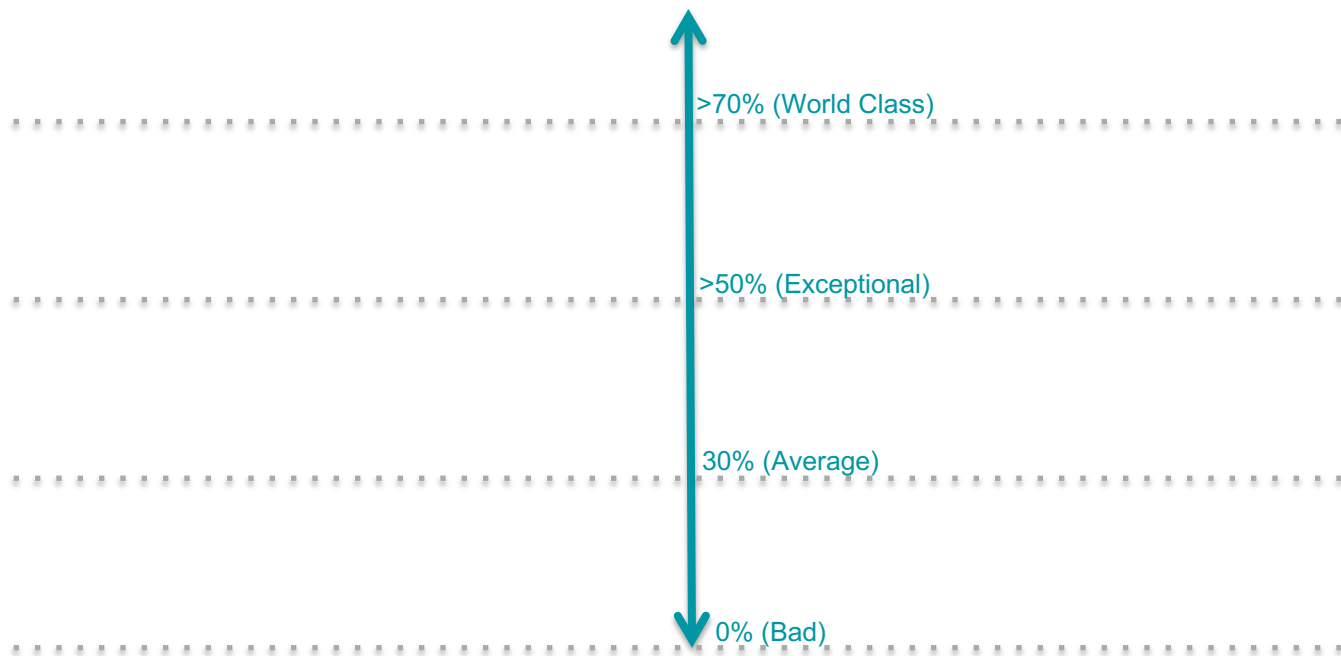


$$\text{Net Promoter® Score} = \% \text{ Promoters} - \% \text{ Detractors}$$

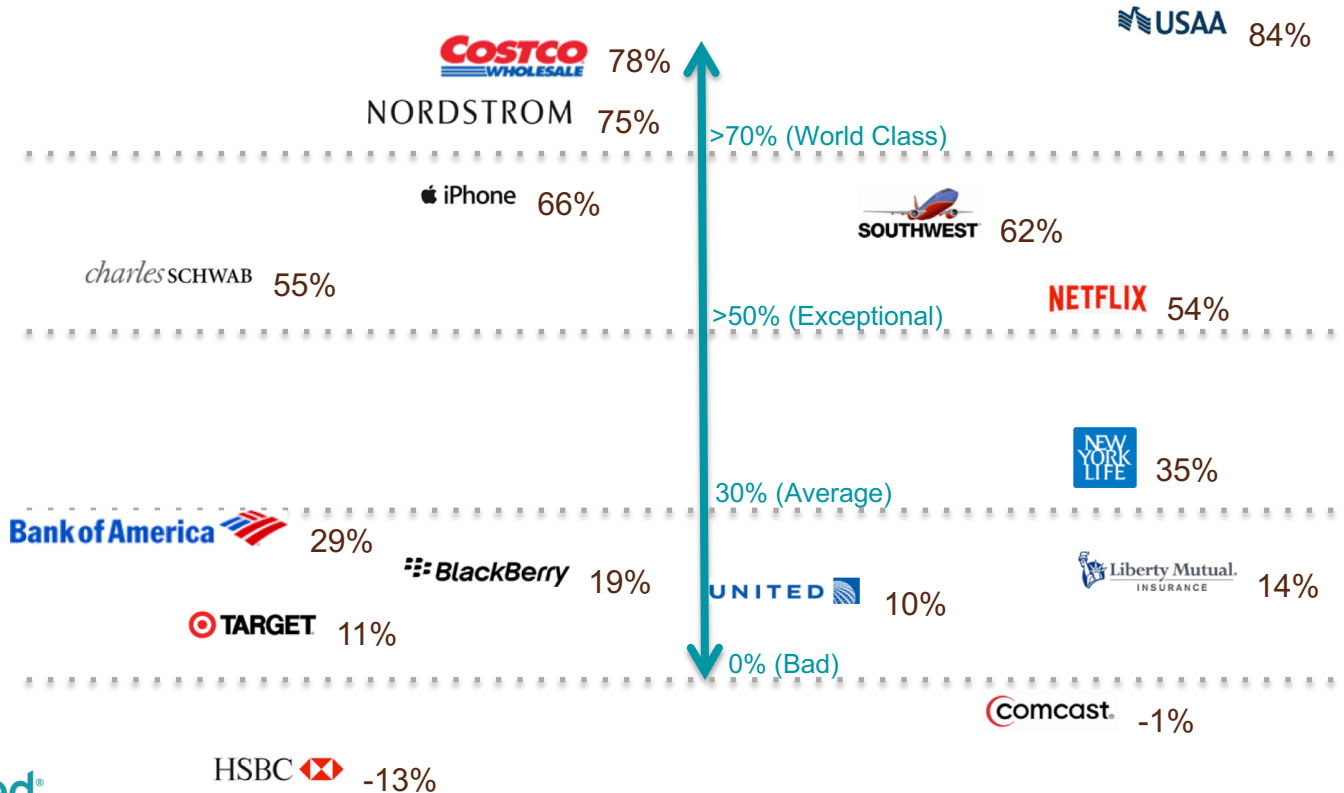
Why Net Promoter® Score?

- Directly tied to growth strategy for service firms – **referrals**.
- Single metric to **benchmark** against the industry and across other world-class service quality organizations.

Global NPS Standards



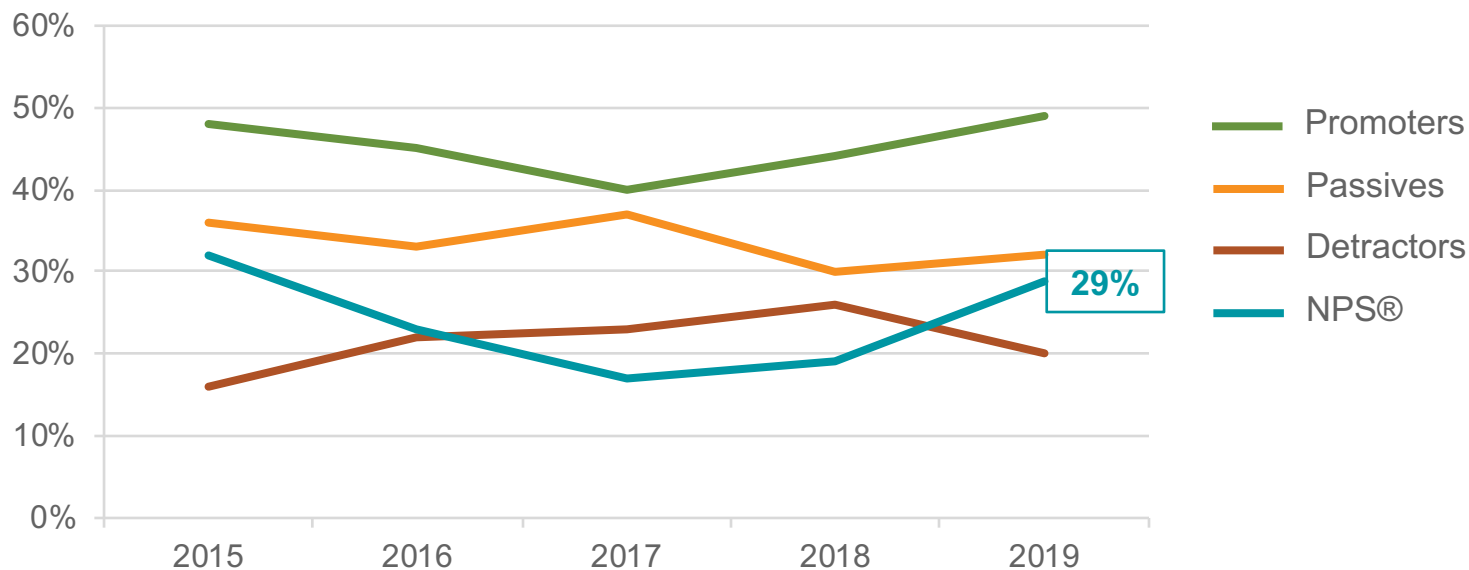
NPS Across Industries



Why Net Promoter® Score?

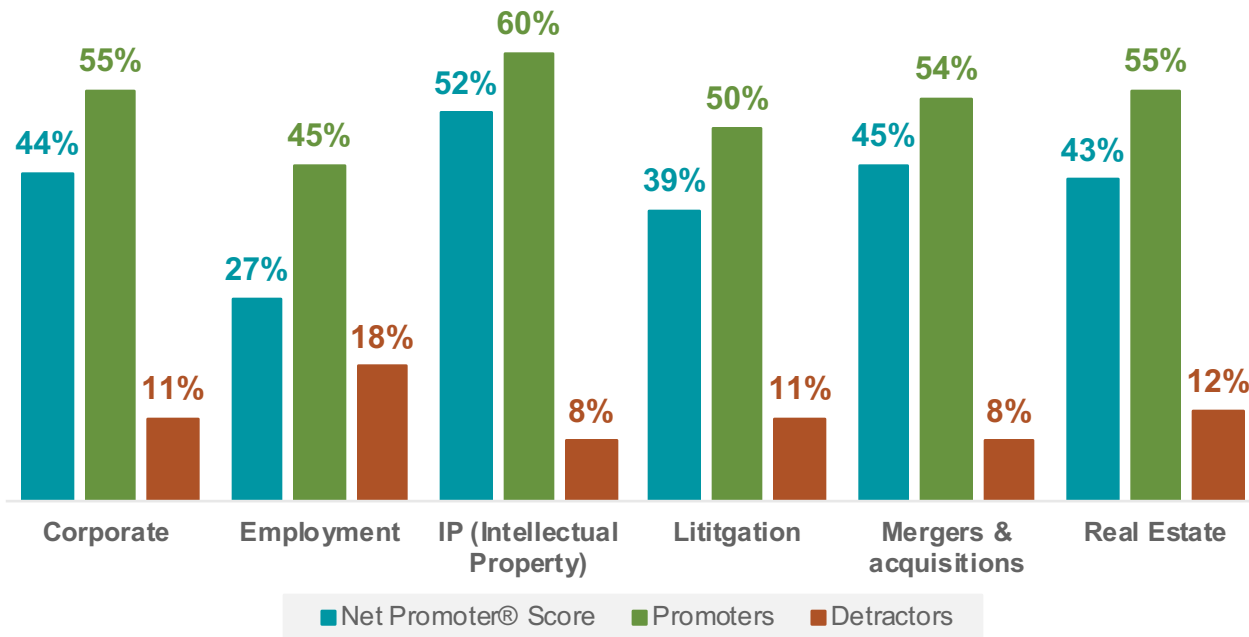
- Directly tied to growth strategy for service firms – **referrals**.
- Single metric to **benchmark** against the industry and across other world-class service quality organizations.
- Creates service **awareness** and makes service quality an **accessible** goal across the organization.
- Measures **loyalty behavior as a proxy for client perception** – helps client remove their own bias about what constitutes “good” or “great” service.

Legal Industry NPS® Benchmark



SOURCE: ClearlyRated 2019

NPS by practice area



SOURCE: ClearlyRated 2019

Why you should care about Promoters vs. Detractors

Compared to Detractors, Promoters of their primary law firm are...

More committed to only using their current primary law firm

46%

more likely to be fully committed

Less likely to plan a decrease in annual spend with their primary law firm

3.2x

less likely to decrease spend

More likely to provide a testimonial for their primary law firm

13x

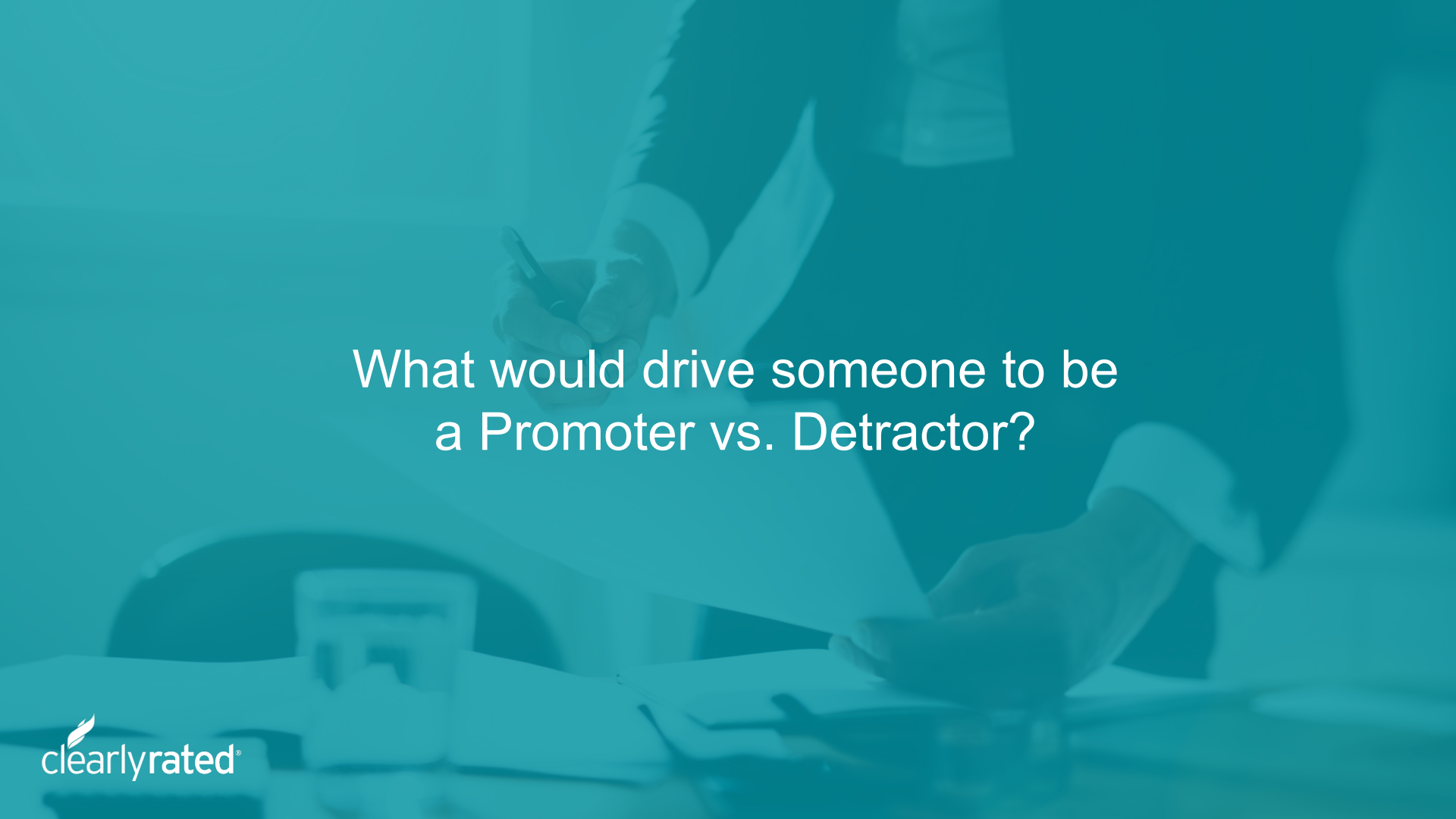
"very likely" to provide a testimonial

More likely to share an online, public review for their primary law firm, if asked

62%


more likely to provide an online review

SOURCE: 2019 Legal Buyer Benchmark Report

A blurred background image of a business meeting. In the center, a person in a dark suit is holding a pen and looking down at a document. To the right, another person's hand is visible, also looking at the document. The scene is dimly lit, with a focus on the hands and the document. The entire image has a teal overlay.

What would drive someone to be
a Promoter vs. Detractor?

NPS Drivers

 = % impact on NPS when “Always”

The firm’s services are a good value given the cost.



The firm is proactive in their approach to helping me.



The firm delivers high quality, error-free work.



The firm delivers within the timeframe they say they will.



The firm has a thorough understanding of my needs.



Contacts at the firm return my phone calls and emails within 24 hours.





24% of legal clients report having
experienced a service issue with
their law firm.

Understand what's at risk with service issues

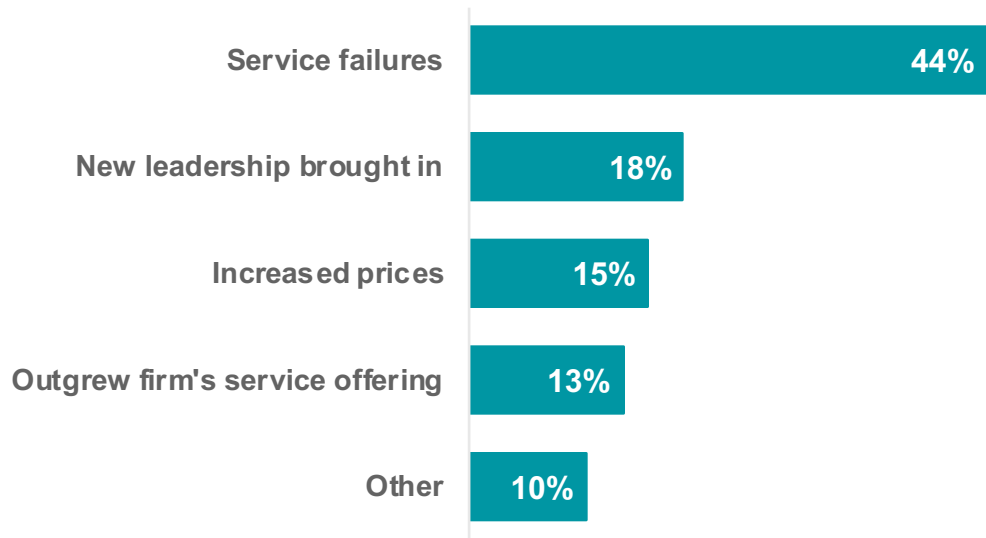
Due to an issue you had with your primary law firm, did you do any of the following?



SOURCE: ClearlyRated 2019

If every firm offers great service, why is it the leading driver of client attrition?

Thinking back to the last time you changed your primary law firm, what was the primary reason you ended the working relationship?



Top Service Failures by Generation

Millennials	17%	Unacceptable responsiveness to issues
	13%	Too many small mistakes
Gen X	15%	Unacceptable responsiveness to issues
	10%	Too many small mistakes
Baby Boomers	13%	Not understanding my business needs
	12%	Unacceptable responsiveness to issues

SOURCE: ClearlyRated 2019



So what? Who cares?
Strategies to leverage this data for growth.

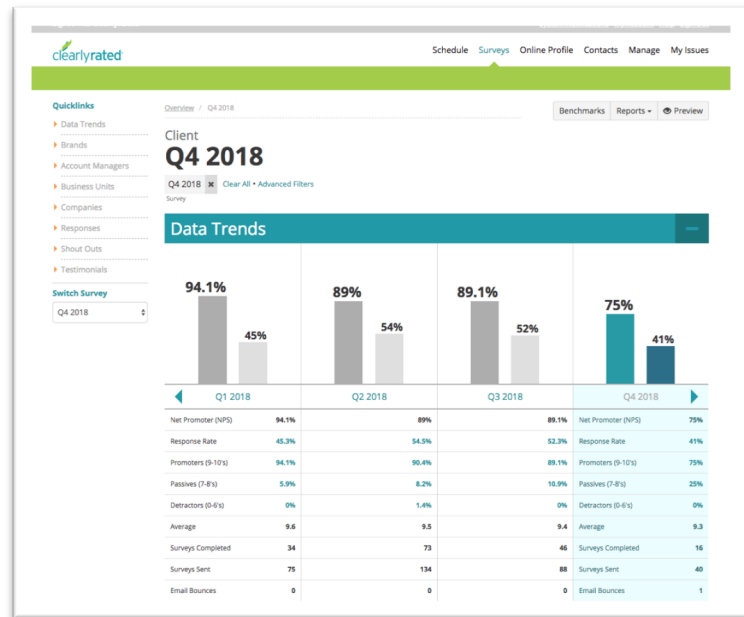
Leverage buyer and client behavior for firm growth

- Learn who your Promoters are. Do it at scale.

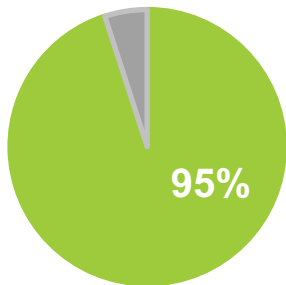
Learn who your Promoters are. Do it at scale.

Net Promoter Score (NPS) question

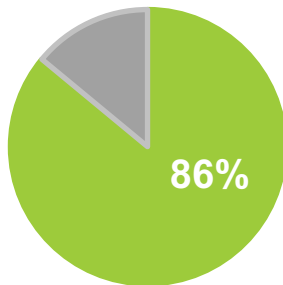
NPS Driver Questions



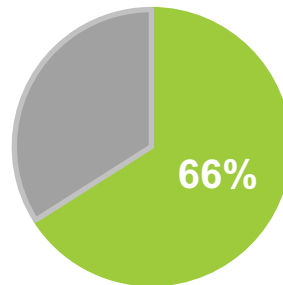
Clients are ready to be asked about their experience.



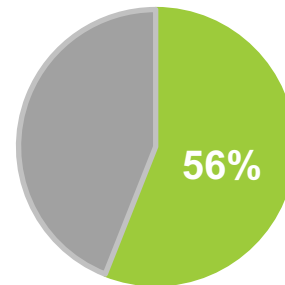
95% of law firm clients say it's important to have an open channel of communication to provide feedback to their firm.



86% say that when asked for feedback, their perception of their law firm is positively impacted.



66% of legal clients say they are more likely to take the time to provide feedback through a survey than in-person.



56% of legal clients say they are more likely to be candid with their feedback in an online survey than in-person.

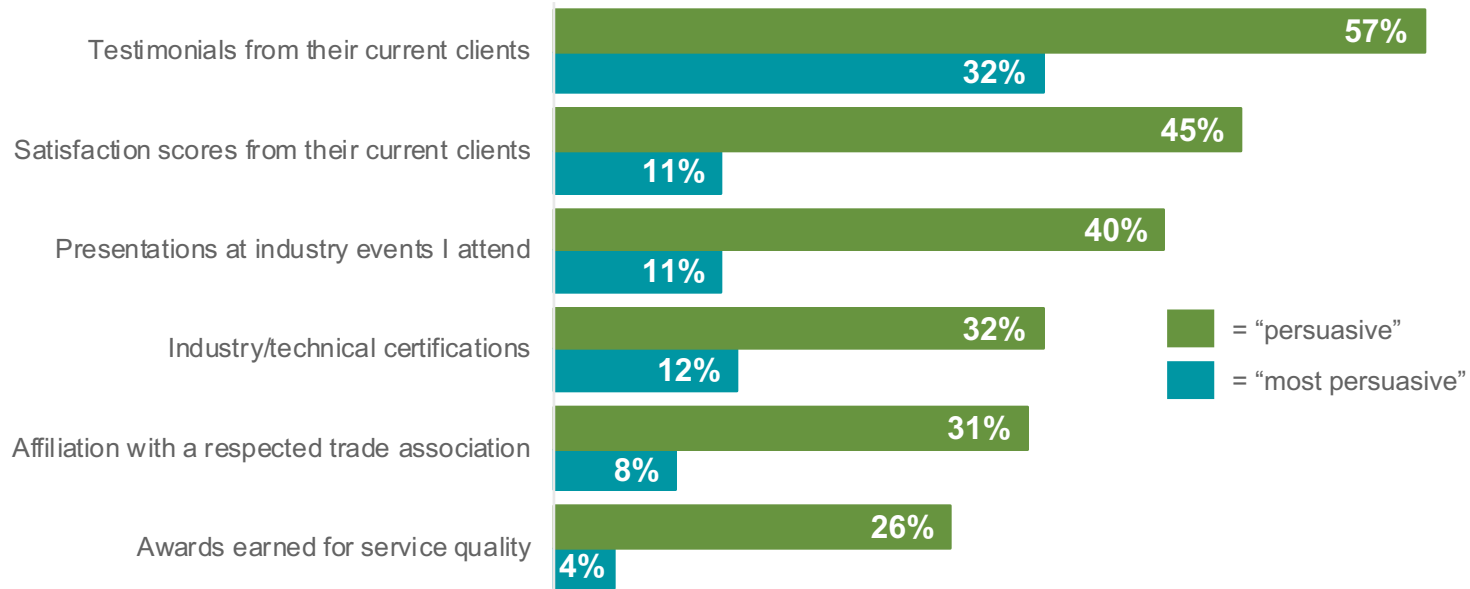
SOURCE: ClearlyRated 2018

Leverage buyer and client behavior for firm growth

- Learn who your Promoters are. Do it at scale.
- Capture – and utilize – testimonials as much as humanly possible!

Publish testimonials on website and across social media

Best ways for a law firm to demonstrate they have industry expertise



SOURCE: ClearlyRated 2019

Compared to Detractors, Promoters are 13x more likely to provide a testimonial to their primary firm

More than **8 in 10** law firm clients are willing to share a testimonial

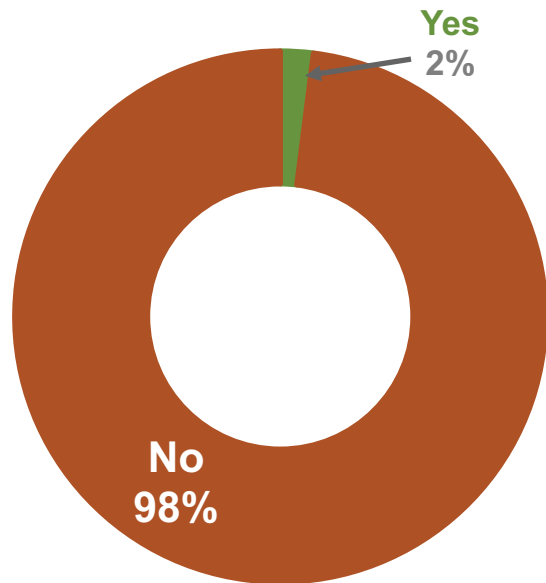


But **fewer than 2 in 10** have been asked to do so



SOURCE: ClearlyRated 2019

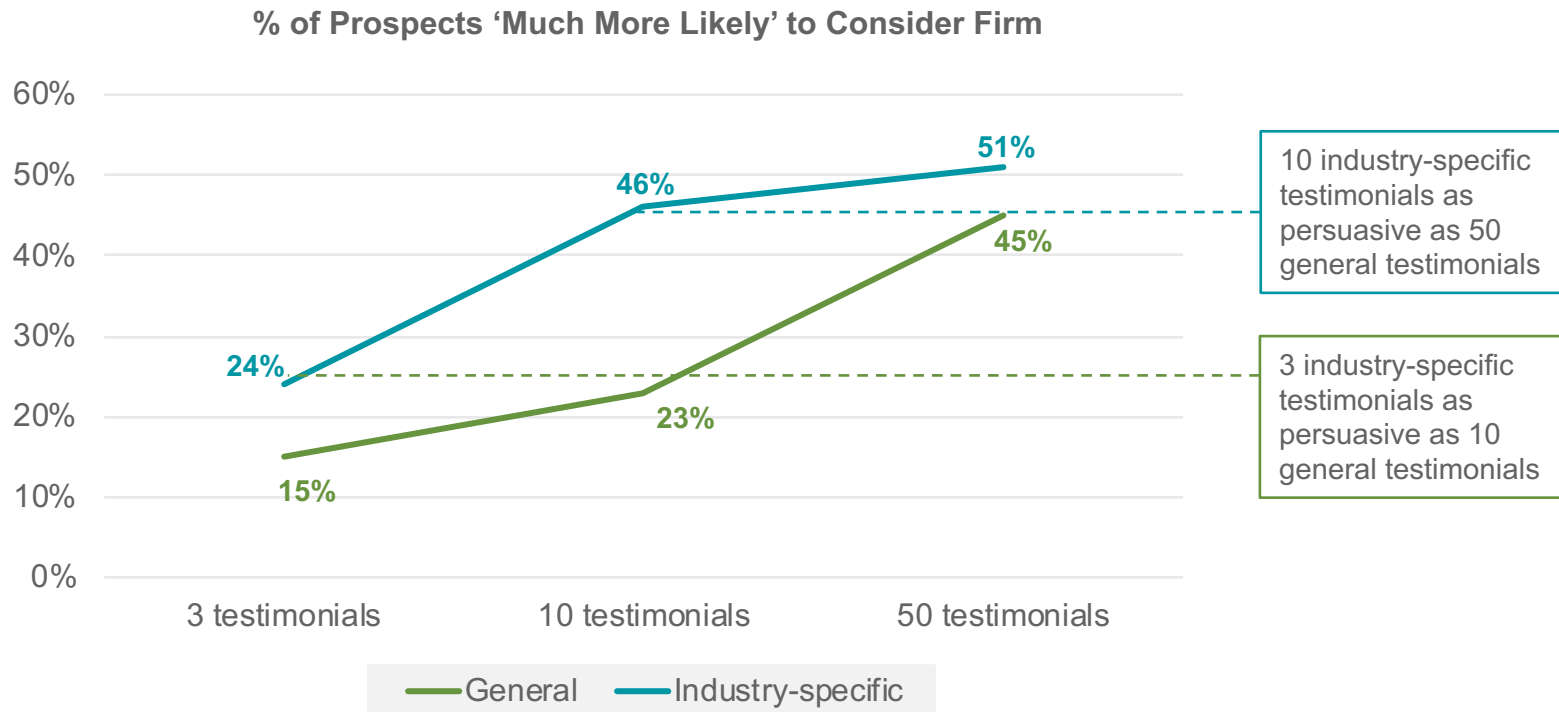
In-house counsel almost never asked for testimonials



69%
Of those **not**
asked would be
likely to share
one if asked

SOURCE: ClearlyRated 2019

Gather as many testimonials as you can so that you can share specific to your prospects' needs

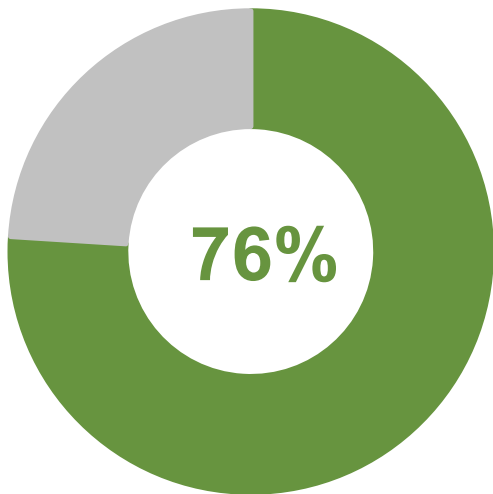


Leverage buyer and client behavior for firm growth

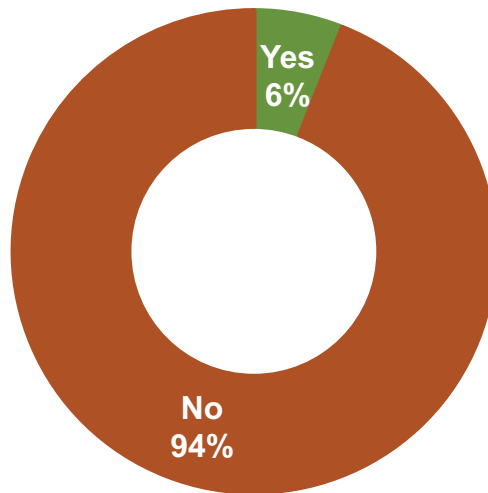
- Learn who your Promoters are. Do it at scale.
- Capture – and utilize – testimonials as much as humanly possible!
- Ask Promoters to refer you.

Ask Promoters to refer you

Percentage of clients who would consider a new law firm that was recommended to them



“Has your primary law firm asked you for a referral in the past year?”



SOURCE: ClearlyRated 2019

Leverage buyer and client behavior for firm growth

- Learn who your Promoters are. Do it at scale.
- Capture – and utilize – testimonials as much as humanly possible!
- Ask Promoters to refer you.
- Actively seek out and address negative client experiences.

Actively seek out Detractors

Over the coming year or two, do you expect to increase or decrease the amount you spend with your primary law firm?



Dissatisfaction leads to declining share of spend:

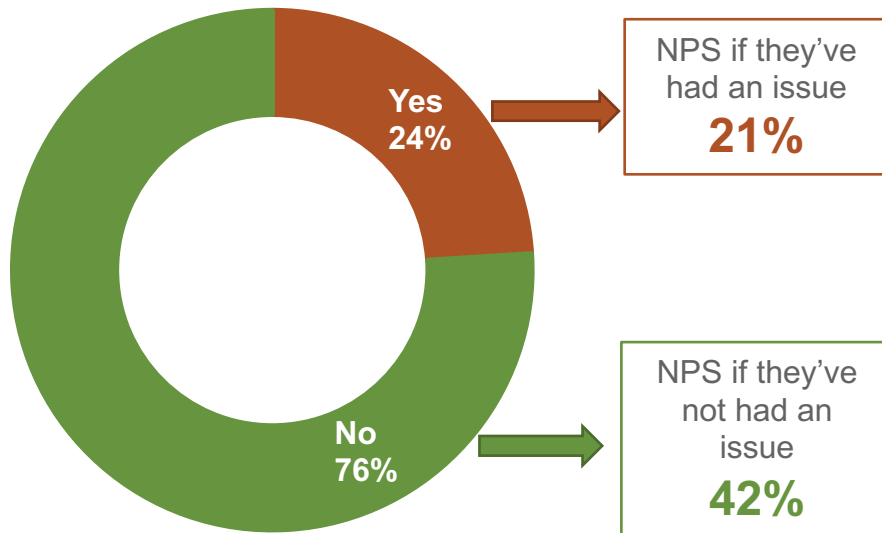
16% of legal client detractors will decrease spend

5% of legal client promoters will decrease spend

SOURCE: ClearlyRated 2019

Strong issue recovery results in higher satisfaction

Have you ever had an issue while working with your primary law firm?



Of those who have had issues...

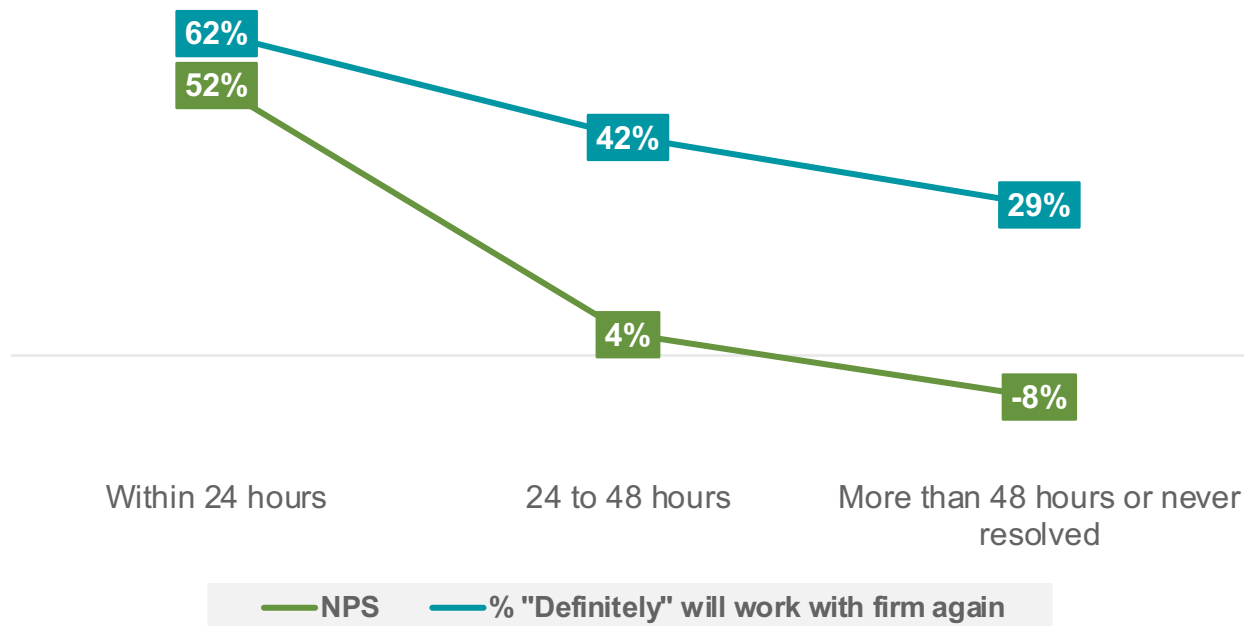
52% were "very satisfied" with the speed of the issue resolution, resulting in an NPS of **44%**

55% were "very satisfied" with the caliber of the issue resolution, resulting in an NPS of **46%**

Strong recovery from an issue = higher NPS than no issue in the first place

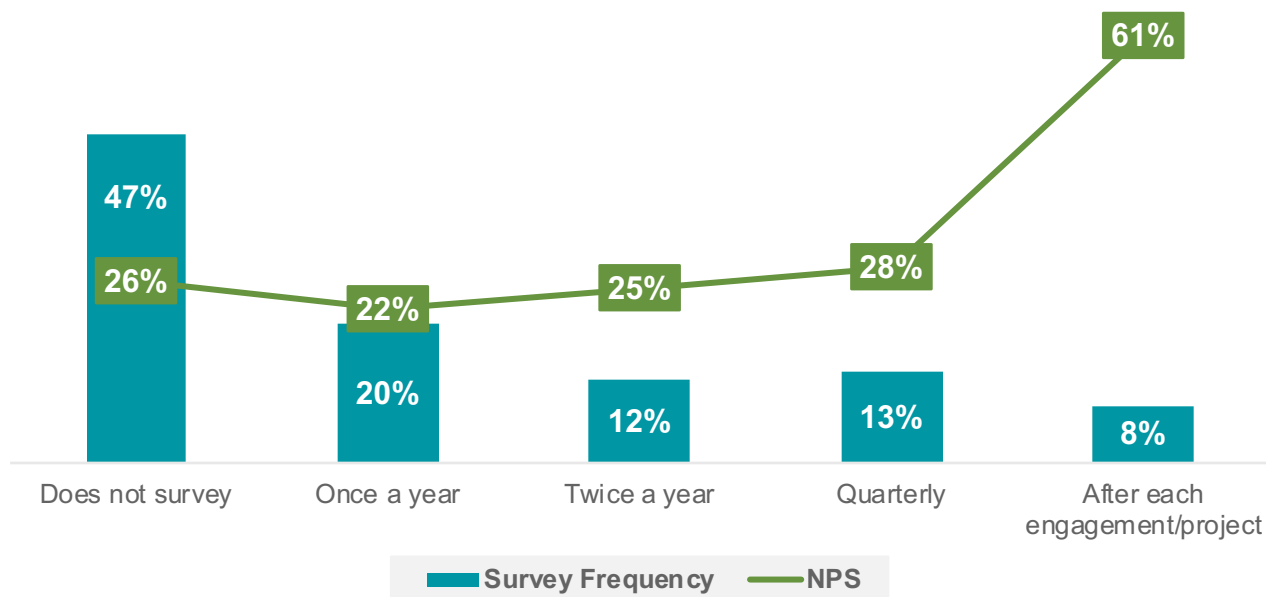
SOURCE: ClearlyRated 2019

Slow response to an issue = less loyalty



SOURCE: ClearlyRated 2019

NPS increases as survey frequency increases



88%

of legal clients are willing to complete a satisfaction survey of 10 questions or less

yet only...

53%

of legal clients are currently being surveyed

SOURCE: 2019 Legal Buyer Benchmark Report

Leverage buyer and client behavior for firm growth

- Learn who your Promoters are. Do it at scale.
- Capture – and utilize – testimonials as much as humanly possible!
- Ask Promoters to refer you.
- Actively seek out and address negative client experiences.
- Start thinking (and talking) about your online reputation.

Online reputation creates undeniable credibility with the modern buy

1998

- Don't get into strangers' cars.
- Don't meet up with people from the internet.
- Don't let someone you don't know into your home.
- Don't trust the advice of strangers.

2018

- Literally summon strangers from the internet to get into your car.
- Invite someone you've never met to stay in your home.
- **Only** trust the advice of strangers.



Online reputation creates undeniable credibility with the modern buy

51% of legal buyers
believe online ratings and
reviews are a good
resource for determining
quality of a law firm.

Start small, work towards building positive ratings across strategic websites

Actions

- Identify the online rating sites that will have the greatest impact on the buyer.
- Proactively ask Promoters to leave you a review there.

Considerations

- Remember that negative reviews have almost 2x the impact as positive reviews.
- Foundation is knowing how your clients feel about you, and working to build an online reputation that reflects that.

Leverage buyer and client behavior for firm growth

- Learn who your Promoters are. Do it at scale.
- Capture – and utilize – testimonials as much as humanly possible!
- Ask Promoters to refer you.
- Actively seek out and address negative client experiences.
- Start thinking (and talking) about your online reputation.
- Foster a culture of service excellence and transparency across the firm.

Foster a culture of service excellence and transparency across the firm



“You can find a great lawyer anywhere. If you’re looking for a competitive advantage – the client experience is it.”

- Ed Bodensiek

<http://www.customerbliss.com/why-law-firms-need-a-chief-experience-officer/>

Leverage buyer and client behavior for firm growth

- Learn who your Promoters are. Do it at scale.
- Capture – and utilize – testimonials as much as humanly possible!
- Ask Promoters to refer you.
- Actively seek out and address negative client experiences.
- Start thinking (and talking) about your online reputation.
- Foster a culture of service excellence and transparency across the firm.

Questions?



Kat Kocurek

Kat.kocurek@clearlyrated.com

linkedin.com/in/katkocurek/