



Accounting Buyer Behavior and Satisfaction Benchmarks for Accounting Firms

Kat Kocurek, VP of Marketing, ClearlyRated

About ClearlyRated



Est. 2003

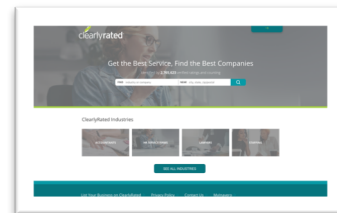
Focus on professional
service providers since
2007

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.



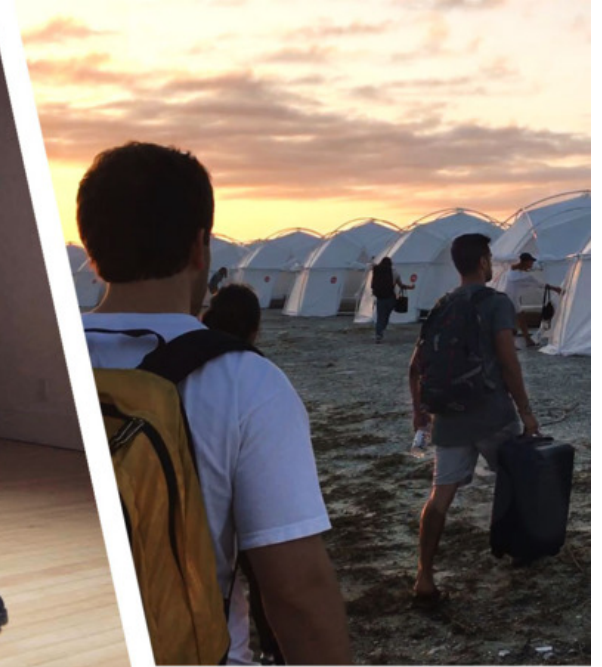
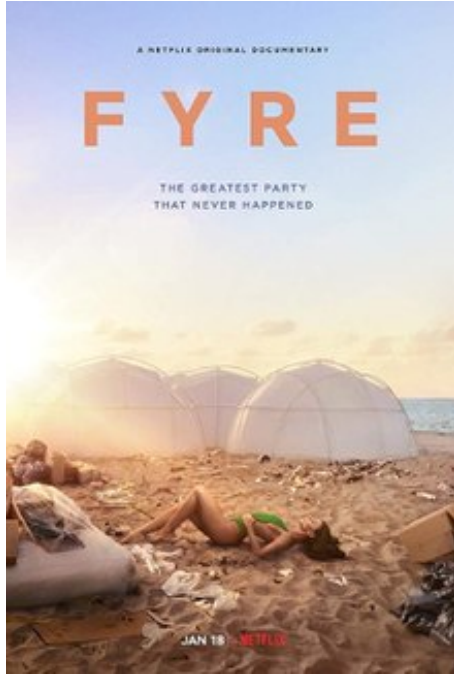
Launched July 2018

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

About Kat

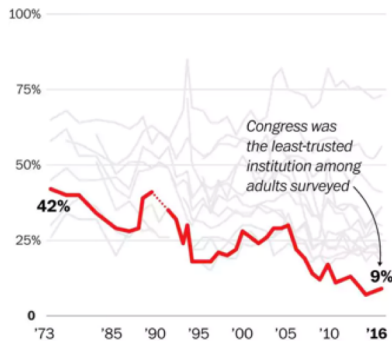


Fyre Festival

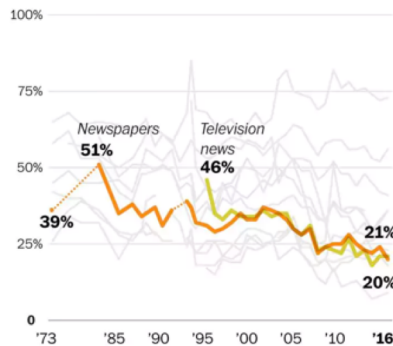


Trust is at a historically low level

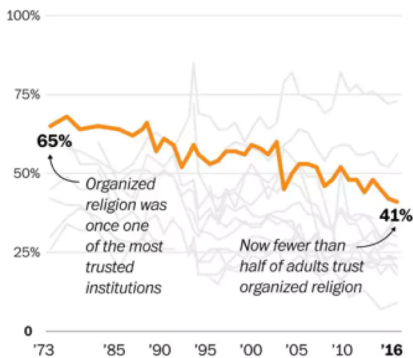
Congress



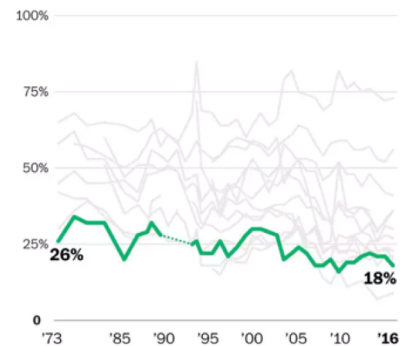
Media



The church or organized religion



Big business



SOURCE: Gallup Organization

2019 Accounting Buyer Benchmark Report

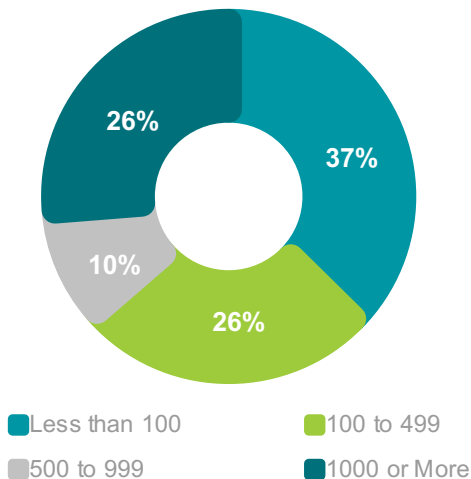
Surveyed **567 buyers and clients** of accounting services on:

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

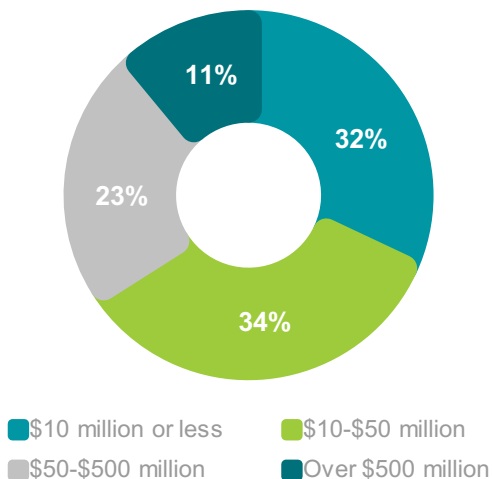
2019 Accounting Buyer Benchmark Report

Sample Size: 567 clients and buyers of accounting services

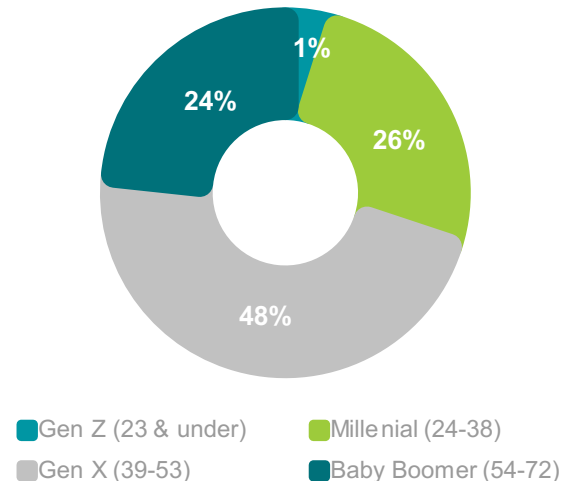
Company Size



Company Revenue



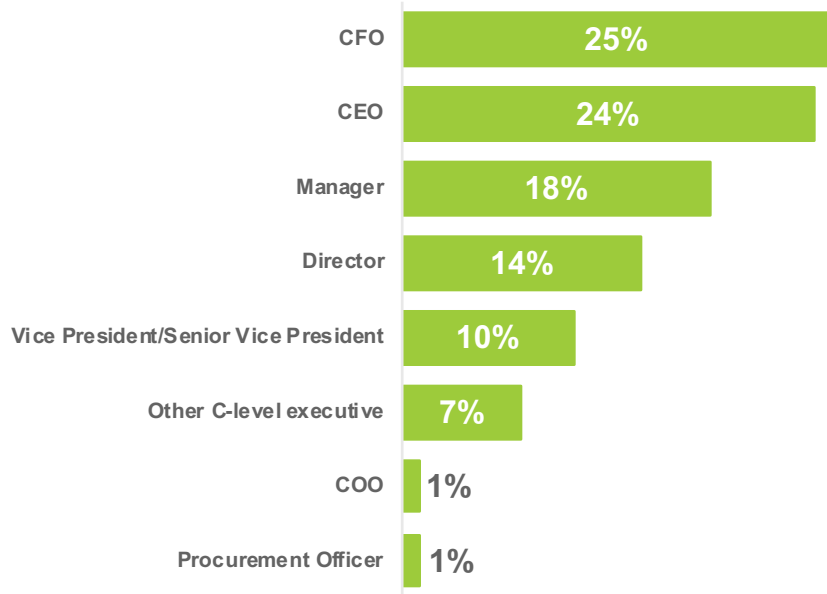
Generation



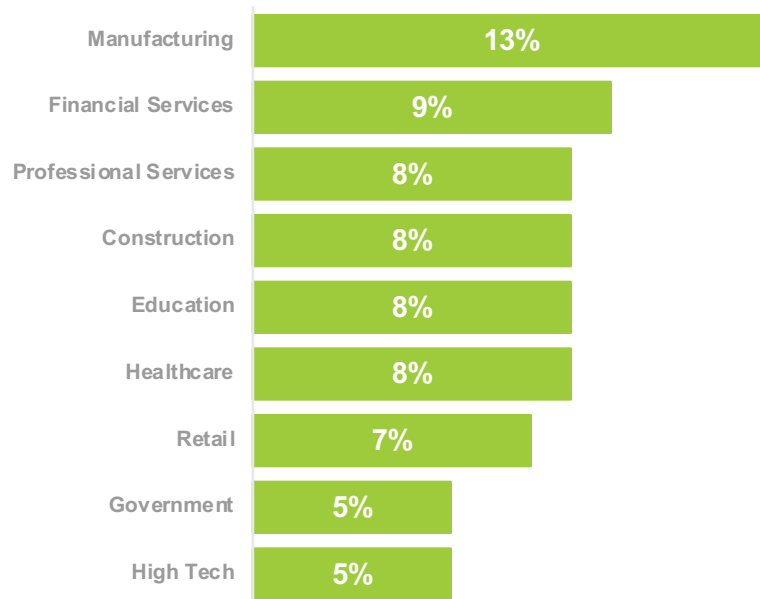
2019 Accounting Buyer Benchmark Report

Sample Size: 567 clients and buyers of accounting services

Job Title / Role



Industry



Promising trends in the market

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



Demand for accounting services is growing:

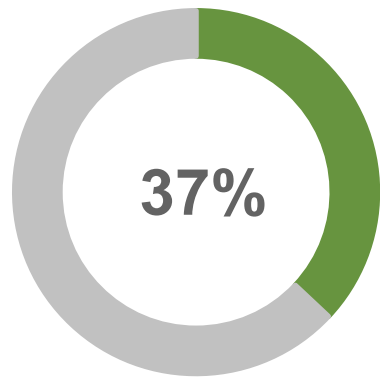
60% of accounting clients will see increased needs

1% of accounting 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 Accounting Buyer Benchmark Report

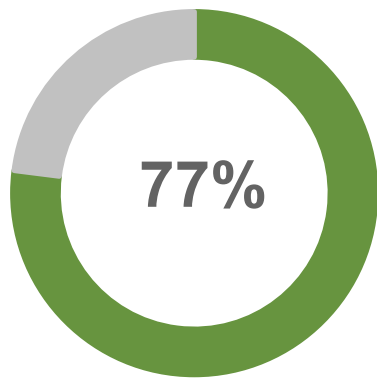


**Percentage of clients that
are committed to only
using their current
accounting firm**

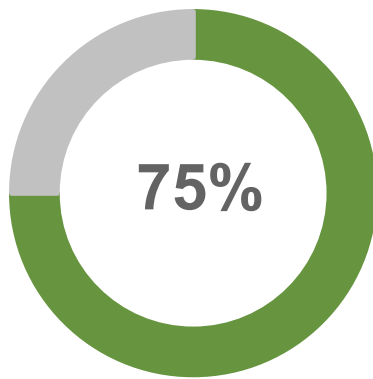
SOURCE: ClearlyRated 2019

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

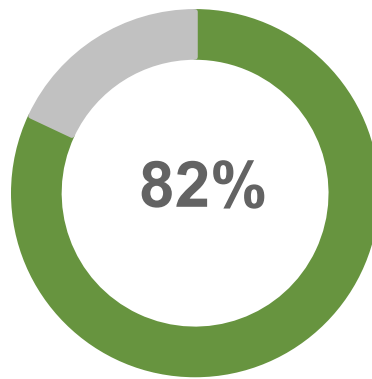
Percentage of clients that would consider a new accounting firm that was recommended to them



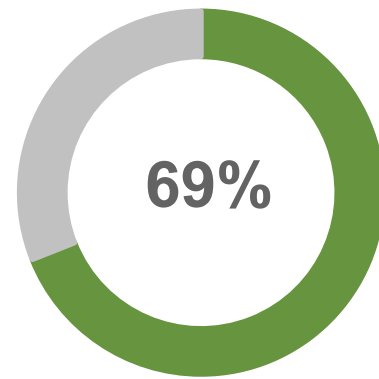
Overall



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 accounting firm clients to determine what drives **loyalty**, **retention**, and **referrability**?



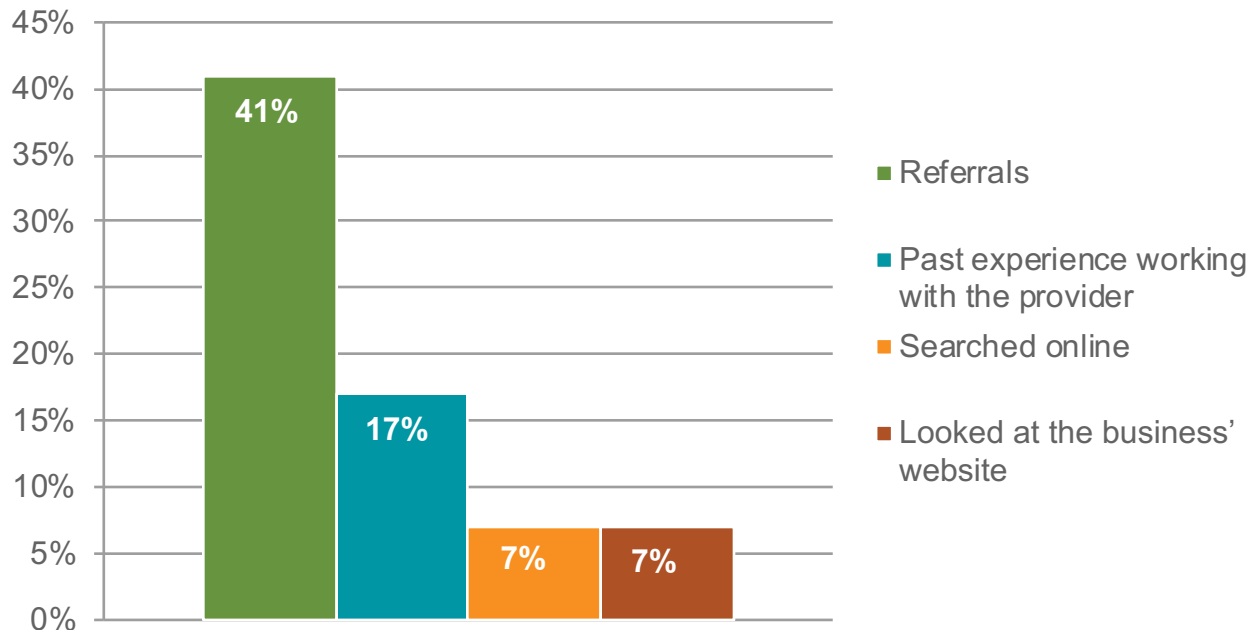
Buyer Behavior Key Takeaways

Buyer Behavior – Key Takeaways

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

Referral ranks #1 when vetting your firm

First-used
resource when
selecting an
accounting
firm



SOURCE: ClearlyRated 2019

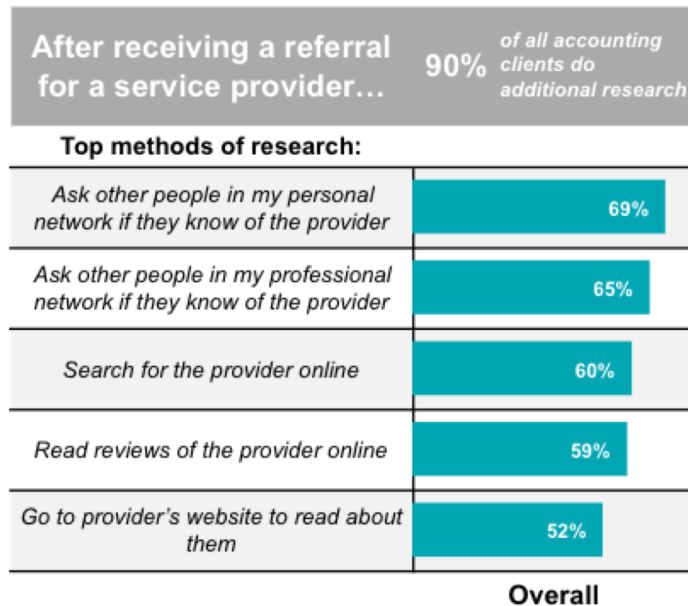
It's not safe to assume that “business as usual” will support firm growth



Buyer Behavior – Key Takeaways

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

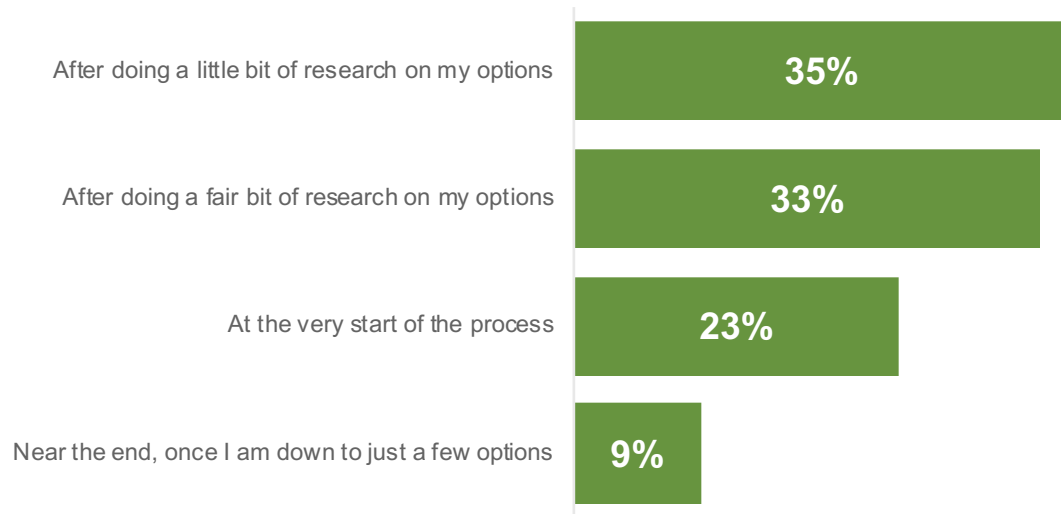
Nearly all accounting buyers do research on a firm that is recommended to them



SOURCE: ClearlyRated 2019

Most accounting 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?



77%
of accounting buyers
don't want to engage
a provider until they
have done at least
some research on
their own

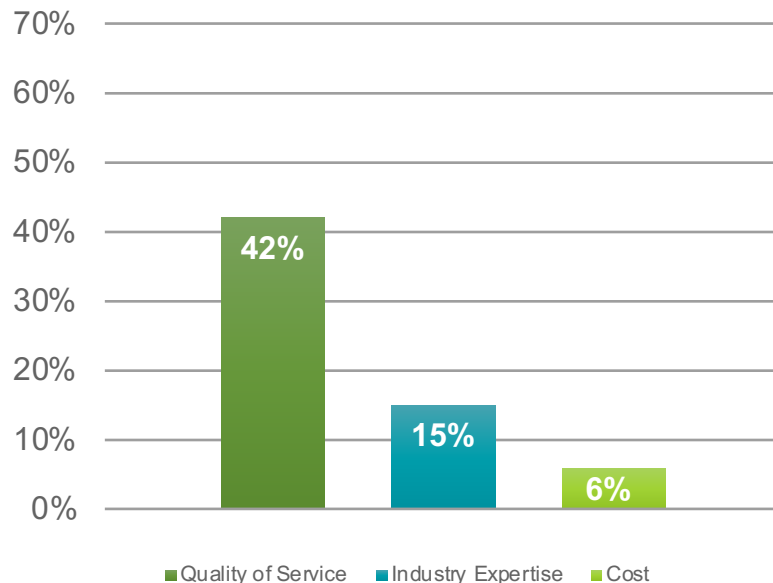
SOURCE: ClearlyRated 2019

Buyer Behavior – Key Takeaways

- Referrals are still a top resource for buyers seeking an accounting 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 an accounting firm



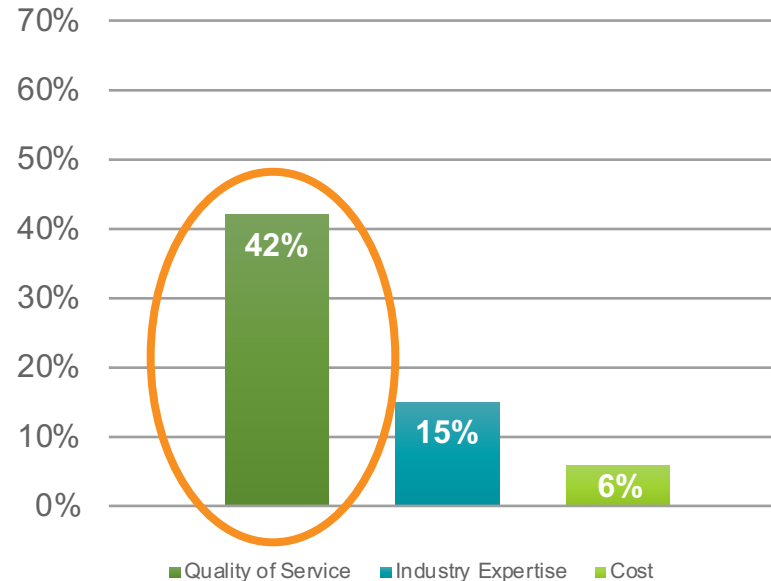
SOURCE: ClearlyRated 2019

Buyer Behavior – Key Takeaways

- Referrals are still a top resource for buyers seeking an accounting 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

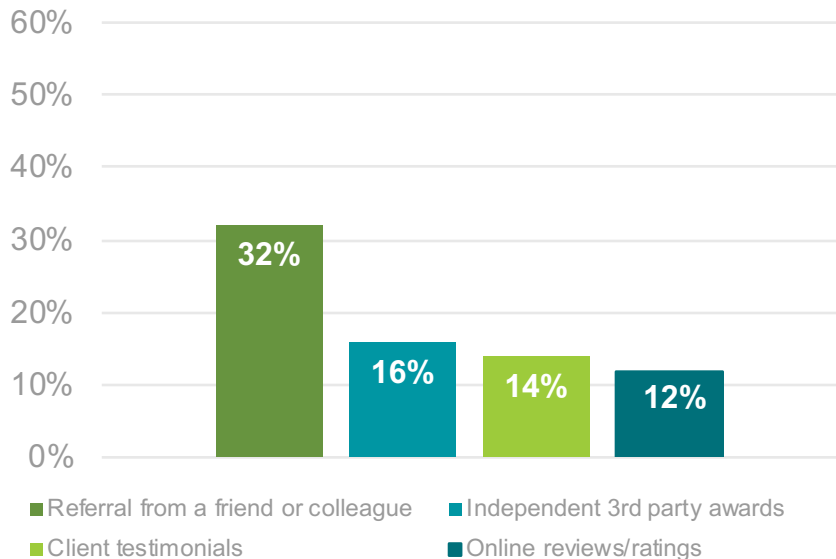
Most important factors considered when selecting an accounting firm.



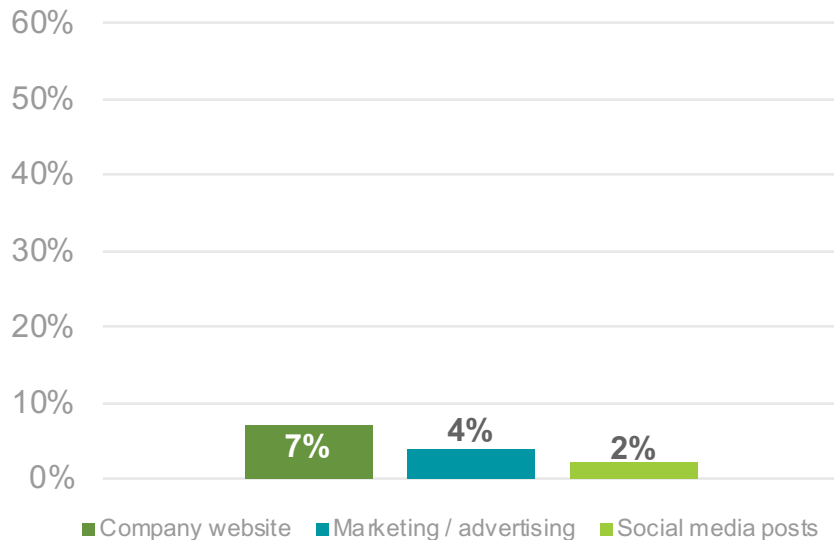
SOURCE: ClearlyRated 2019

What credibly demonstrates quality of a firm?

THINGS OTHER PEOPLE SAY



THINGS YOU SAY



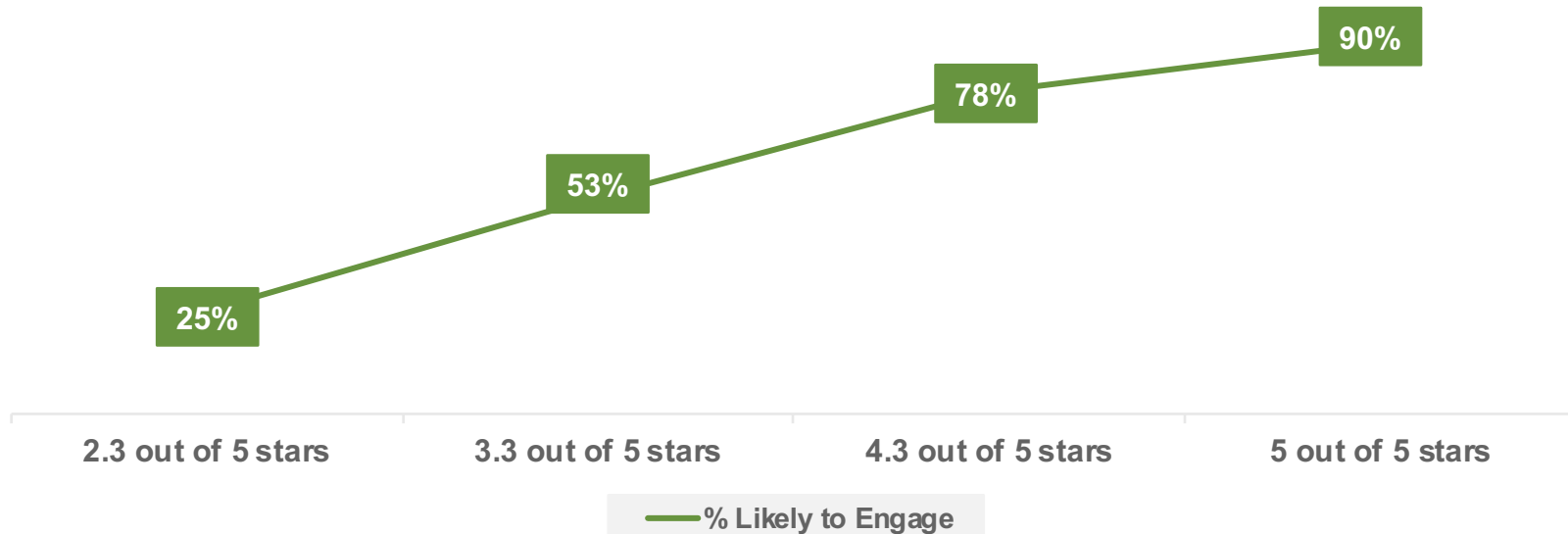
SOURCE: ClearlyRated 2019

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 entire image has a teal overlay.

A quick note about online reputation...

Higher online ratings = more engagement from potential buyers

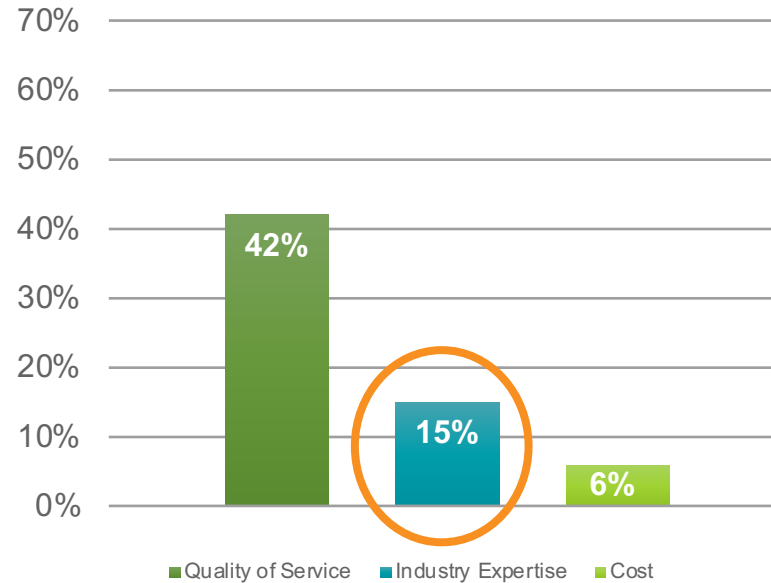
How likely are you to engage with an accounting firm you are considering that has online ratings of...



SOURCE: ClearlyRated 2019

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

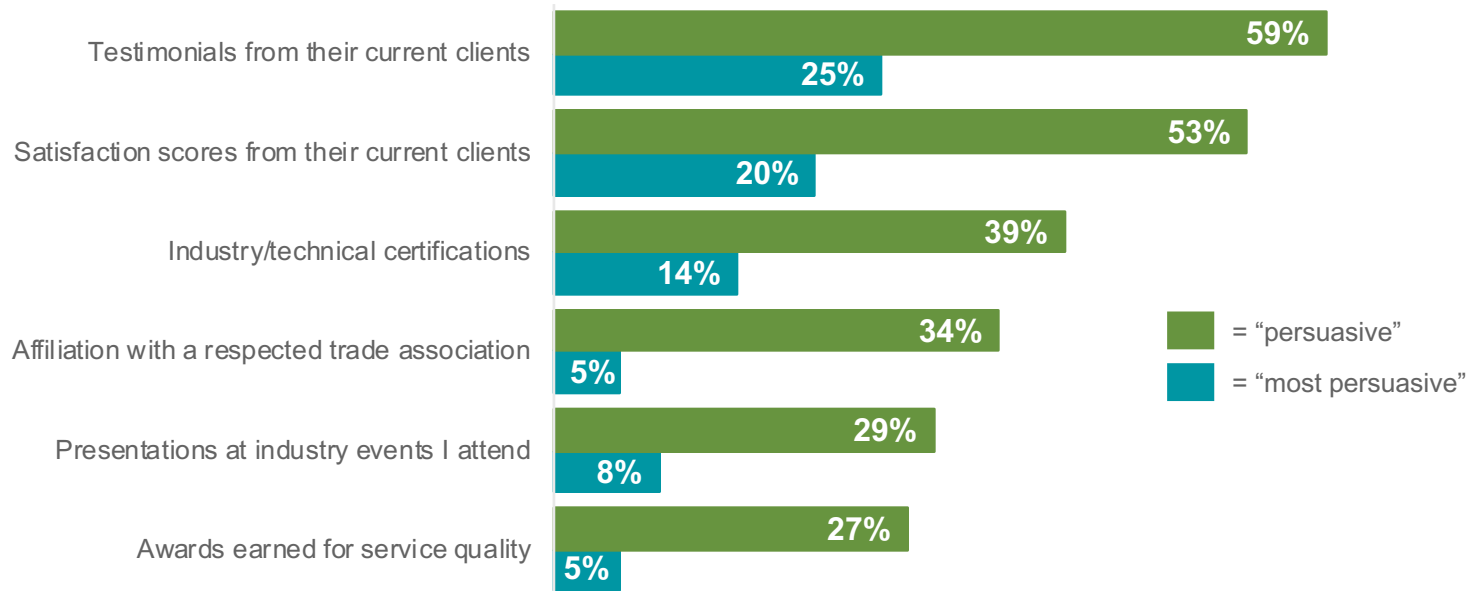
Most important factors considered when selecting an accounting firm



SOURCE: ClearlyRated 2019

Testimonials and satisfaction scores strongest indicators of industry expertise

Best ways for an accounting firm to demonstrate they have industry expertise



SOURCE: ClearlyRated 2019

Buyer Behavior – Key Takeaways

- Referrals are still a top resource for buyers seeking an accounting 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.

A background image of a modern office interior with three people. On the left, a man in a suit stands and looks towards the center. In the middle, a woman in a light blue shirt stands and looks down at something in her hands. On the right, a woman in a patterned shirt sits in a chair, looking towards the center. The office has large windows, modern lighting, and desks with computers.

Satisfaction benchmarks for accounting firms. What drives referrability?

Net Promoter® Methodology

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

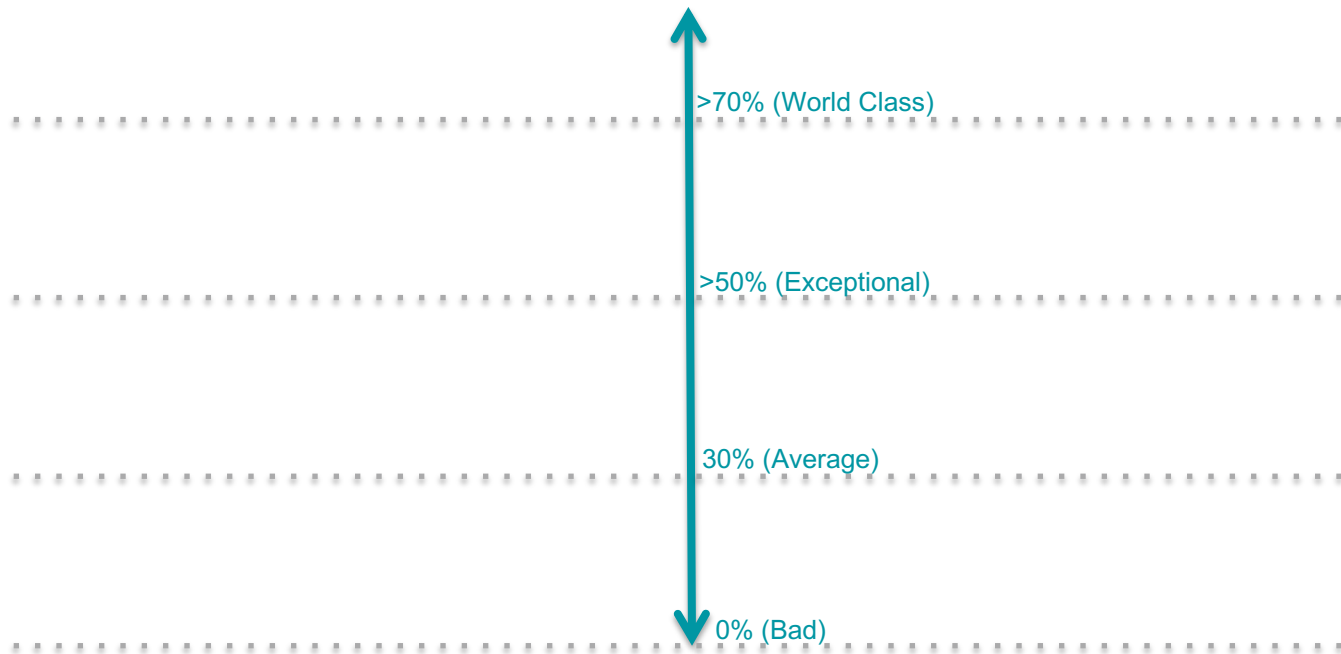


$$\text{Net Promoter® Score} = \% \text{ Promoters} - \% \text{ Detractors}$$

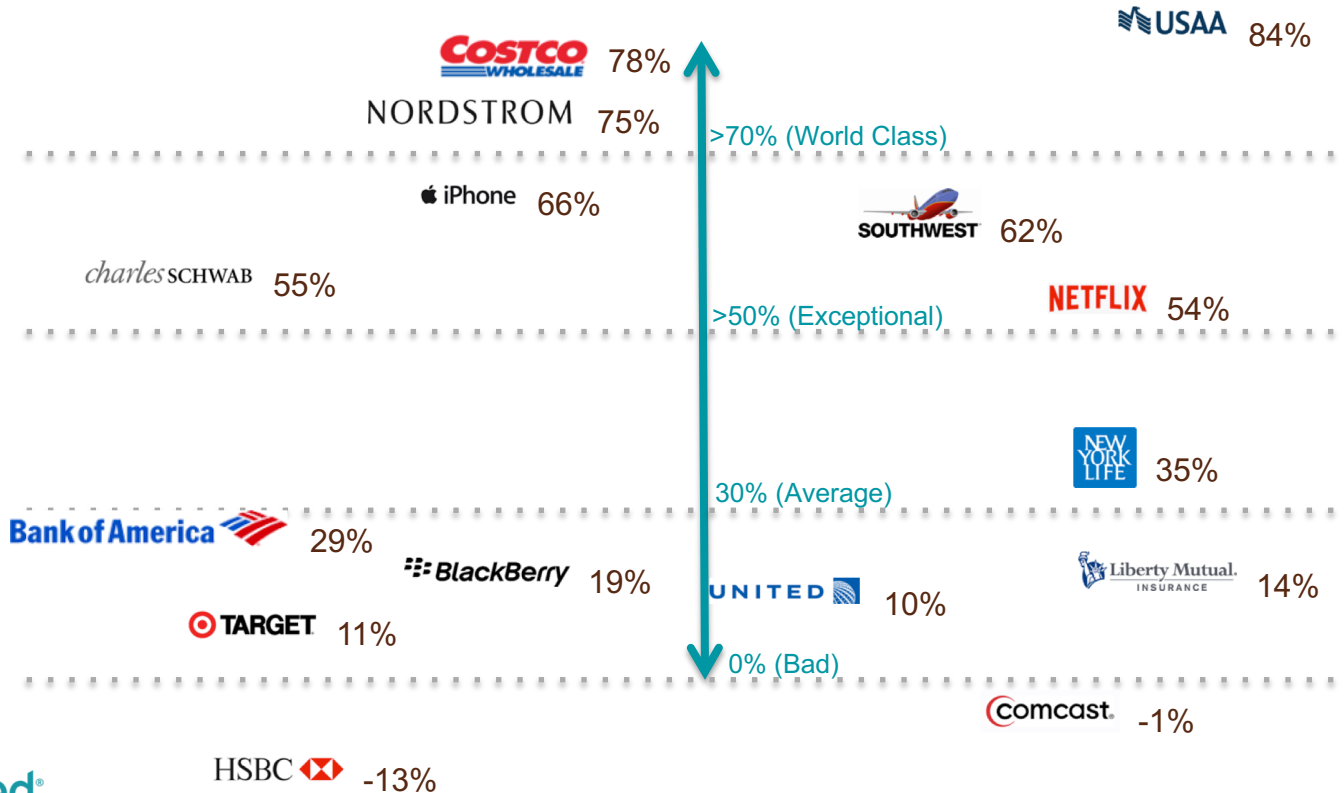
Why Net Promoter® Score?

- 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



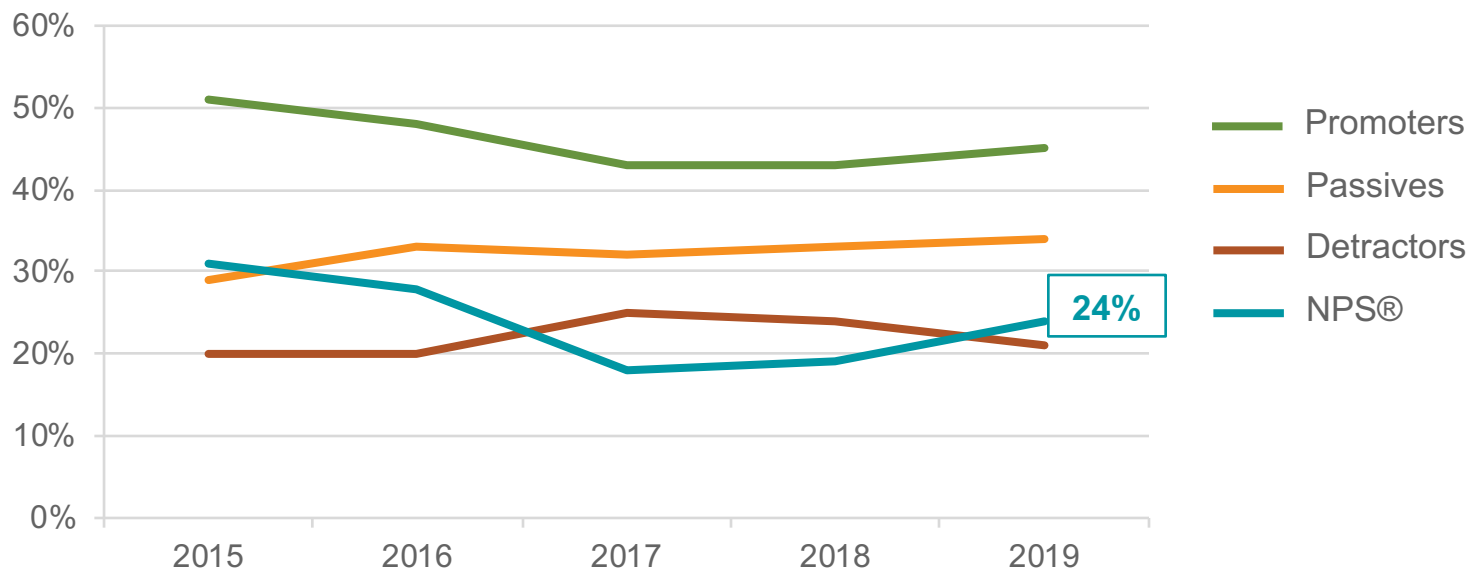
NPS Across Industries



Why Net Promoter® Score?

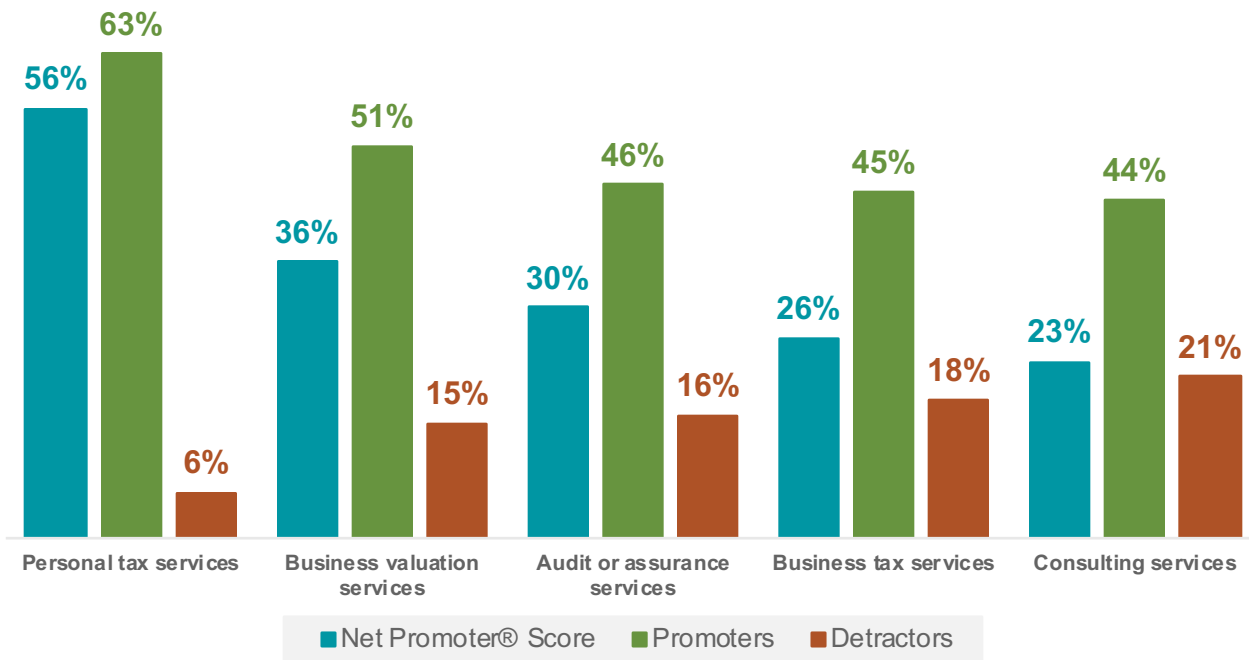
- Directly tied to growth strategy for service firms – **referrals**.
- Single metric to **benchmark** against the industry and across other world-class service quality organizations.
- Creates service **awareness** and makes service quality an **accessible** goal across the organization.
- Measures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

Accounting 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 accounting firm are...

*More committed to only
using their current primary
accounting firm*

2x

more likely to be
fully committed

*More likely to plan an
increase in annual spend
with their primary accounting
firm*

39%

more likely to
increase spend

*More likely to provide a
testimonial for their primary
accounting firm*

6x

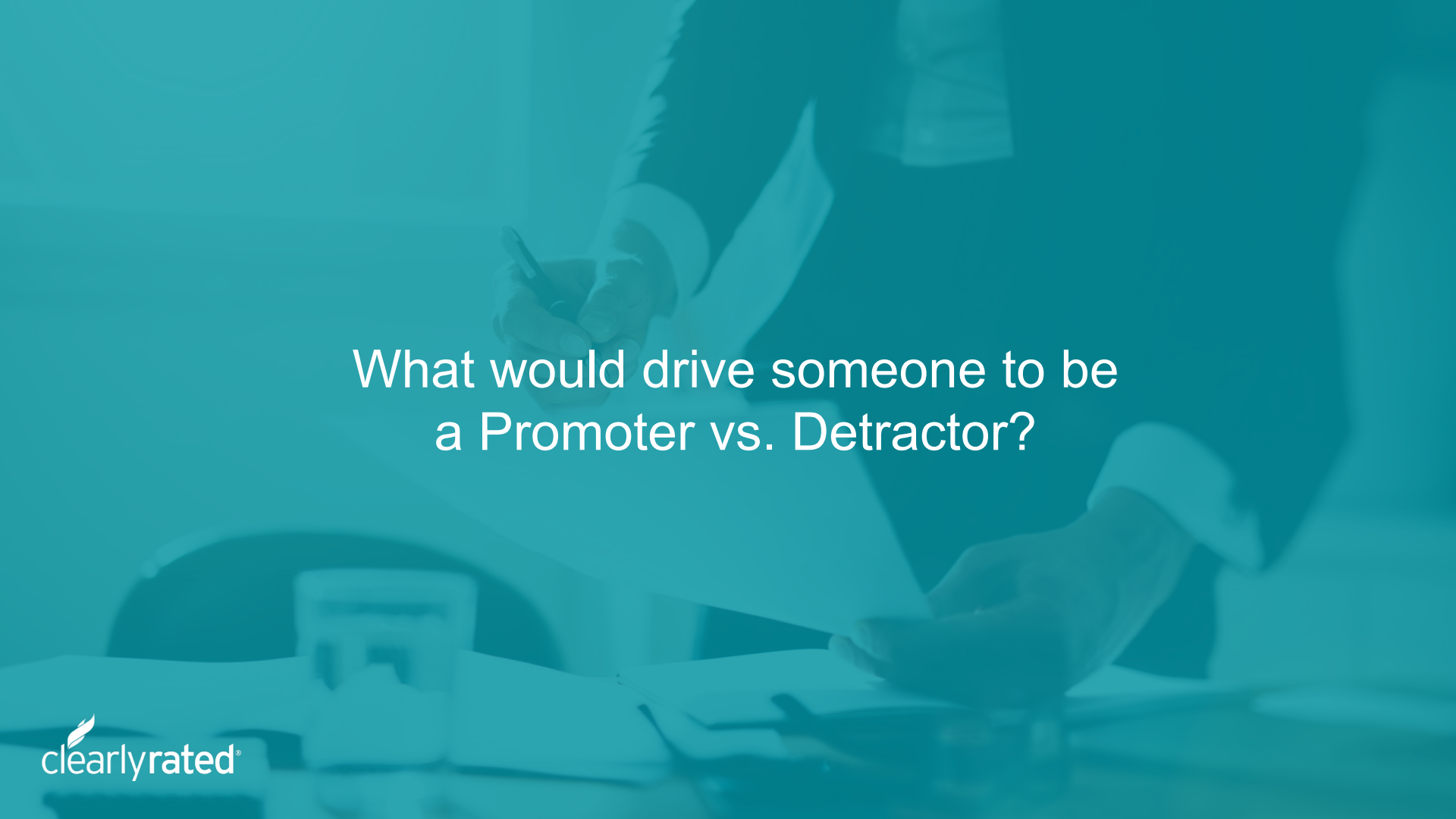
"very likely" to
provide a
testimonial

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

42%


more likely to
provide an online
review

SOURCE: ClearlyRated 2019

A blurred background image of a business meeting. Several people in business attire are visible, with one person in the foreground holding a pen and looking at a document. The entire image is overlaid with a semi-transparent teal color.

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

NPS Drivers

 = % impact on NPS when “Always”

The firm delivers high quality, error-free work.



The firm is proactive in their approach to helping me.



The firm has a thorough understanding of my needs.



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




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



The firm delivers within the timeframe they say they will.





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

Understand what's at risk with service issues

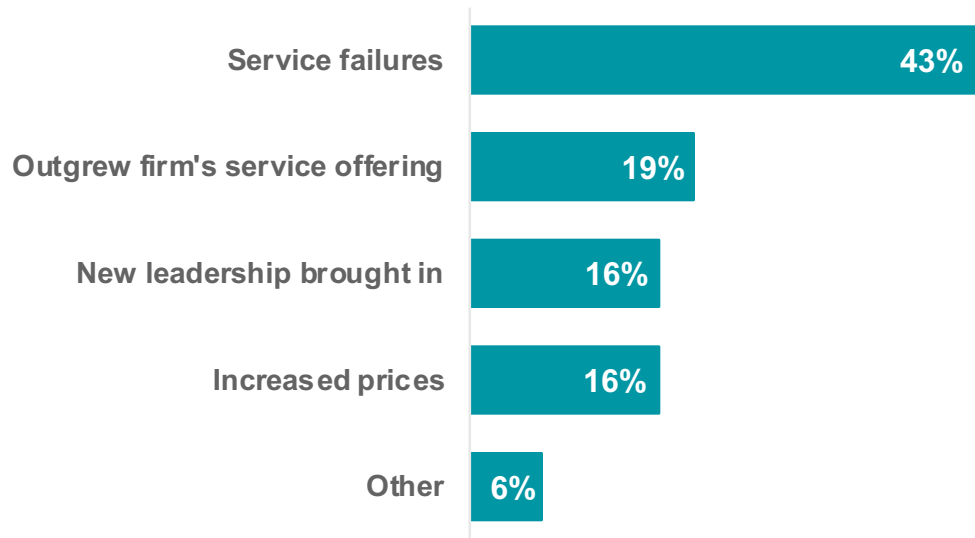
Due to an issue you had with your primary accounting firm, did you do any of the following?



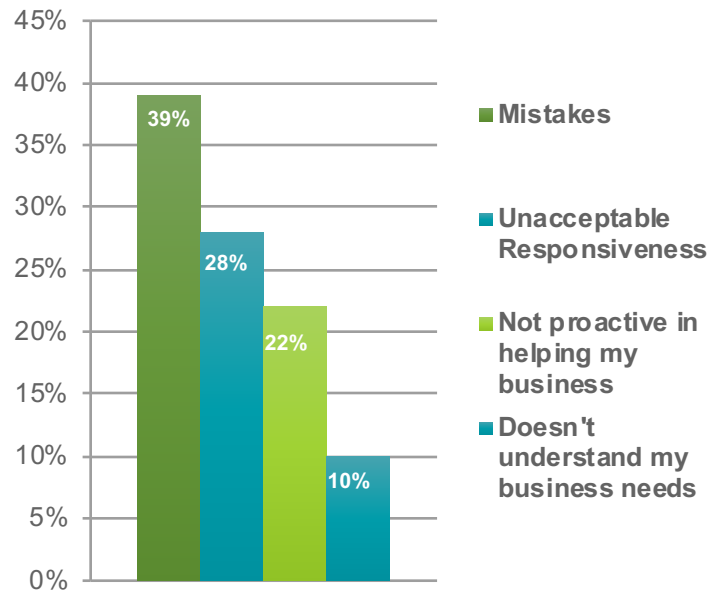
SOURCE: ClearlyRated 2019

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 accounting firm, what was the primary reason you ended the working relationship?



Type of service failure identified



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.

Satisfaction Survey

Based on your most recent experience, how likely would you be to recommend [brand] to a friend or colleague?

Not at all likely 0 1 2 3 4 5 6 7 8 9 10 Extremely likely

Have any issues you've had been resolved within 24 hours?

☐ Yes
☐ No
☐ N/A

Does [brand] submit multiple qualified candidates that match your requirements?

☐ Yes
☐ No
☐ N/A

Does [brand] submit candidates who would be a good culture fit for your team?

☐ Yes
☐ No
☐ N/A

Does [brand] submit candidates within the expected timeframe?

☐ Yes
☐ No
☐ N/A

Does [brand] set realistic expectations regarding the open positions you have them track on?

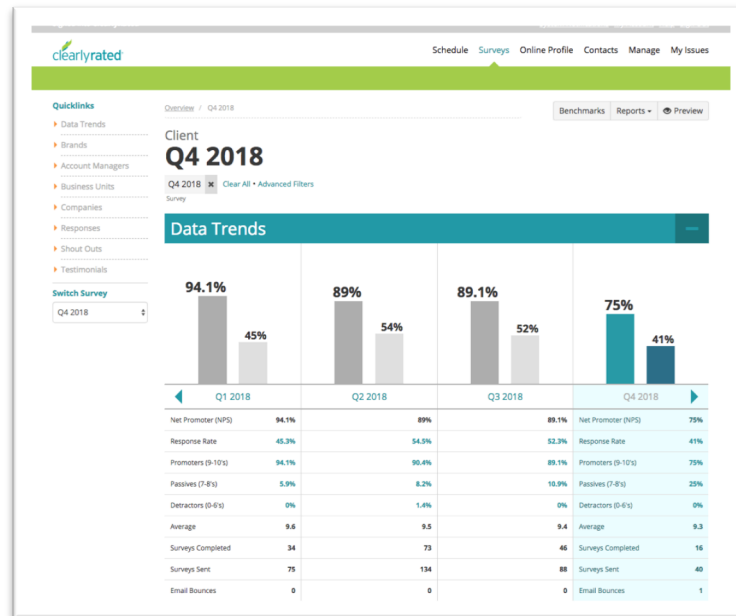
☐ Yes
☐ No
☐ N/A

What is the primary reason behind the rating you provided?

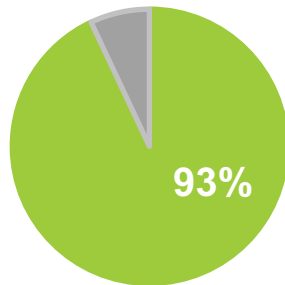
What, if anything could [brand] do differently to increase the value you receive working with them?

Net Promoter Score (NPS) question

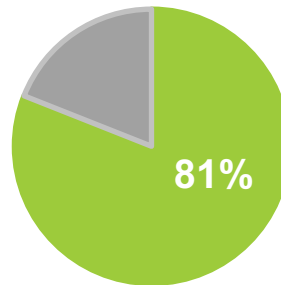
NPS Driver Questions



Clients are ready to be asked about their experience.



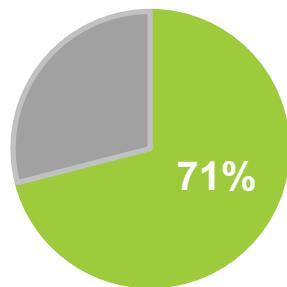
93% of accounting firm clients say it's important to have an open channel of communication to provide feedback to their firm.



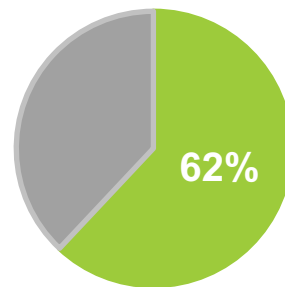
81% say that when asked for feedback, their perception of their accounting firm is positively impacted.

SOURCE: ClearlyRated 2018

Method matters.



71% of accounting clients say they are more likely to take the time to provide feedback through a survey than in-person.



62% of accounting 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!

Testimonials and satisfaction scores strongest indicators of industry expertise



SOURCE: ClearlyRated 2019

Compared to Detractors, Promoters are 6x more likely to provide a testimonial to their primary firm

More than **9 in 10** accounting firm clients are willing to share a testimonial

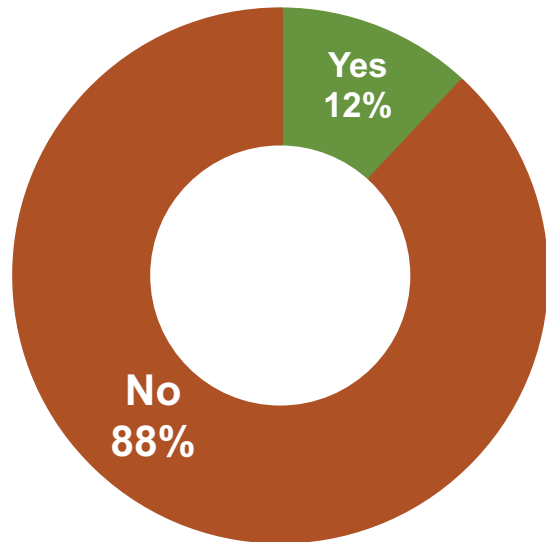


But **fewer than 2 in 10** have been asked to do so



SOURCE: ClearlyRated 2019

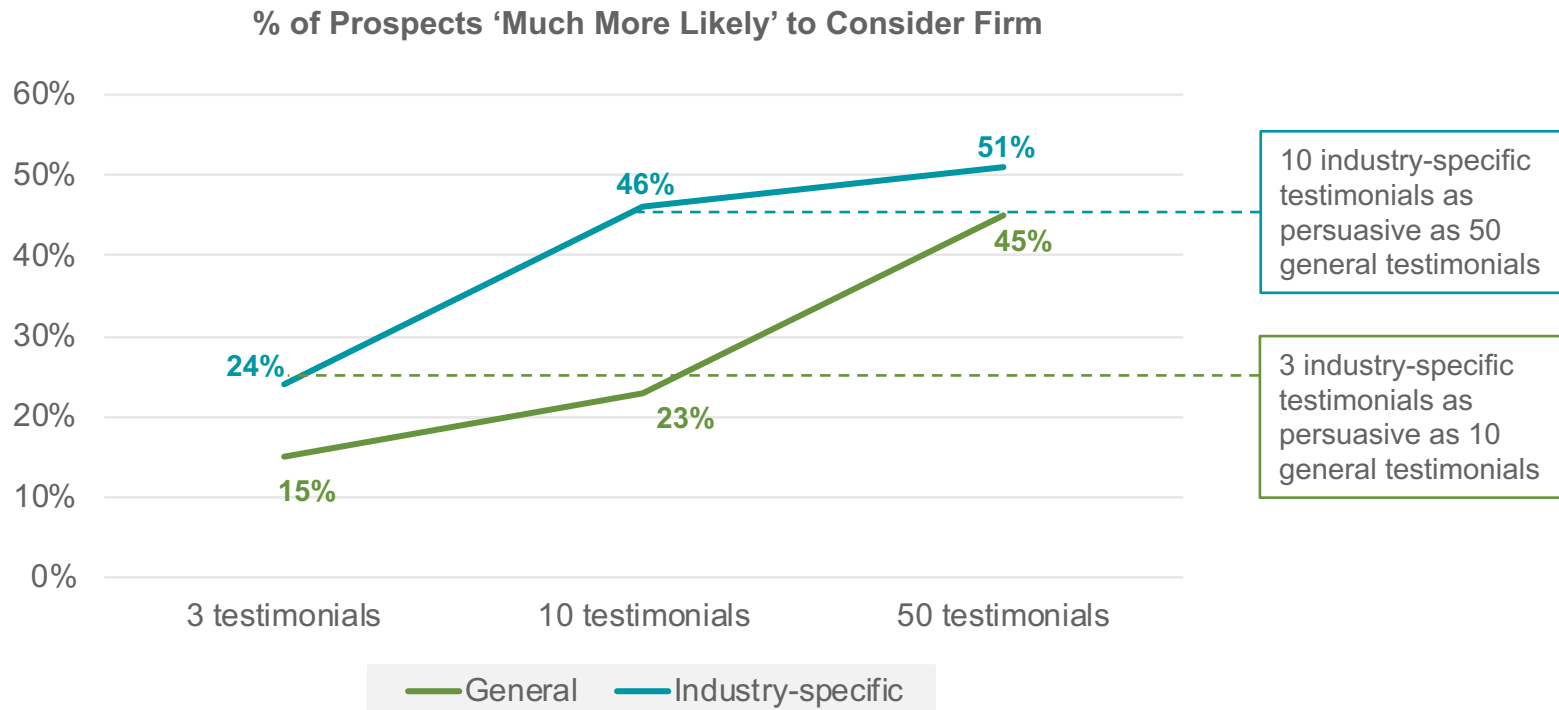
CFO buyers almost never asked for testimonials



84%
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

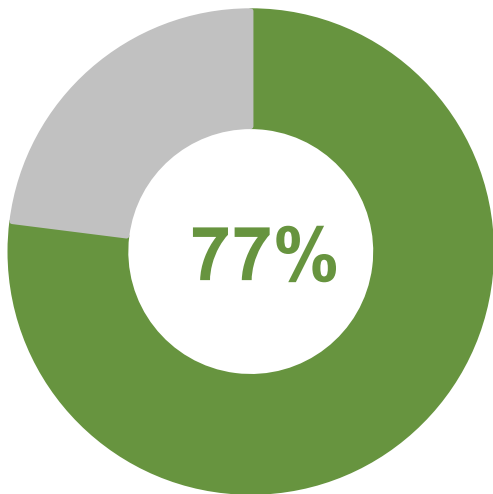


Leverage buyer and client behavior for firm growth

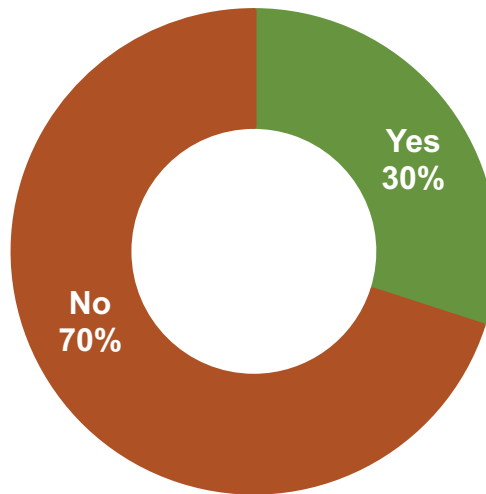
- Learn who your Promoters are. Do it at scale.
- Capture – and utilize – testimonials as much as humanly possible!
- Ask Promoters to refer you.

Ask Promoters to refer you

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



“Has your primary accounting 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

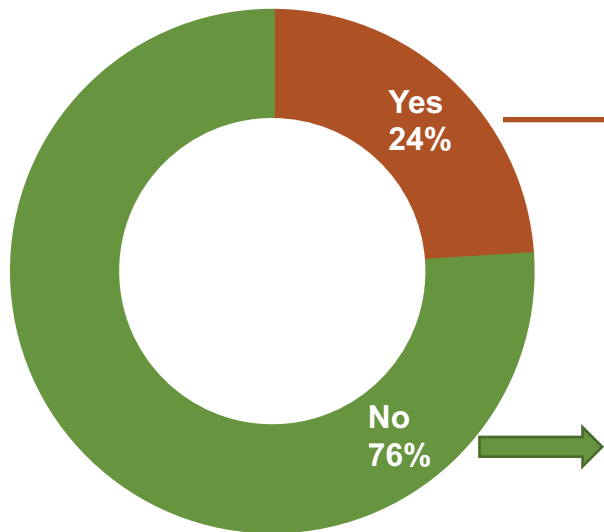
Detractors are
39% less likely
to increase spend
with your firm.

Detractors are
2x less likely
to be fully committed
to your firm.

SOURCE: ClearlyRated 2019

Strong issue recovery results in higher satisfaction

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



Of those who have had issues...

43% were "very satisfied" with the speed of the issue resolution, resulting in an NPS of **70%**

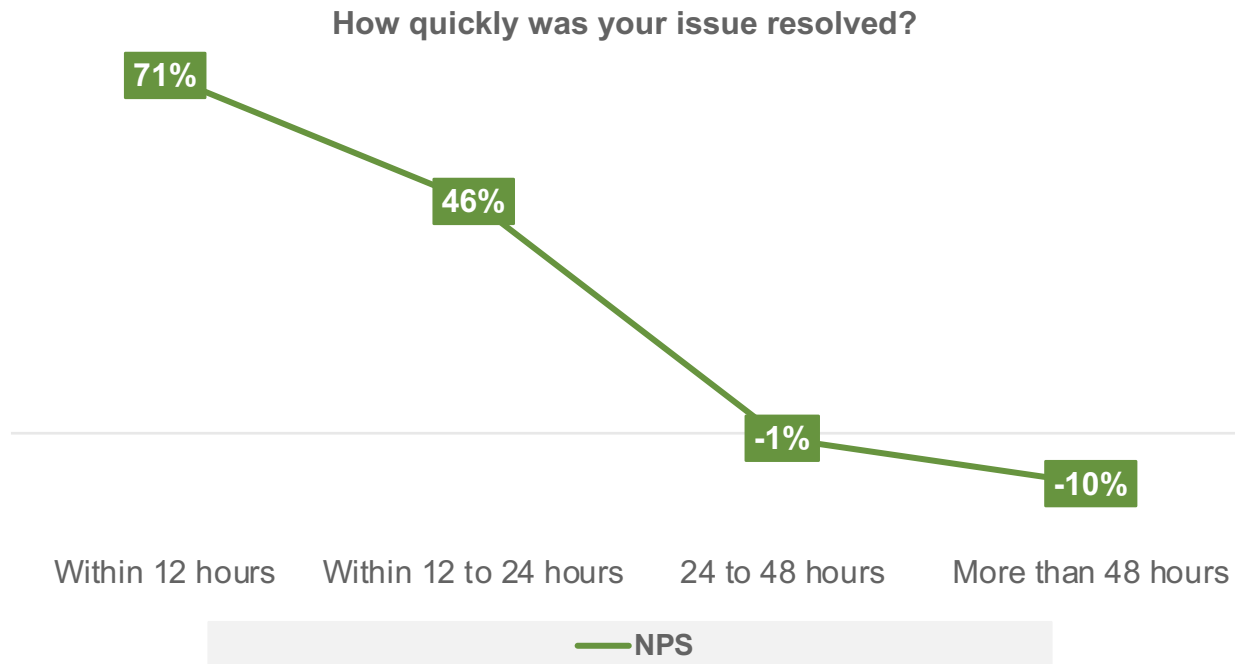
49% were "very satisfied" with the caliber of the issue resolution, resulting in an NPS of **51%**

NPS if they've not had an issue
24%

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

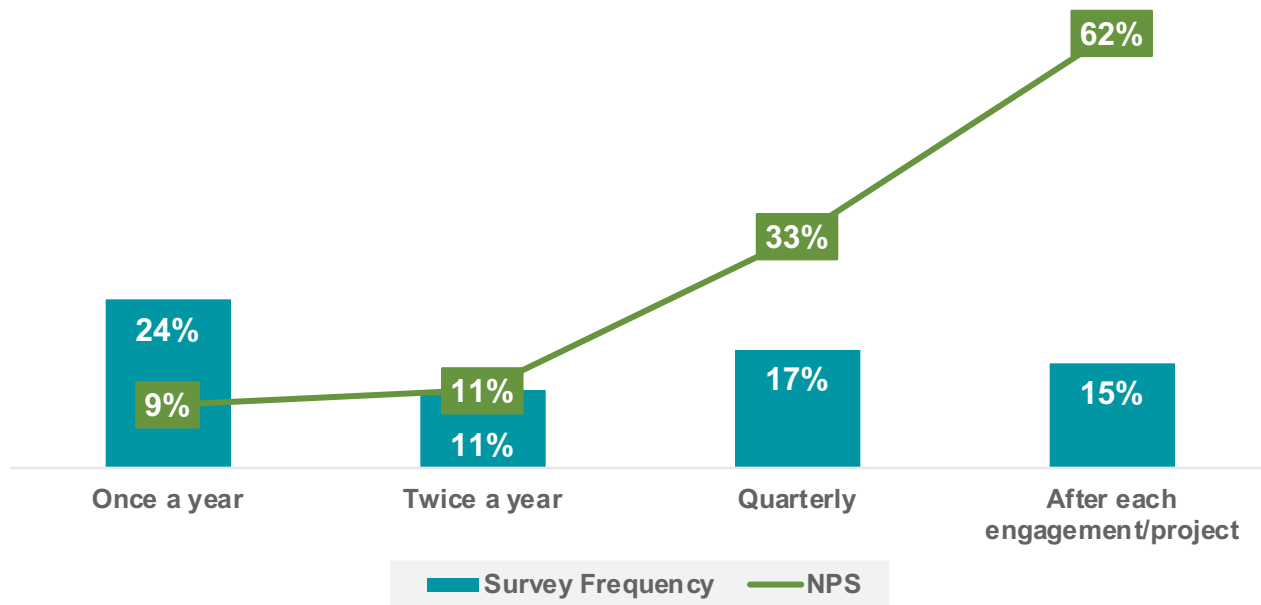
SOURCE: ClearlyRated 2019

Slow response to an issue = low satisfaction



SOURCE: ClearlyRated 2019

NPS increases as survey frequency increases



88%

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

yet only...

67%

of accounting clients are currently being surveyed

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.
- Start thinking (and talking) about your online reputation.

Online reputation creates undeniable credibility with the modern buyer

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.



Source: Modern America

Online reputation creates undeniable credibility with the modern buyer

50% of accounting buyers believe online ratings and reviews are a good resource for determining quality of an accounting 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 accountant anywhere. If you’re looking for a competitive advantage – the client experience is it.”

- Ed Bodensiek

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/