



The State of Legal Marketing in Latin America

Study by

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Foreword

Legal marketing has unquestionably become an international phenomenon. While some argue that 'marketing' has always existed, defining it as a combination of actions which have to be executed prior to the undertaking of selling activities, the last 30 years have seen the purposive and organized advent of deliberate legal marketing activity.

Distinct changes in the global political, economic, social, and technological environment, such as deregulation, increasing client expectations, and new information technology have resulted in a significantly changed, increasingly competitive marketplace that forces law firms to compete in new ways. Traditional conduct and approach no longer guarantees success and survival. Adopting a strong client orientation and being aware of the competition becomes fundamental to the success of the firm. Hence the idea of actively marketing a law firm's practice has started to spread widely throughout the world despite many attorneys' acknowledged aversion towards marketing.

A lot has been written about the adoption of marketing in law firms in the US and the UK, but little is known about the state of legal marketing in other regions, such as Latin America. To shed light on this region, the Legal Marketing Association (LMA) has commissioned research among law firms in the seven largest Latin American economies: Argentina, Brazil, Chile, Colombia, Mexico, Peru, and Venezuela.

The findings of the study are intended to give both Latin American and foreign firms an in-depth view of the *status quo* of legal marketing in this region that, often in the shadow of economic development in China and India, has reached a regional gross domestic product (GDP) of US\$ 2.95 trillion* (over 10 percent more than China) and a population of 546 million according to the International Monetary Fund (IMF).

* Include countries not researched in the survey.

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General observations

Legal marketing in the largest economies in Latin America ranges from just emerging to relatively sophisticated. Due to each country's unique cultural and ethnic background, stage of economic development, regulatory restrictions, and competitive situation, law firms approach marketing with different urgencies and apply different instruments. Rolling out legal marketing in offices throughout the region in a cookie-cutter "Latin American-style" is likely to be a mistake. Despite findings that might appear relatively similar at first glance, the foreign lawyer and marketer should be aware that effective instruments in one country might be detrimental – or forbidden – in another one, instruments deemed acceptable and effective in one may face rejection by lawyers and clients in another.

Due to the relative newness of legal marketing, formal, coordinated strategic marketing activity is generally at an early stage and will likely change as the interest for legal marketing grows in the region. Almost a third of the largest firms in the respective markets do not yet employ a full-time marketer. Where they exist, marketing departments tend to be very small with tight budgets and marketers generally have little decision-making power.

Networking among legal marketers has just begun, with newly created online and offline groups in Brazil, Peru, and Chile. Despite the shared language, the amount of legal marketing content generated in the Spanish-speaking part of Latin America region is smaller than the Brazilian content in Portuguese. On the positive side, the survey found that lawyers typically deem marketing as "important" or even "very important" for their firm and just over half of the firms have strategic marketing plans.

Like other jurisdictions that experienced the unfolding and establishment of marketing in the legal profession, it is likely that firms in Latin America will gradually move from the current focus on tactical communications and promotion activities by lawyers to more sophisticated, strategic activities carried out by seasoned marketing specialists in growing marketing departments.

Marketers can help accelerate this process and earn their seat at the table by demonstrating that legal marketing is not a management fad that evolves only around enhancing a firm's visibility in the market, but a necessary focus on clients' needs that results in an improved competitiveness of the firm.

Instead of solely quantifying marketing efforts, firms will also have to measure the qualitative effects of marketing, which will emphasize results, establish marketing credibility, and increase the probability of commitment from the lawyers.

A number of respondents stated that local bar association rules forbid some marketing and promotional activities, which without any doubt challenge the creativity of the lawyers and marketers. It has to be kept in mind, however, that none of the bar associations forbid or regulate the immensely powerful marketing tools of relationship development and word-of-mouth.

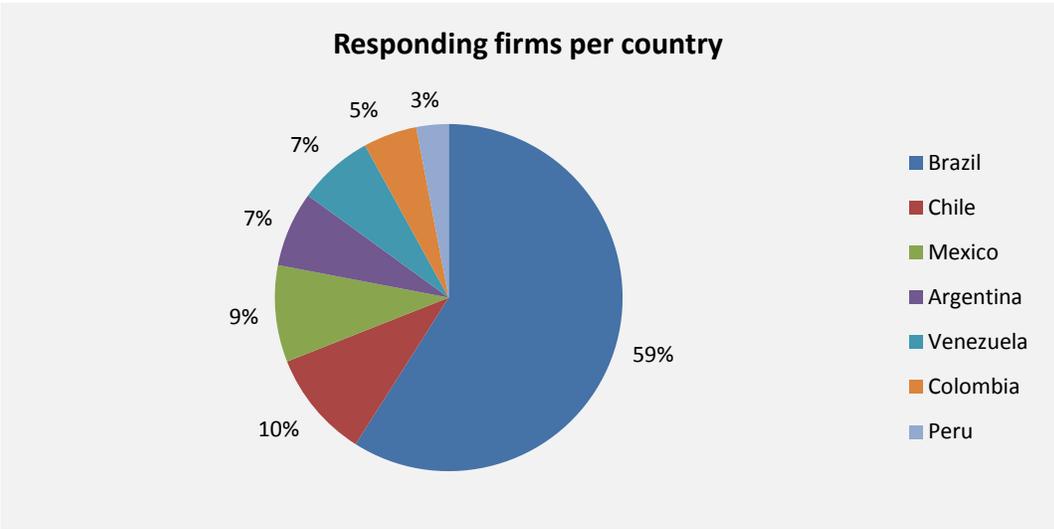
Marketing needs to become an integral part of the professional culture of lawyers instead of being seen as an extra or optional task, for which lawyers will have to interrupt their normal work.

Methodology

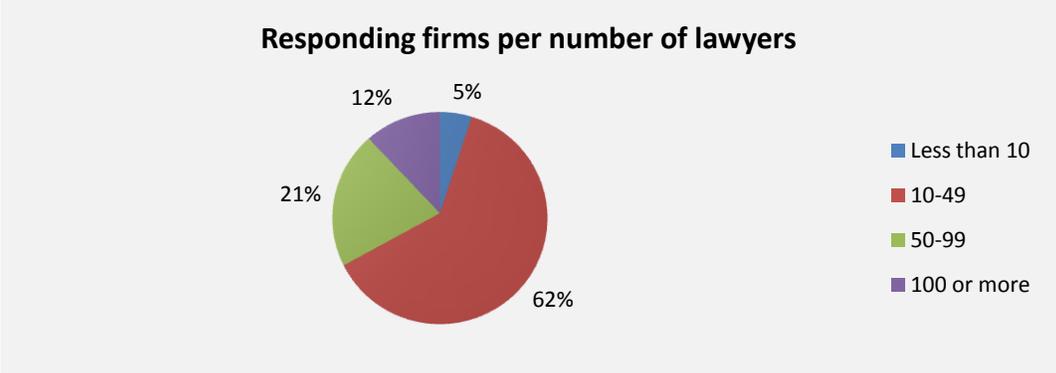
This research is based on a quantitative study which was carried out between June and August 2007 among leading law firms in the seven largest Latin American economies: Argentina, Brazil, Chile, Colombia, Mexico, Peru, and Venezuela. Based on the 2006 figures from the International Monetary Fund (IMF), these countries combined amount to almost 91 percent of the total GDP at current prices in Latin America (see “**Statistics**”).

Those participating in the survey comprise a sample of the leading corporate and M&A law firms in the respective national markets. The firms were identified in terms of size and reputation/recognition. In Brazil, law firms were selected from: *Análise Advocacia - Anuário os Mais Admirados do Direito 2006* (ranking of the 150 leading Brazilian law firms); *Valor Análise Setorial - Escritórios de Advocacia* (study of the Brazilian legal market by a major business newspaper); and *Latin Lawyer 250*. Firms in Argentina, Chile, Colombia, Mexico, Peru, and Venezuela were identified in the following directories: *Chambers and Partners*; *PLC “Which Lawyer?”*; *Latin Lawyer 250*; *Lexis-Nexis Martindale-Hubbell Lawyer Locator*; and *Migalhas Tour Jurídico* (a Brazilian legal news web site with information for Latin American and Caribbean countries).

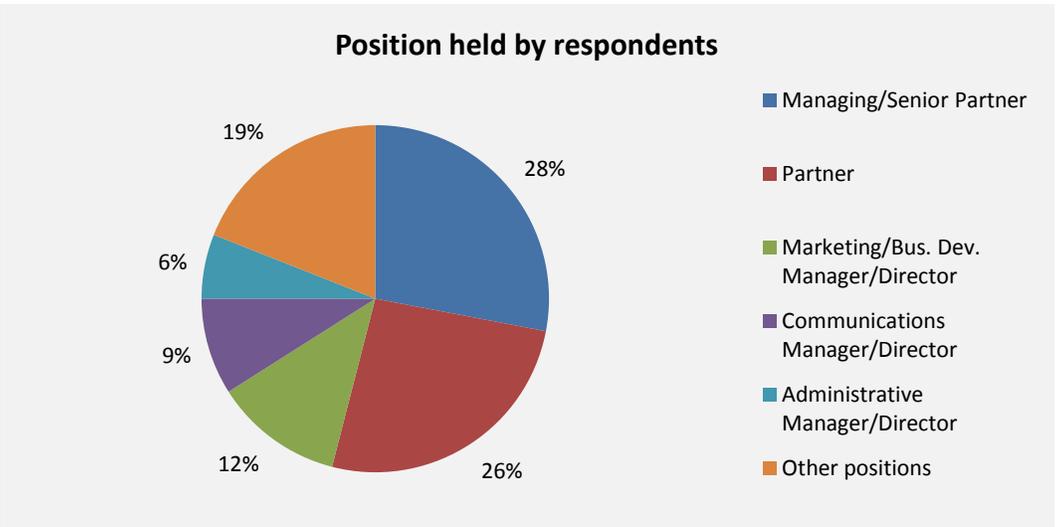
The research was conducted through a web-based survey – in Portuguese for Brazil and in Spanish for the other countries. A total of 86 firms responded to the survey out of 388 law firms that were selected and invited to participate, equaling a response rate of 22 percent. Brazil had the highest national response rate among all participating countries (40 percent) and represented 59 percent of all received responses, possibly showing a greater interest in the topic.



A third of the firms participating in the study have 50 or more lawyers, and slightly less than two thirds have between ten and 49 lawyers. While the trend in Latin America points towards increasing law firm size, firms still tend to be smaller than US firms. As a comparison, around 30 firms in the region have 100 or more lawyers.



In line with many firms not employing full-time marketers, 59 percent of respondents in the study are lawyers, with most of them being partners in their respective firms. Of the total respondents, 26 percent are partners and 28 percent are managing or senior partners. Other management positions account for 27 percent in the survey, of which 12 percent represent pure marketing or business development management positions.



While the findings of this study do not claim to be confidently projectable to the population of all Latin American law firms, they are likely to be representative of the *status quo* and highlight current developments among the leading law firms in Latin America that have started to embrace marketing and were willing to share their experiences.

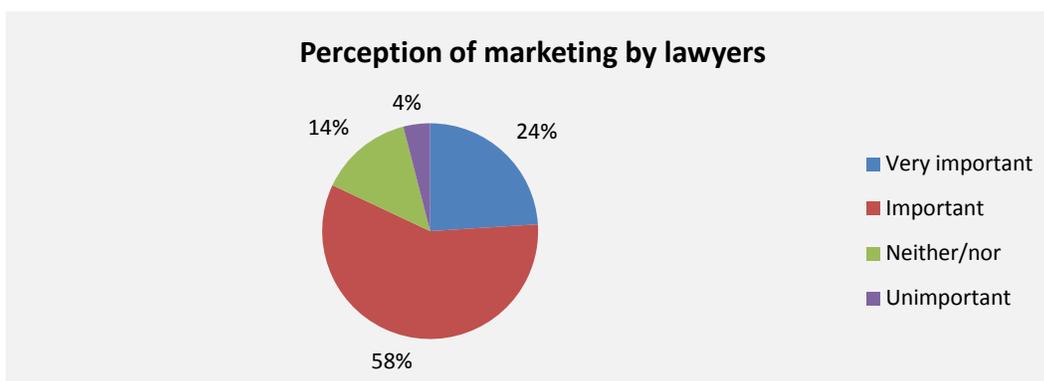
Survey results

Formal law firm marketing in Latin America is a relatively recent phenomenon. Most leading firms started about ten years ago, in the late 1990s. Some pioneering firms – few and far between – surprisingly stated that their firms began to market their services in the 1960s and 70s, a testimony to the fact that some lawyers accept the concept that marketing, formal or not, is an integral part of the business of a law firm.

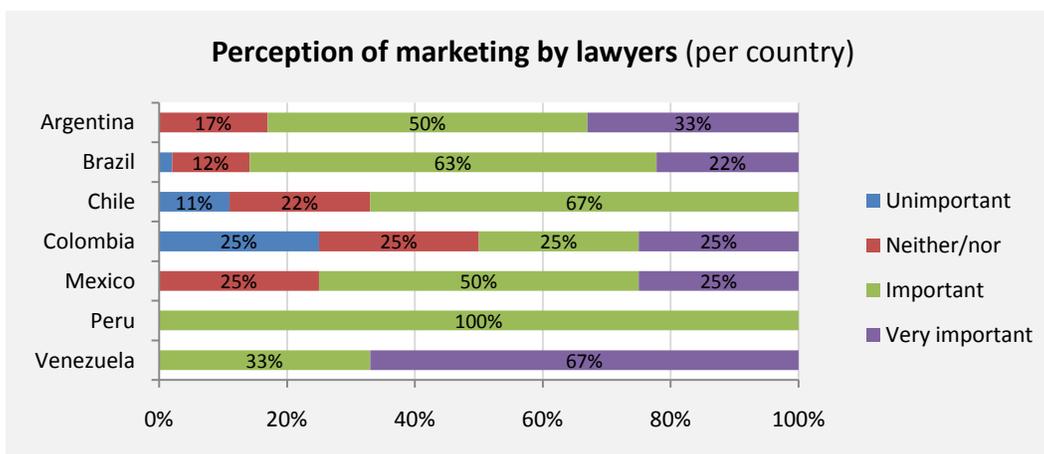
Because the number of participants from countries other than Brazil is less than ten in each case, country-specific findings should be considered directional and suggestive, not conclusive.

Perception

Latin American law firms generally appear enthusiastic about the concept of marketing: 82 percent of respondents declared that lawyers in their firms perceive marketing as “very important” or “important”.

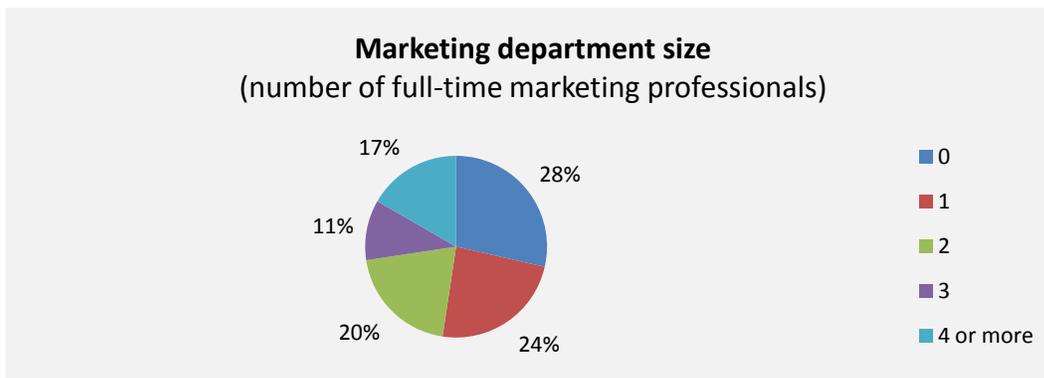


Venezuelan and Peruvian lawyers appeared particularly dedicated, as all responding firms from these countries rated marketing as either “very important” or “important”. This, however, might not necessary translate into active participation by lawyers in marketing activities, as some respondents pointed out that while lawyers should be the main force behind most marketing actions, they often cite a lack of time preventing them from translating intentions into practice.

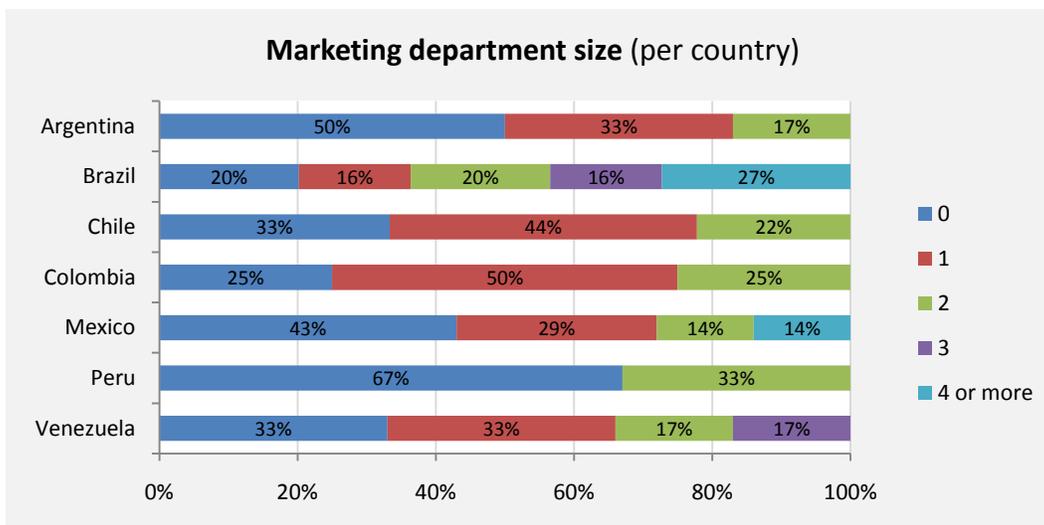


Department size

Marketing departments in Latin American law firms are “generalist” and typically include communications, public relations, and business development activities. Compared to marketing departments in firms in the US they are rather small: 24 percent have one full-time marketer, 20 percent have two-person departments, and while 28 percent of firms in the survey stated to have three or more full-time marketing staff, near one third of the respondents (28 percent) do not have a single full-time marketer.

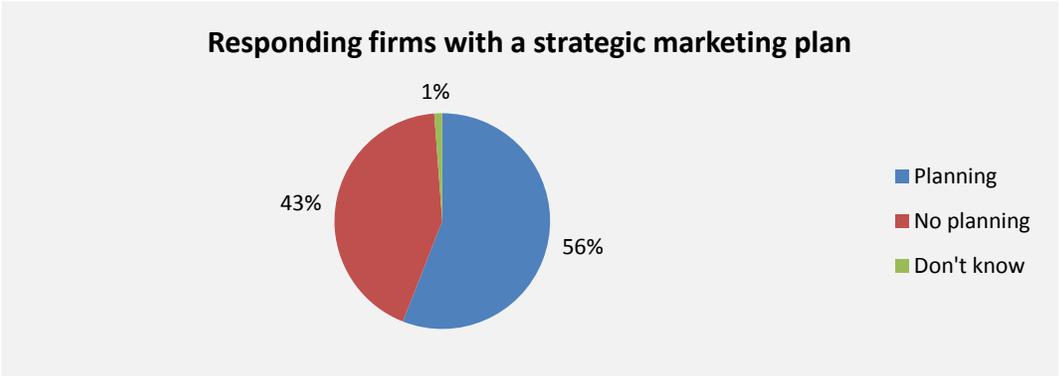


The two largest economies in the region, Brazil and Mexico, appear to typically have the largest marketing departments, with often four or more full-time staff members. Legal marketers in Colombia and Chile are most likely to work in one or two-person departments, whereas half of the Venezuelan law firms have one or two marketers. Law firms in Argentina and Peru were the least likely to have a full-time marketer, and typically put lawyers in charge of marketing.

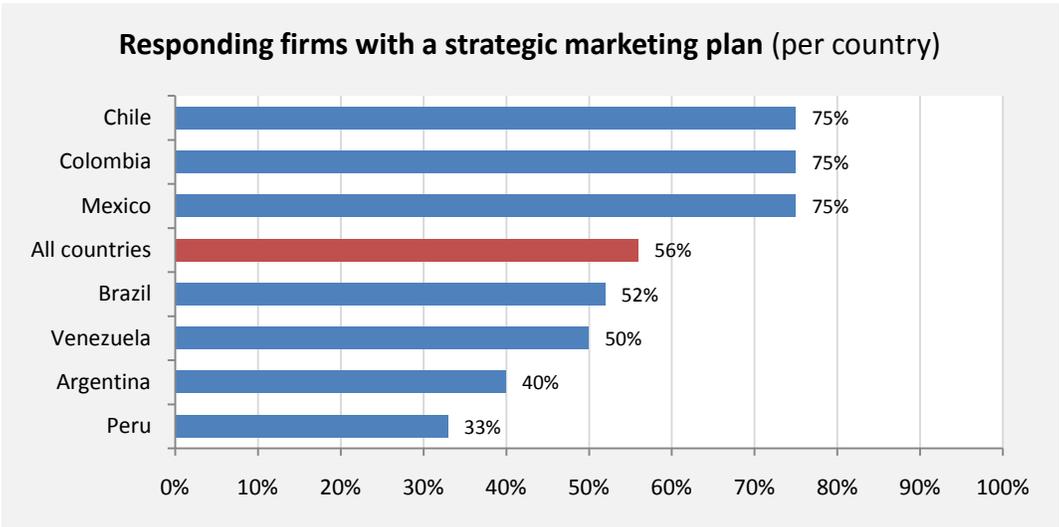


Planning

Latin American firms tend to engage in marketing planning, with 56 percent stating that they have a strategic marketing plan.

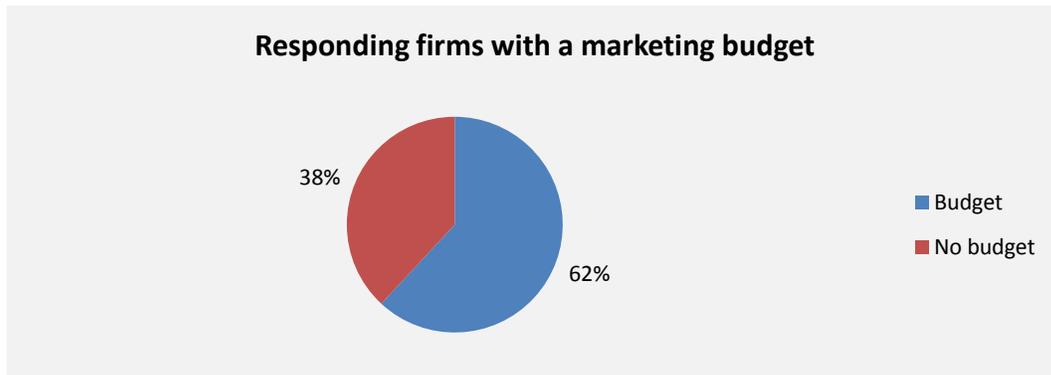


Mexican, Colombian, and Chilean firms are rather likely to plan strategically, while Argentinean and Peruvian firms generally appear to prefer a more *ad hoc* approach to marketing. Firms in Brazil and Venezuela show no clear preference.

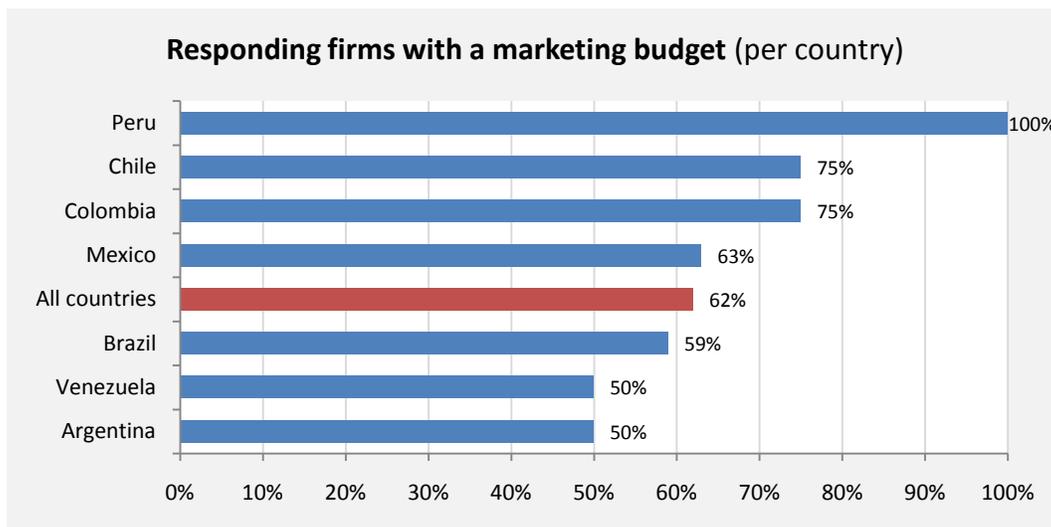


Budgeting

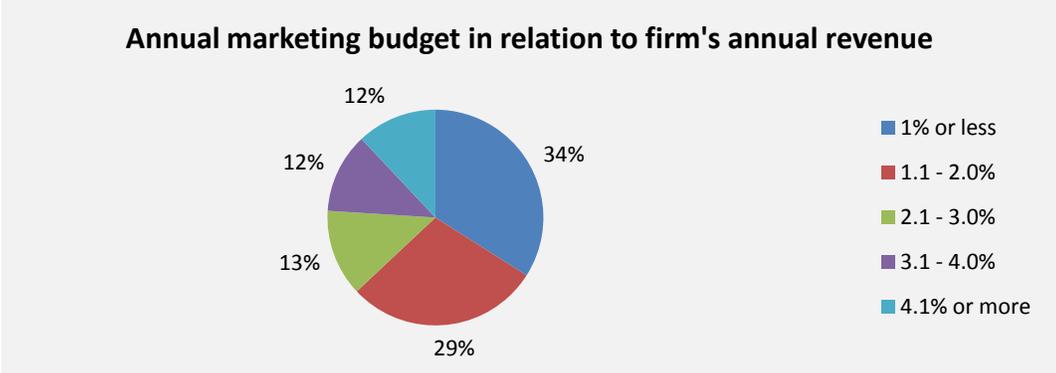
A marketing plan without an associated budget makes little sense, but interestingly, more firms budget their marketing expenses than maintain a strategic plan. Almost 62 percent of the responding firms in Latin America stated they have a budget dedicated to marketing activities, but, of the total number of responding firms who have a budget, 21 percent do not have an associated marketing plan. On the other hand, of the total number of responding firms that have a marketing plan, 15 percent carry it on without a budget.



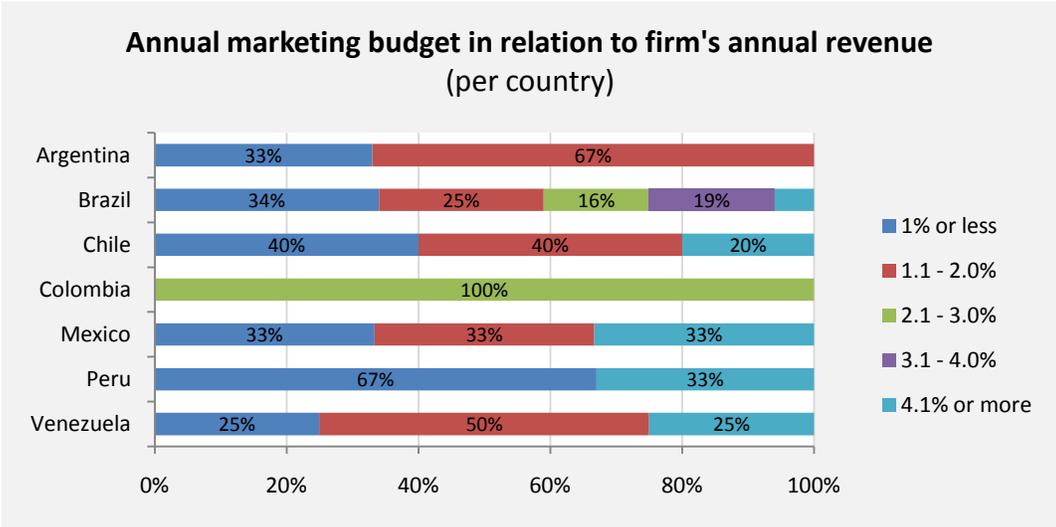
Law firms in Peru, Colombia, and Chile appear to frequently have a marketing budget. Mexican and Brazilian firms had a slight preference for budgeting, while firms in Venezuela and Argentina were ambivalent regarding their decision to determine marketing spending in advance.



Latin American law firms spend on average less than two percent of the firm’s annual revenue on marketing, excluding personnel costs and marketing-related lawyer travel expenses. Depending on what items one includes in “marketing”, this percentage is somewhat less than marketing spending found by studies in other markets, such as the US.

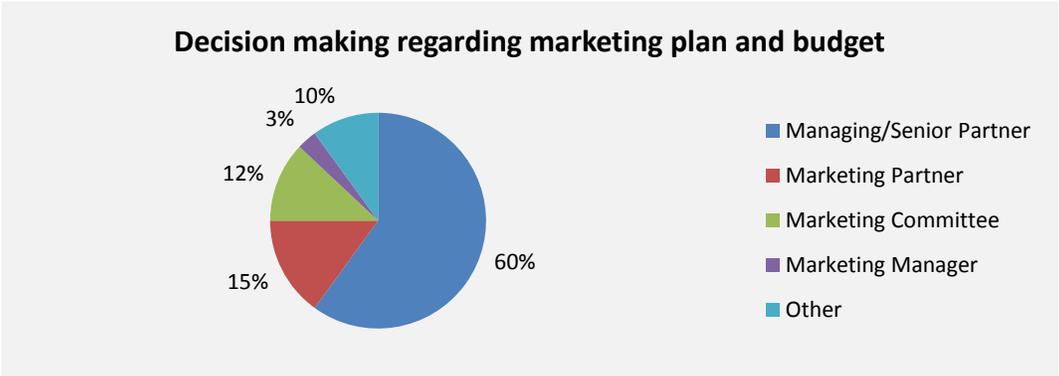


Interestingly, about a third of the responding firms from Mexico and Peru and a quarter of the Venezuelan firms stated they spend over 4 percent of their annual revenues on marketing activities.

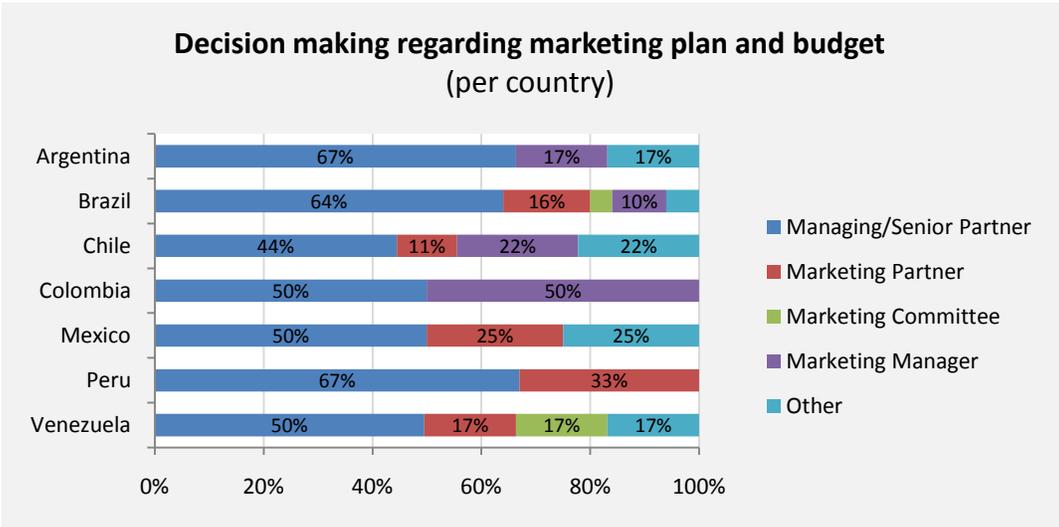


Decision making

Marketing decision-making is still very much in lawyers' hands. By and large, marketers do not appear to have yet earned their "seat at the table", as have many Chief Marketing Officers (CMOs) in firms in the US. The managing or senior partner typically makes the decisions regarding the firm's marketing plan and budget (60 percent). Less often, the marketing partner (15 percent), a marketing committee (12 percent), or the marketing manager (3 percent) has decision-making power.

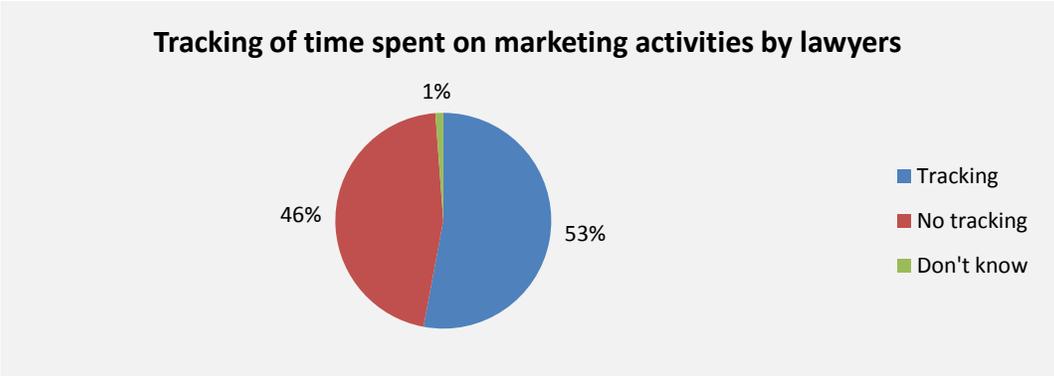


Marketing partners appear important deciders in Peru, Mexico, and Brazil, marketing committees frequently decide in Venezuela and Brazil, and only in Venezuelan firms are marketing managers more frequently in charge of deciding marketing issues.

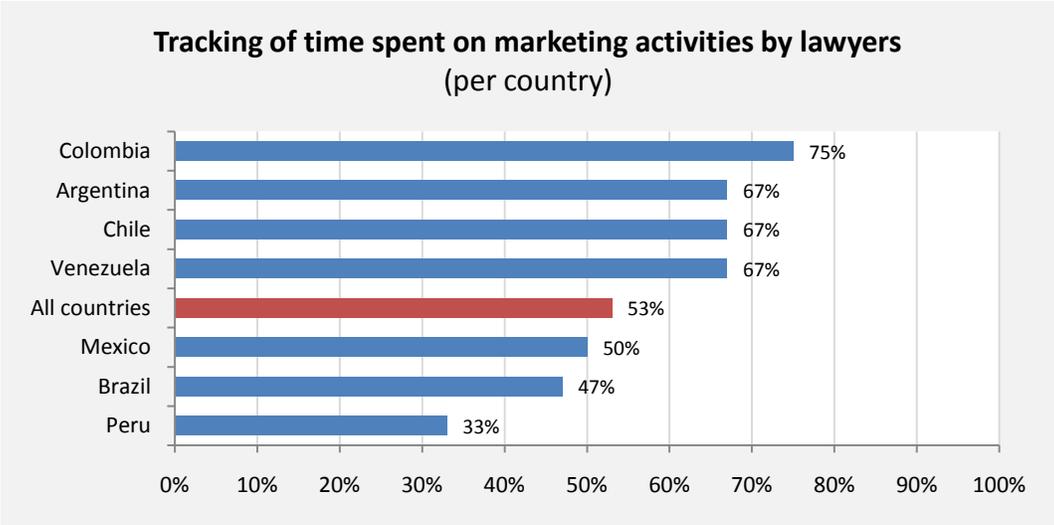


Tracking time

An important, albeit not sufficient prerequisite for successful marketing activities is the quantification of efforts. An encouraging 53 percent of responding firms in Latin America keep track of their time spent on marketing and business development activities.

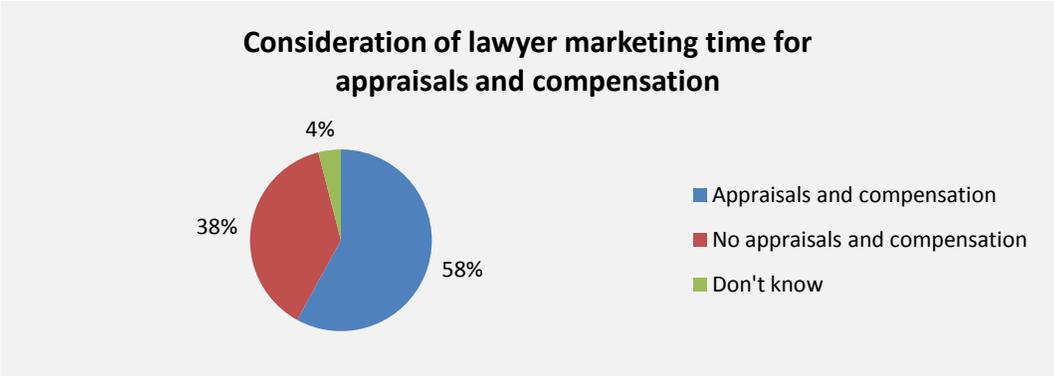


Findings suggest some regional differences. Firms based in Colombia, Chile, Argentina, and Venezuela are rather likely to keep track of lawyers' time spent on marketing. Mexican and Brazilian law firms do not show a prevailing trend in regards to tracking time for marketing, while Peruvian lawyers are the least likely to track.

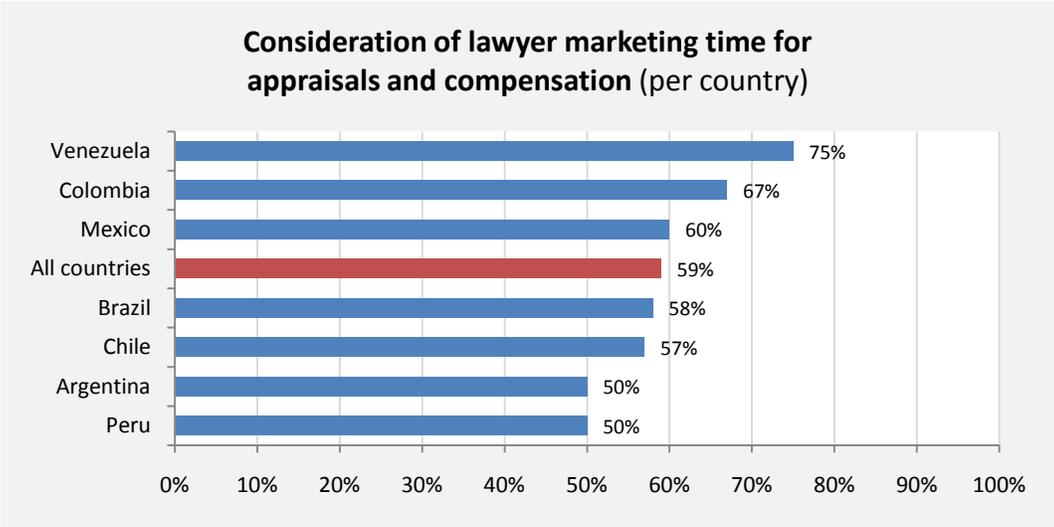


Appraisal and compensation

More than half of the responding firms in Latin America (58 percent) take the time spent on marketing into account for lawyers' appraisals and compensation. Such incentives are critical to ensure the active and successful involvement of lawyers in marketing activities.

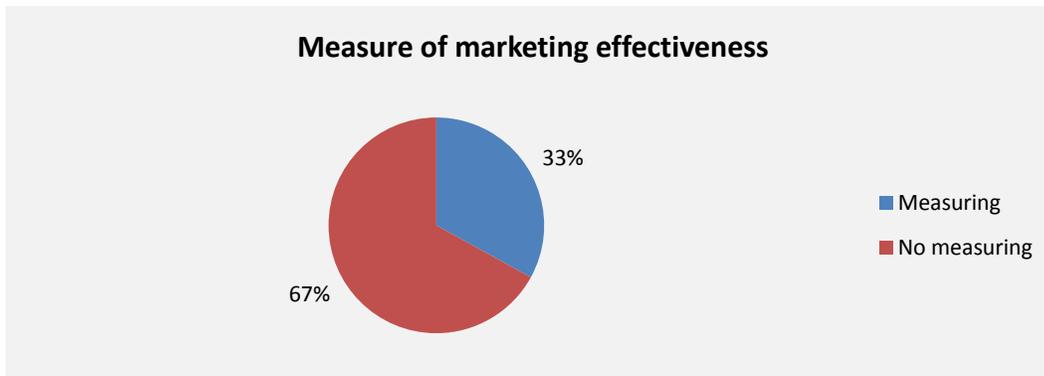


Venezuelan and Colombian lawyers are most likely to be appraised by and compensated for their marketing efforts, followed by firms in Mexico, Brazil, and Chile. Argentinean and Peruvian law firms do not show a clear trend in regards to appraising and compensating lawyers for their time spent on marketing.



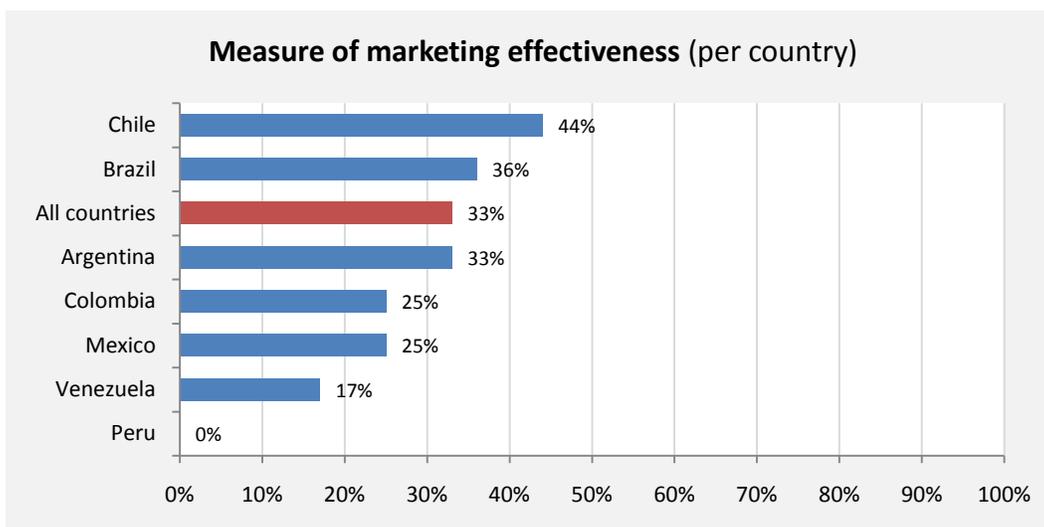
Measuring effectiveness

Despite the rather widespread practice of quantifying marketing efforts, the survey found that law firms in Latin America typically do not measure the other – arguably more important – prerequisite of marketing: the effectiveness of their marketing activities. Only 33 percent of respondents reported that they measure the effectiveness of their marketing activities.



While measuring marketing in terms of activity is generally a useful first step, the evolution of marketing from a tactical activity to a strategic process demands proof of effectiveness. Comments from the participants in the study, however, suggest a lack of sensitivity to this issue. Marketing still appears to be perceived mostly as a cost due to the type of marketing activities used (e.g. promotions). It will likely take some time before marketing evolves to a more strategic activity that will be seen as an investment rather than a cost.

Most likely to measure effects are Chilean firms (44 percent), followed by firms in Brazil, Argentina, Colombia, Mexico, and Venezuela. No Peruvian firm in the study stated that they measure the effectiveness of marketing.



Popular and not-so-popular tools

Latin American law firms use a wide range of marketing, communications, and business development tools. Particularly popular are appearance tools, such as networking with professional associations and chambers of commerce (69 percent), or national/international events (64 percent); organizing firm events such as seminars and dinners (54 percent); and lawyers participating in speaking engagements (54 percent). Law firms in Latin America also conduct media and public relations activities (44 percent), sponsor third-party events (42 percent), and provide pro-bono/charitable activities (41 percent).

Print marketing tools are also widely used by Latin American law firms with 59 percent of the responding firms producing newsletters, 57 percent creating brochures, 34 percent getting listed in legal directories, and 21 percent running advertisements in legal and business publications. It has to be noted that not all researched jurisdictions allow advertising or other promotional activities (see “**Legal systems and bar association rules**”).

Web sites are by far the most frequently used marketing tool as 76 percent of the firms in the study report having one. This percentage is a bit surprising as all respondent firms, in fact, do have a web site. A possible interpretation might be that not all firms consider their web sites to be a marketing tool. Apart from the firm’s web site, law firms in Latin America do not seem to fully embrace technology tools for marketing purposes. Only 16 percent of the responding firms make use of customer relationship management (CRM) tools and just 4 percent complement their web presence with blogs.

Other marketing tools include internal communications/marketing (34 percent), give-aways/gifts (30 percent), client satisfaction surveys (23 percent), marketing research/ competitive intelligence (17 percent), participation in requests for proposals (RFPs) (16 percent), and marketing/sales training for lawyers (9 percent). While the low percentage for client satisfaction surveys might indicate that lawyers still have little concern for their clients’ point of view, the low percentage of firms currently using a strategic marketing tool like competitive intelligence is common for firms at an early stage of applying marketing.

Most used marketing tools



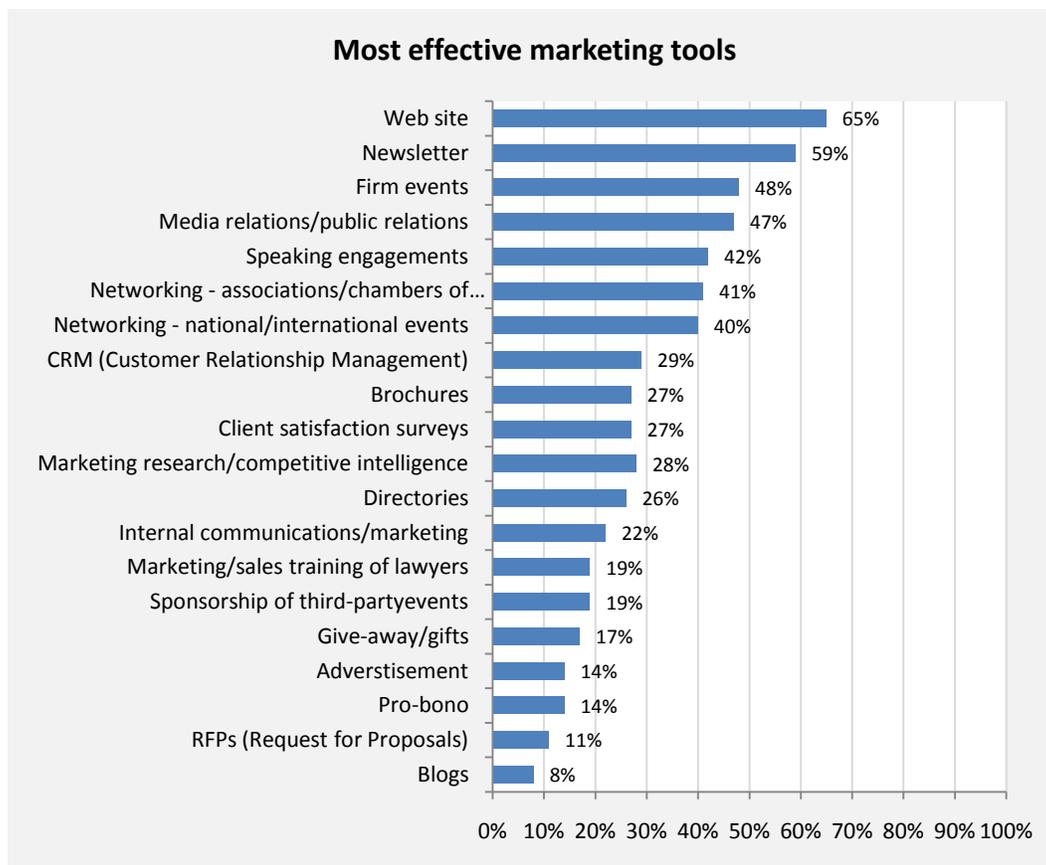
Effectiveness of marketing activities

A somewhat different picture presents itself when asking the firms about the most effective legal marketing instruments in their respective country/market.

The firm's web site is cited as the most effective tool by two thirds of the respondents, followed by newsletters (59 percent), firm events (48 percent), and media relations/public relations (47 percent).

While currently used by some firms, technology tools seem to have potential in the near future as they appear to be held in higher esteem compared to their current use. Around 29 percent rated customer relationship management (CRM) and 8 percent rated blogs as effective.

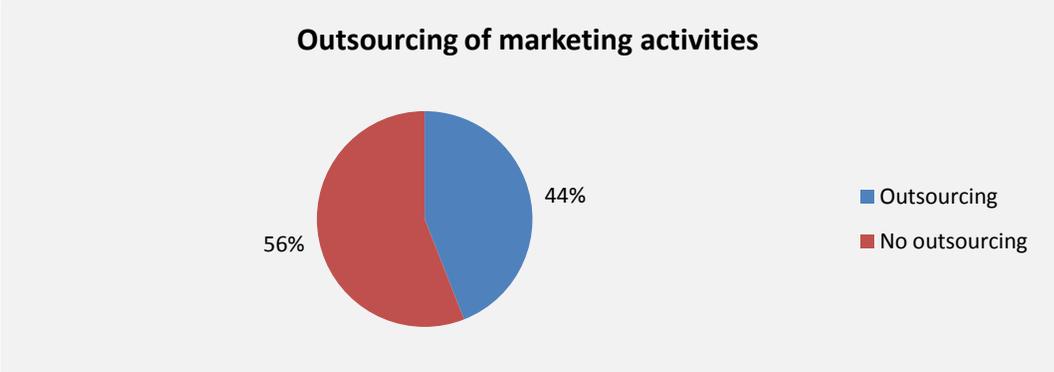
Print tools, on the other hand, appear to be commonly used, even though deemed as relatively less effective. Almost 27 percent believe in the effectiveness of brochures, 26 percent in directory listings, and 14 percent in law firm advertisements.



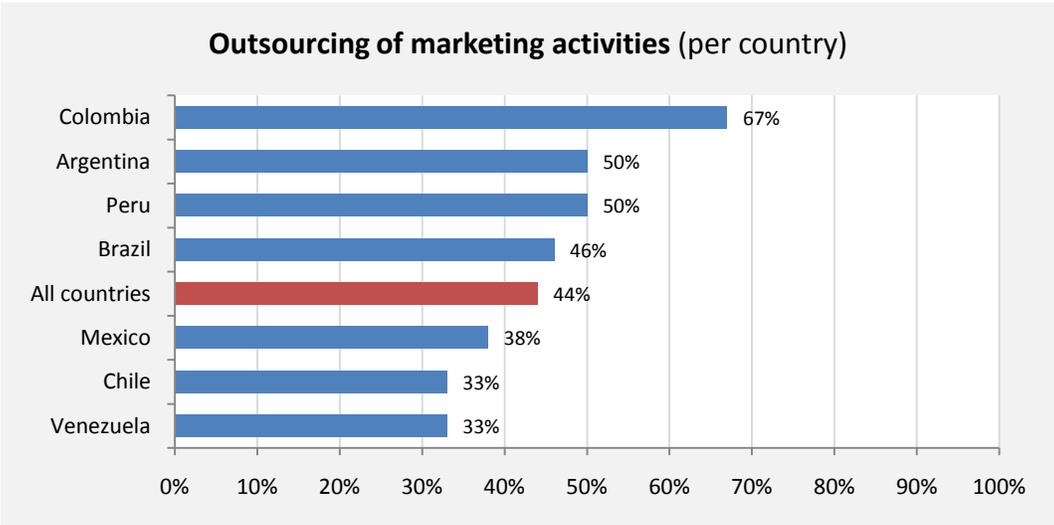
While not – yet? – commonly used, the survey suggests that Latin American law firms believe marketing research/competitive intelligence, client satisfaction surveys, and marketing/sales training of lawyers can be effective marketing tools.

Outsourcing

Less than half (44 percent) of responding firms in Latin America outsource marketing activities or use consultants to assist with marketing. Media relations was mentioned by almost 20 percent of all respondents, becoming the number one outsourced activity. Outsourcing was also strong for the design of print materials and web sites. Firms also outsource training, promotion of events, client satisfaction surveys, market research, and marketing planning.



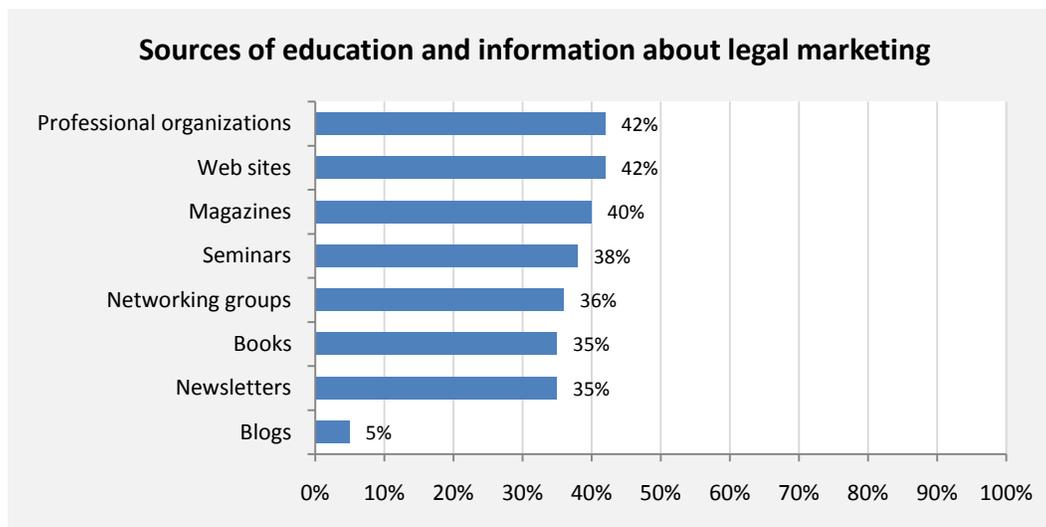
Colombian, Argentinean, and Peruvian firms are more likely to outsource to outside providers, and firms from Venezuela, Chile, and Mexico are less likely to outsource than the Latin American average.



Education and information

The law firms in the study use a wide range of sources for education and information about legal marketing. Professional organizations and web sites are the most popular (42 percent each), followed closely by magazines (40 percent), seminars (38 percent), networking groups (36 percent), and newsletters and books (35 percent).

Blogs are by far the least used source of education and information (5 percent). This may be a surprisingly low percentage considering the many blogs that are available on legal marketing and related themes. Since most of the successful legal marketing blogs are available only in English – there are just a few available in Portuguese or Spanish – the language barrier probably leaves blogs as untapped territory.



As sources of information regarding legal marketing, the International Bar Association (IBA) and the American Bar Association (ABA) were mentioned by many of the respondents, followed by local chambers of commerce and other local associations and study centers. Among the many book and/or blog authors cited are: Philip Kotler, David Maister, Larry Bodine, Trey Rider, and Sally Schmidt. Brazilian respondents cited legal marketing pioneer and book author Rodrigo Bertozzi.

As previously mentioned (see “**General observations**”), regional content and events are more prominent in Brazil. For instance, Fenalaw, an annual congress and exhibition on legal administration promoted in the country was mentioned by almost 20 percent of all responding firms from Brazil. Also 20 percent of Brazilians in the study cited *Consultor Jurídico*, a leading legal news web site, as an important source of information.

The findings suggest interesting national differences. Brazilian law firms appear to particularly appreciate magazines, seminars, and web sites. Mexican firms turn to professional organizations, web sites, and newsletters. Argentineans draw from a wider range of sources without particular preferences, with the exception of web sites and blogs, which they do not seem to use. Firms from Venezuela, on the other hand, do like web sites in addition to professional organizations.

Newsletters work particularly well in Colombia. Chileans seem to favor professional organizations and books on marketing topics (mostly US marketing and management literature), and Peruvians apparently like professional organizations, web sites, and newsletters.

Sources of education and information about legal marketing
(per source / per country)

	Professional organizations	Networking groups	Web sites	Blogs	Newsletters	Books	Magazines	Seminars
Argentina	33%	17%	0%	0%	33%	33%	33%	33%
Brazil	38%	46%	48%	6%	36%	40%	50%	48%
Chile	56%	22%	11%	0%	11%	44%	11%	11%
Colombia	25%	25%	25%	0%	75%	25%	25%	25%
Mexico	75%	38%	75%	13%	63%	25%	50%	50%
Peru	33%	0%	33%	0%	33%	0%	0%	0%
Venezuela	33%	17%	50%	0%	0%	17%	17%	17%

Country overview

Argentina

Findings regarding Argentina are based on only six respondents, so they should only be considered directional and suggestive – not conclusive (see “**Methodology**”).

The Argentinean market is dominated by local firms, many of which are based in Buenos Aires. Few international firms have a significant presence in the country. While the number of specialized corporate firms continues to grow, there is little movement among the nation’s leading firms.

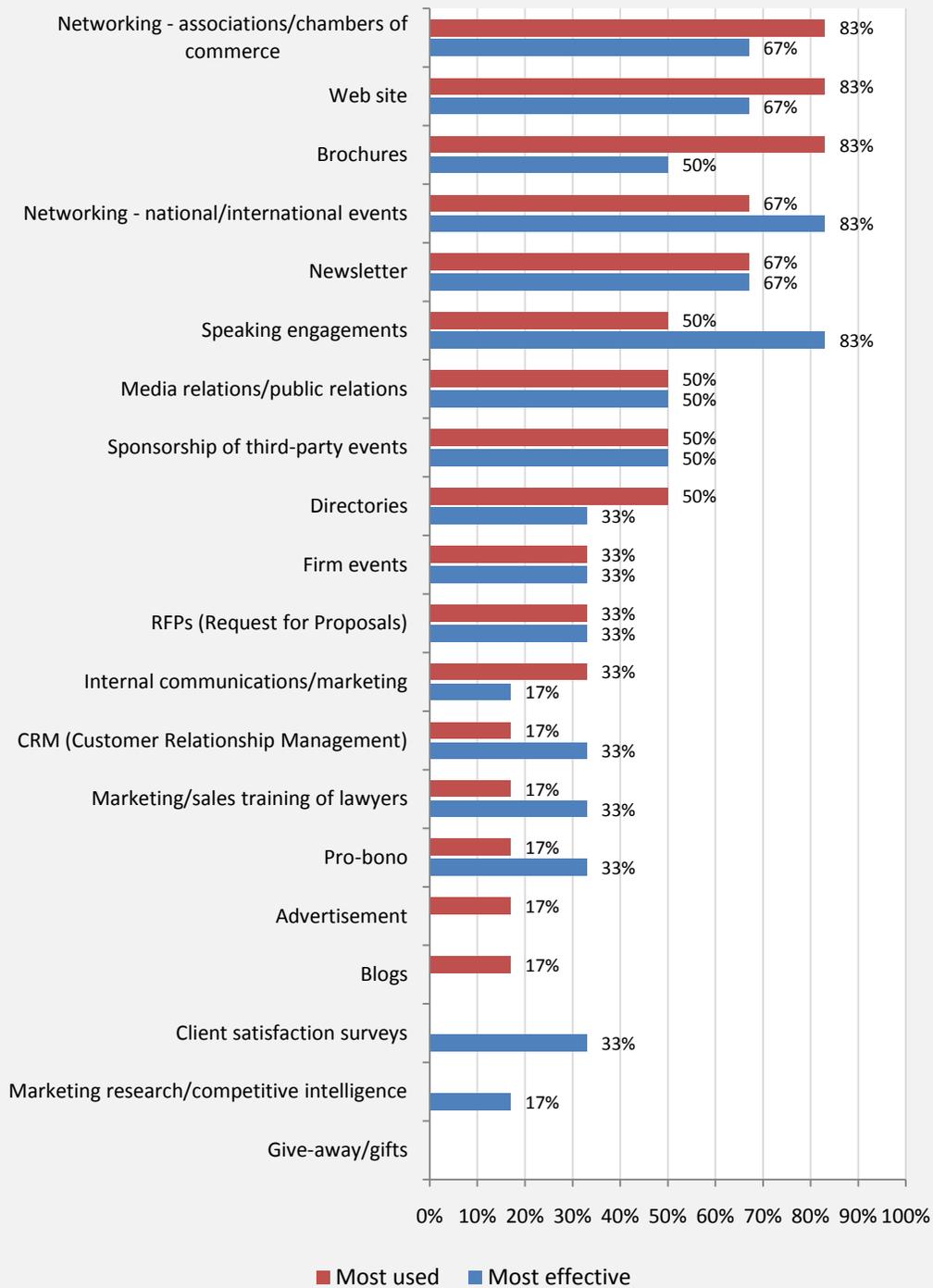
During the past decade, regulation in Argentina has increased notably, resulting in increased demand for complex legal expertise, and clients are said to have become very demanding. While the leading firms in Argentina started marketing their services in 1993, only recently has marketing received more widespread attention. Remarks the marketing manager of a firm: “[*Law firms in Argentina just recently discovered marketing and communication as effective tools to attract and keep clients. (...) I believe there is still a long way to go.*”

Today 50 percent of responding firms in the survey do not have a full-time marketing person or a budget, less than half have a strategic marketing plan, and two thirds do not measure the effectiveness of their marketing efforts. Argentinean lawyers in the leading firms, however, are generally expected to keep track of their marketing time and refer to the managing or senior partner for marketing decisions.

Brochures, web sites, and networking activities appear to be standard in Argentinean law firms: all respondents to the survey stated that they include them in their marketing tool box. Among the wide range of instruments that appear to be popular in Argentina – compared to other Latin American countries – are newsletters, directory listings, blogs, media/public relations, sponsorship of third-party events, networking, RFPs, and marketing/sales training of lawyers. Firm events and pro-bono activities, however, were less popular here than in other countries in Latin America. Currently none of the leading Argentinean law firms use give-aways/gifts, marketing research/competitive intelligence or client satisfaction surveys. According to the study, firms in Argentina deem requests for proposal (RFPs) as effective more often than do law firms in other Latin American countries. In line with the present use of marketing tools, the participating law firms from Argentina consider newsletters, brochures, directories, web sites, customer relationship management (CRM), media/public relations, sponsorship, and speaking engagements to be effective more often than do those from other countries, whereas advertisements, blogs, and give-aways/gifts are less often seen as effective compared to the Latin American average.

The biggest challenge in Argentina is the active “*differentiation from competitors*”, as stated by a marketing manager. Another local law firm manager added: “*Differentiation and competence will define success or failure for more and more law firms.*”

Argentina: most used tools and most effective tools



Brazil

Brazil has a large, dynamic legal market corresponding to the country's large economy. The last decade has seen a dramatic increase in law firm size with some firms growing from less than ten lawyers to more than 300. As a result, Brazil is home to more than 20 law firms with 100 or more lawyers, including the largest firm in the region, which currently has more than 400 lawyers.

Despite restrictions by the Brazilian Bar Association – they are limited to advisory work and may not litigate – some of the world's leading international firms have offices in São Paulo, Brazil's financial and legal center. Many international and domestic firms also have offices in Rio de Janeiro, in the capital Brasília, and in other major cities of the country.

Competition is high among the numerous firms and clients shop around, expecting firms to compete on fees. While law firm marketing started only recently (in 2000), perhaps due to the intense competition, Brazilian lawyers typically rate marketing as “important” or “very important”.

“Marketing as a management tool is extremely recent in Brazilian law firms. If we analyze how much was invested in marketing by the legal market (...) firms are still very far behind the so-called corporate world.” (Finance Manager, Brazil).

In line with the larger firms, the leading Brazilian firms currently maintain the largest marketing departments in the region, with 27 percent of responding firms employing four or more full-time marketers and more than half outsourcing some of their marketing activities. Almost 60 percent of the responding firms have a marketing budget, which is typically approximately 2 percent of the firms' annual revenue. The marketing manager of a firm in Brazil believes that legal marketing is “a trend that is here to stay and it is up to firms to wake up to it.” Other respondents suggested that the current limitations of the strict code of ethics need to be updated/liberalized (see “**Legal systems and bar association rules**”).

Marketing managers typically have little decision-making power as the managing or senior partner makes the decisions regarding the firm's marketing budget. Just slightly more than half of the firms have strategic marketing plans and make their lawyers keep track of time spent on marketing. Only about a third of the Brazilian respondents measure the effectiveness of their marketing.

“We began [our marketing activities] by building relationships with the chambers of commerce. Then our firm started to invest in gifts and give-aways with our logo. Since the end of last year, we started to send a biweekly newsletter to our clients and to a mailing list, in addition to running ads in some magazines.” (Partner, Brazil)

Firms in Brazil appear to be more likely than law firms in other Latin American jurisdictions to use advertisements, CRM, give-aways/gifts as well as marketing research/competitive intelligence to advance their practice. They are relatively less likely to have a firm brochure, get listed in directories or participate in RFPs than the Latin American average. The choice of marketing instruments is in line with what firms in Brazil believe to be effective tools: advertisements, CRM,

give-aways/gifts, marketing research/competitive intelligence, and client satisfaction surveys are typically deemed effective, whereas directories appear to lack luster.

According to the survey, the bar association's rules are among the biggest challenges:

- *"(...) the limitations imposed by the Brazilian Bar [in regards to promotional activities] are significant and it is up to the marketing professional or consultant to be creative in getting good results while respecting the established limits."* (Marketing Manager, Brazil)
- *"Since our clients' confidentiality (and business) is of utmost importance for us, we sometimes have to limit our promotional efforts."* (Marketing Manager, Brazil)

Commitment of the lawyers was another huge challenge:

- *"Even though most of our lawyers seem to value marketing in general, not all lawyers take part in the marketing activities."* (Marketing Manager, Brazil)
- *"The greatest challenge lies in convincing lawyers that the marketing and business development area is as important as their work."* (Business Development Manager, Brazil)

Marketers suggest a number of ways to solve these issues:

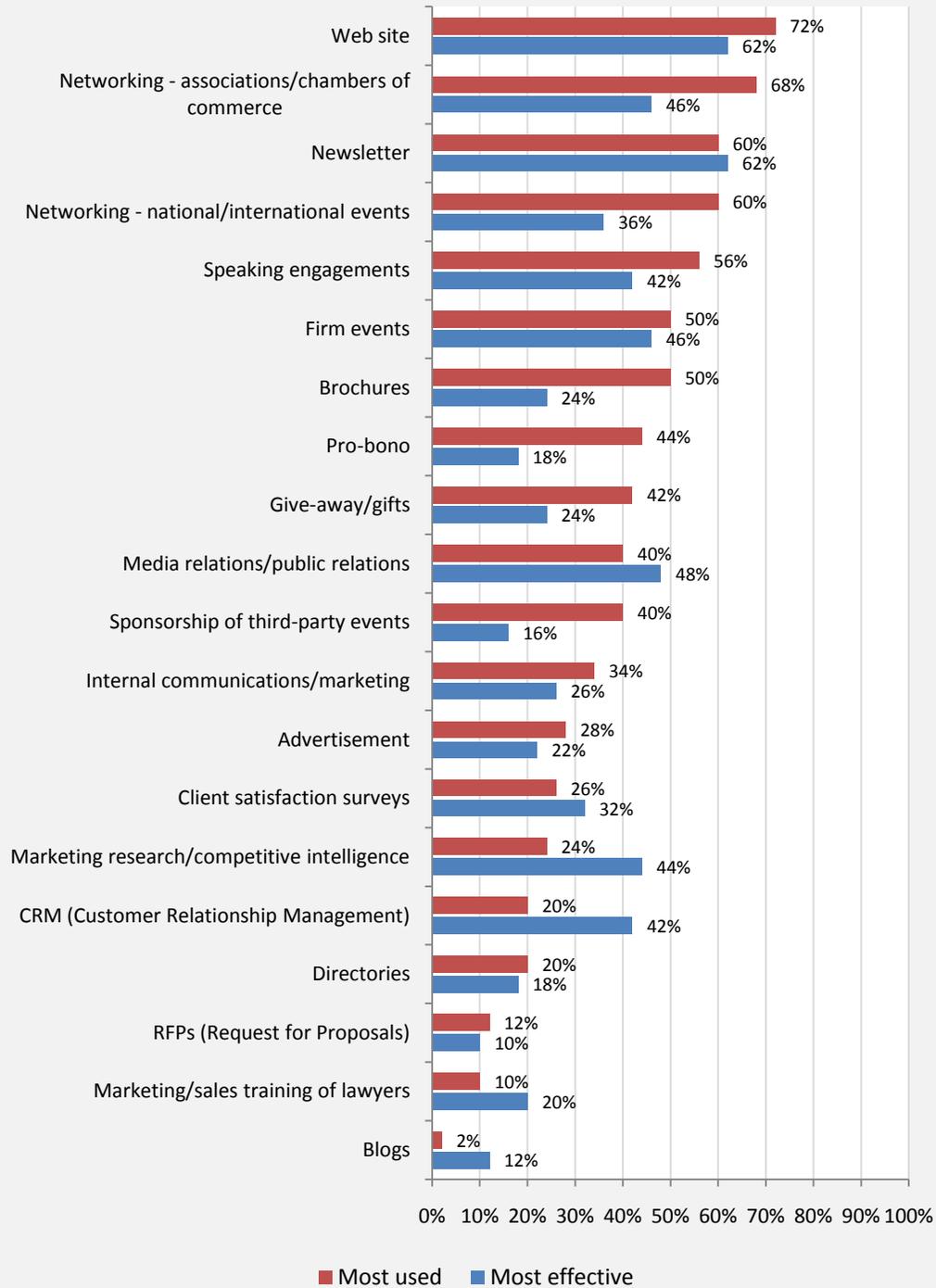
- *"Make collaborators on all hierarchical levels of the firm understand the importance of their contribution to the final result and full satisfaction of our clients."* (Marketing Assistant, Brazil)
- *"Partner with lawyers, identifying their desires and expectations as to the development of the firm's image."* (Marketing Analyst, Brazil)
- *"Consolidate marketing as an active and recognized activity that is always thinking one step ahead of other professionals in the firm, identifying opportunities."* (Marketing Analyst, Brazil)
- *"Understand clients in regard to what they consider important in the cost/benefit relationship."* (Marketing Manager, Brazil)
- *"Relationship marketing in a law firm is broadly applicable for its concept of being a philosophy, a culture, and mainly for taking care of a critical aspect to every business: 'there is no loyal client'."* (Relationship Manager, Brazil)

An even more promising way may be to 'walk the talk' and lead by (exceptional) example: "[The founder of our firm] carries in his personality all the characteristics of a marketer: A visionary professional, he has always been present in management boards of chambers and associations, attended national and international conferences, and has motivated all lawyers in the firm to follow the same path." (Marketing Analyst, Brazil)

Among many comments and challenges, Brazilian respondents are very concerned with business development activities:

- *"Growth of the client portfolio [is a big challenge]."* (Institutional Relations Manager, Brazil)
- *"Help increase business with our current clients."* (Marketing Manager, Brazil)
- *"Get better business, less volume and more revenue."* (Founding Partner, Brazil)

Brazil: most used tools and most effective tools



Chile

Findings regarding Chile are based on only nine respondents, so they should only be considered directional and suggestive – not conclusive (see “**Methodology**”).

The legal market in Chile is developing consistently with the country’s economy. International work is typically handled by a few corporate firms, mostly Chilean firms based in Santiago.

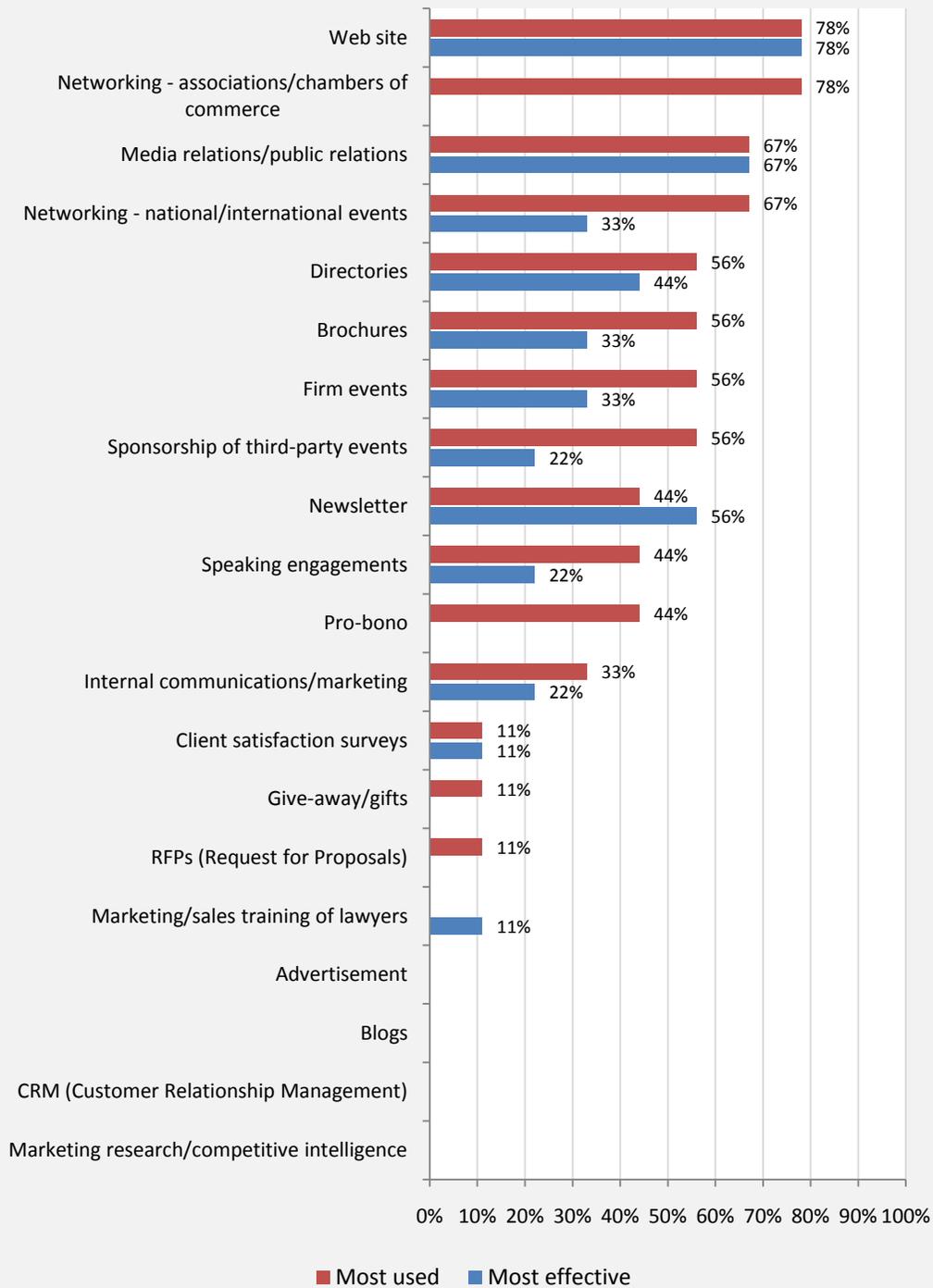
Although law firms in Chile started marketing fewer than ten years ago, legal marketing appears to have evolved quite quickly. The aggressive courting of clients by some firms necessitated a sophisticated approach to marketing as 75 percent of the respondents plan marketing strategically and allocate a dedicated marketing budget. A partner in a Chilean firm remarked critically: “*[Legal marketing] is still very amateurish as the market is not very large, but as knowledge grows, it will become important to approach it in a more strategic way, making investments*”.

Chile’s relative sophistication also shows in more firms measuring the effectiveness of their marketing than in any other Latin American country. However, firms generally do not outsource marketing activities, but maintain small departments with one to two marketers. Decisions are typically made by committees.

Chilean law firms appear to frequently choose listings in directories, media/public relations as well as sponsorship of third party events to market their practice. As any kind of “promotion” is forbidden in the country, Chilean firms are less likely to use newsletters, speaking engagements, and give-aways/gifts and not a single firm stated they use advertisements, blogs, CRM, marketing/sales training of lawyers or marketing research/competitive intelligence. Consistent with the use of directories and media/public relations, Chilean law firms believe that these tools are quite effective. Events, speaking engagements, and networking are less often seen as effective and not one respondent in the survey from Chile deemed advertisements, blogs, CRM, or pro-bono/charity activities as effective marketing tools.

The biggest challenge for Chilean law firms appears to be to “*make the firm known without violating the professional ethics and the confidentiality of our clients*”, as suggested by the partner of a local firm.

Chile: most used tools and most effective tools



Colombia

Findings regarding Colombia are based on only four respondents, so they should only be considered directional and suggestive – not conclusive (see “**Methodology**”).

Leading Colombian law firms tend to be smaller in size than law firms in other Latin American jurisdictions with sole practitioners still accounting for a large proportion of the market. While corporate-style law firms increasingly gain importance, international firms do not really play a role in the market.

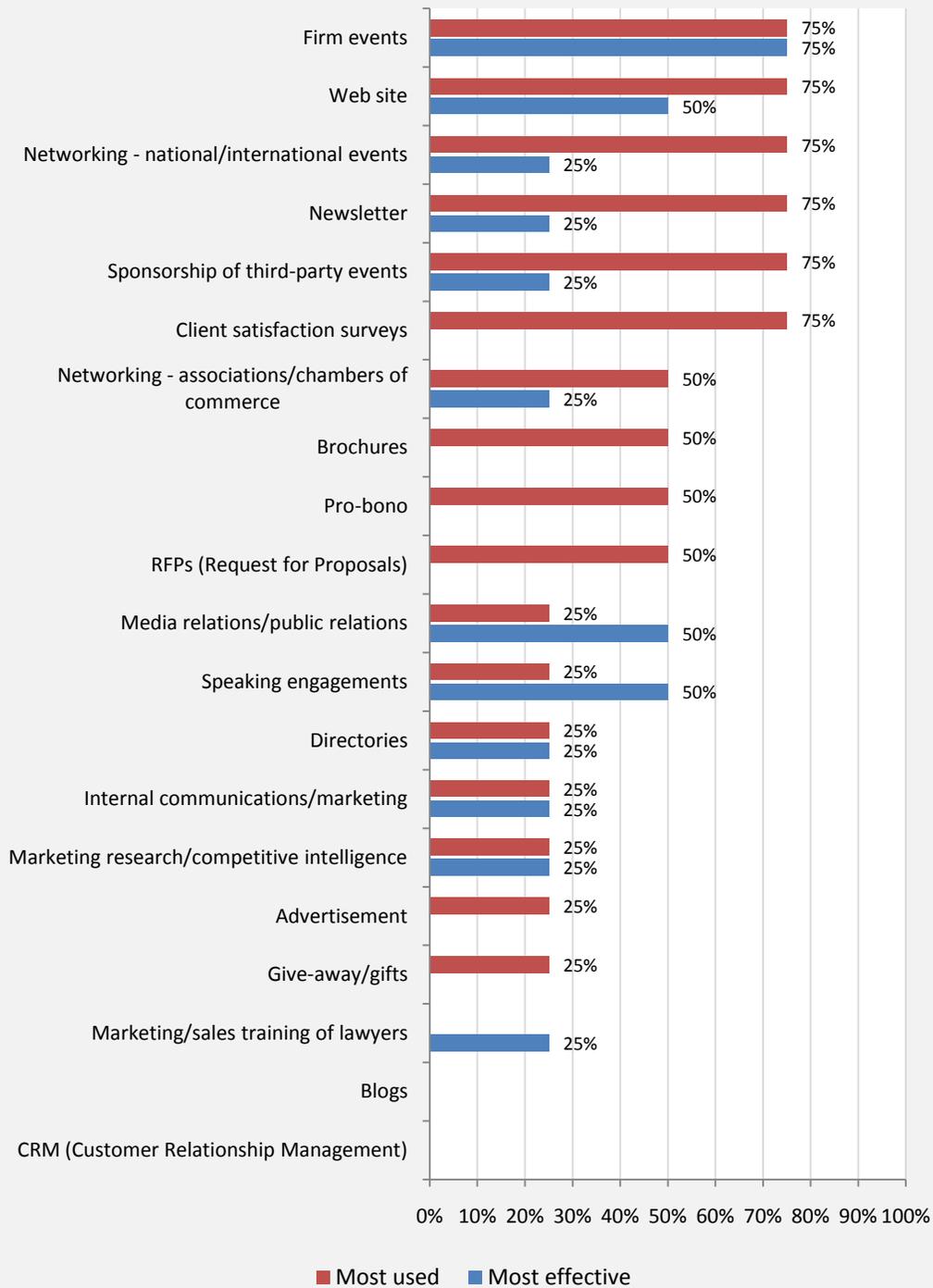
Legal marketing started in about 1995 and has reached a moderate level of acceptance and sophistication. Today, 75 percent of the firms have a marketing plan as well as a budget, which is typically between 2 and 3 percent of the firm’s annual revenue, excluding personnel and travel costs. Lawyers are expected to keep track of their time spent on marketing as it is frequently used for appraisals and compensation, although 75 percent do not measure the effectiveness of marketing. The senior partner of a Colombian firm suggests that marketing needs to be *“incorporated and seen as part of the daily activities of each and every lawyer in the firm.”*

Firms tend to have small marketing departments with one or two marketers and are relatively more likely to hire outside marketing consultants than firms in other Latin American countries. However, only the managing/senior partner or a marketing committee appear to make marketing decisions.

According to the research, 75 percent of the leading Colombian law firms use client satisfaction surveys, compared to the region’s average of 24 percent. Newsletters, sponsorship of third-party events, firm events, and RFPs also appear to occur rather often in Colombia, whereas brochures, directories, media/public relations, speaking engagements, give-aways/gifts, and internal marketing/communications are less likely to be utilized. At present, no law firm in Colombia uses blogs or CRM as marketing instruments. More firms in Colombia deem firm events (e.g. seminars, dinners) effective than in any other Latin American country in the study. Interestingly, despite apparently being used frequently, leading Colombian law firms less often believe in the effectiveness of newsletters, RFPs, and – even more surprisingly – client satisfaction surveys. Brochures, advertisements, blogs, CRM, networking, pro-bono, and give-aways/gifts are also seen as less effective.

A partner in a Colombian firm stated that *“the similarity of marketing strategies in law firms presents a big challenge.”*

Colombia: most used tools and most effective tools



Mexico

Findings regarding Mexico are based on only eight respondents, so they should only be considered directional and suggestive – not conclusive (see “**Methodology**”).

A handful of international and domestic law firms advise domestic and multinational companies based in Mexico, but only a few US and international firms have made a serious impact on the legal market despite its proximity to the US. US firms typically do not set up an office on their own, but cooperate with established local firms. The Mexican legal market is different from most legal markets in that larger full-service firms tend not to merge and grow in size, but to fragment, creating smaller, specialized boutiques. Clients therefore have a wider choice of legal services providers, most of them based in Mexico City, the commercial center of the country.

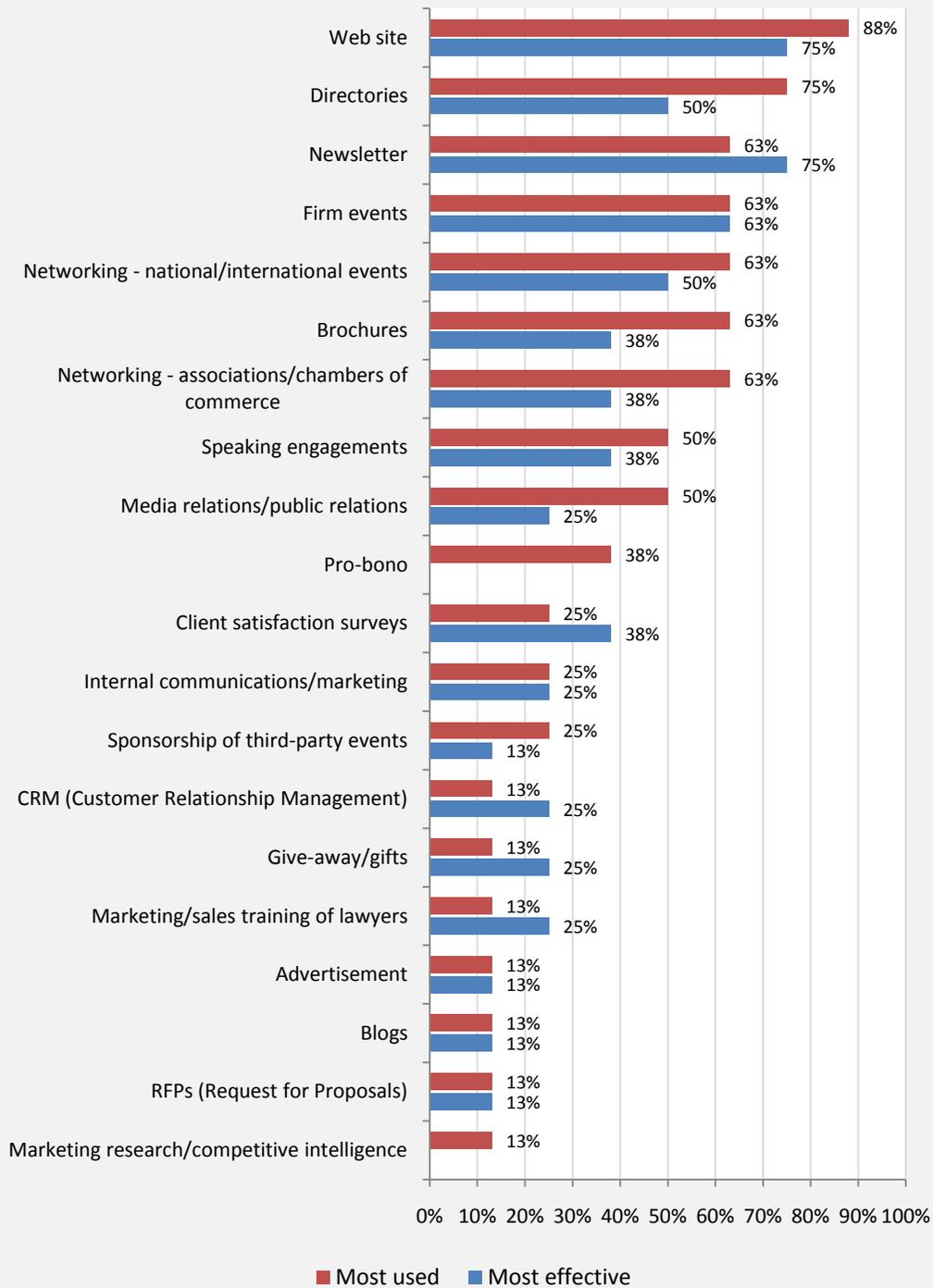
Like other Latin American jurisdictions, law firms in Mexico started to market their firms in the mid-to late 1990s. Today, 75 percent of firms in the survey have a strategic marketing plan and two thirds have marketing budget.

While some Mexican firms have among the largest marketing departments in Latin America, 43 percent of leading firms do not have a full-time marketing person. This might be due to the comparatively high number of boutique firms in the country and may also explain why only 25 percent of Mexican firms reported that they measure the effectiveness of their marketing.

The research suggests that directories have a strong foothold in Mexico as 75 percent list their firms in legal directories. The same average for Latin American is 35 percent. Also very popular compared to firms in other markets in the study are law firm blogs and web sites. Mexican firms tend to use advertisements, sponsorship of third-party events, networking, give-aways/gifts as well as internal communications less frequently than firms in other countries. Interestingly, some of the less-used tools appear to be seen as rather effective by the same firms, such as brochures, directories, web sites, firm events (e.g. seminars and dinners), networking, and client satisfaction surveys. Media/public relations and sponsorships are less often deemed effective than the Latin American average. No Mexican firm in the survey considered pro-bono/charitable activities or marketing research/competitive intelligence as effective tools.

Mexican law firms appear to perceive marketing as a cultural challenge as it was defined by a managing partner: *“Marketing in Mexico must be done in a way that it is not seen as ‘vulgar’ and does not look like ‘soliciting’.”* Similarly, another Mexican partner added: *“[Legal marketing] must be done in an elegant way and maintaining a high level of ethics.”* In fact, stated the managing partner of another local firm in the survey: *“Lawyers don’t usually advertise their services; their best publicity is word of mouth.”*

Mexico: most used tools and most effective tools



Peru

Findings regarding Peru are based on only three respondents, so they should only be considered directional and suggestive – not conclusive (see “**Methodology**”).

The Peruvian legal market has become more competitive and dynamic, having seen a number of reorganizations and spin-offs during recent years. Local firms dominate the market as no international firms are present.

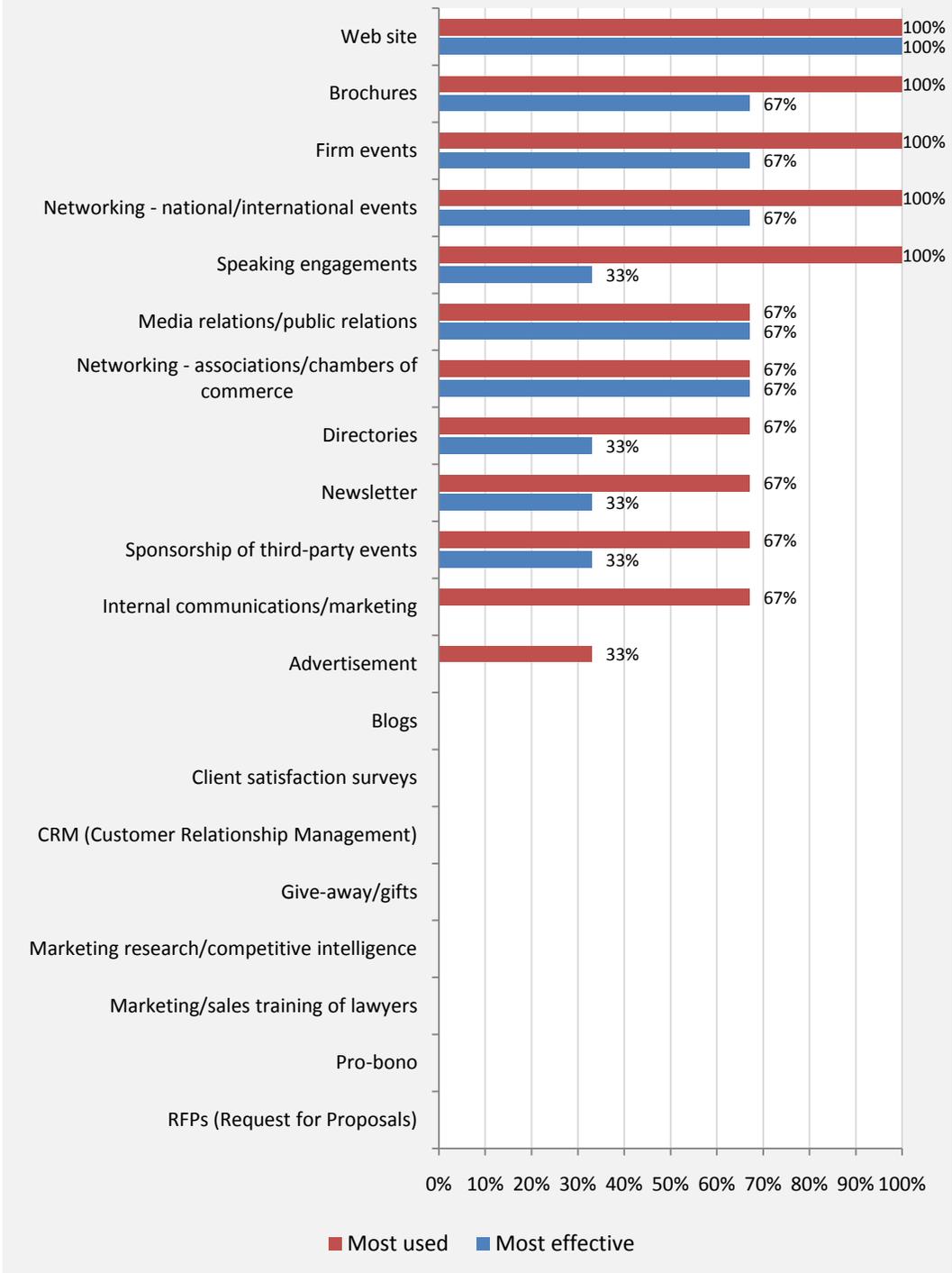
With little influx and threat from international legal marketing practices, it is little surprising that Peruvian firms were the last to embrace marketing among the surveyed jurisdictions in Latin America. Having started only in 2003, marketing is still very much in the hands of lawyers as most firms do not have any full-time marketers. Only a third currently have a strategic marketing plan and none of the firms measure the effectiveness of their marketing. Firms, however, typically have an assigned marketing budget, which ranges from less than 1 percent to over 4 percent. Decisions are made by the managing/senior or the marketing partner.

Brochures, web sites, firm events, and speaking engagements are used by all Peruvian law firms in the study. Also frequently utilized, compared to the Latin American average, are directory listings, media/public relations, sponsorship of third party events, networking, and internal communications/marketing. Despite this intensive use of a number of marketing instruments, Peruvian firms do not seem to use blogs, maintain CRM, do pro-bono work, give gifts, participate in RFPs, train lawyers in marketing and sales, conduct marketing research/competitive intelligence or client satisfaction surveys.

Peruvian law firms appreciate the effectiveness of brochures, web sites, media/public relations, sponsorship of third party events, and networking. Newsletters, advertisements, blogs, CRM, pro-bono, and all “other” marketing instruments such as give-aways/gifts, RFPs, internal communications/marketing, marketing/sales training of lawyers, marketing research/competitive intelligence, and client satisfaction surveys are deemed relatively ineffective by law firms in Peru.

A managing partner of a Peruvian firm remarked: *“[Legal marketing] is something that we are aware of and have tried to develop considering all limitations imposed by the Code of Ethics and by the time we have.”*

Peru: most used tools and most effective tools



Venezuela

Findings regarding Venezuela are based on only six respondents, so they should only be considered directional and suggestive – not conclusive (see “**Methodology**”).

Unlike the other Latin American jurisdictions in the study, large foreign firms dominate the market with only a few well-established local firms. This pool of firms carries out most, if not all, of the international work in Venezuela. Under the Chavez regime, the private sector is very cautious in general, and there is little influx of foreign direct investments.

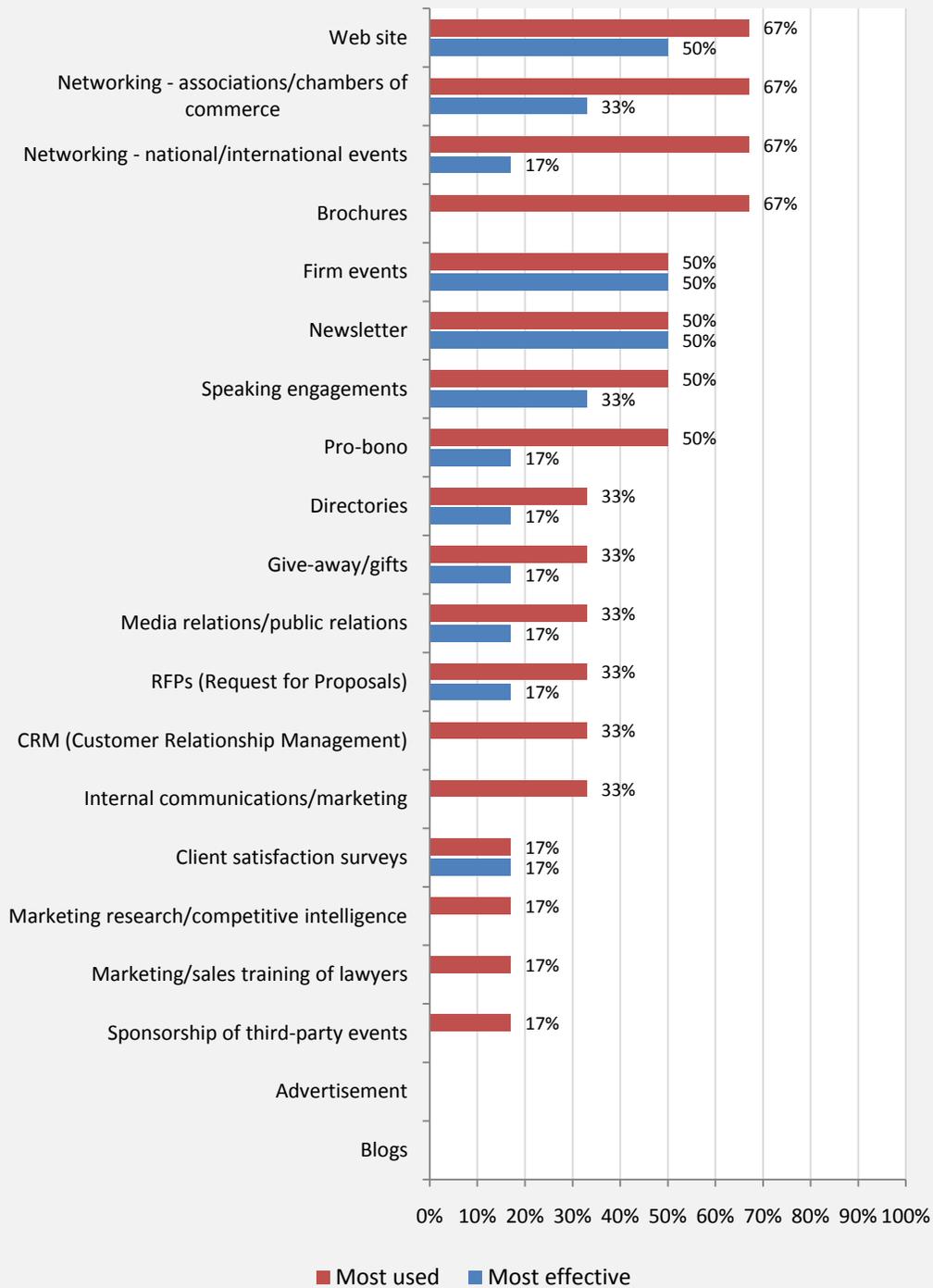
The leading local law firms started to market their services in 1993. Today firms employ between one and three marketers. Perhaps due to the influence and presence of international firms, marketers in Venezuela are more likely to be involved in decision-making than in any other Latin American jurisdiction. However, Venezuelan firms appear to rarely hire outside consultants.

Lawyers generally keep track of their time spent on marketing as it is usually considered for appraisals and compensation. Surprisingly, only half of the firms stated that they have a marketing plan and a budget – which is typically between 1 and 2 percent – and 83 firms do not measure the effectiveness of their marketing.

Law firms in Venezuela are more likely to utilize brochures, CRM, RFPs, and marketing/sales training than firms in other Latin American countries, and less likely to use newsletters, web sites, media/public relations, sponsorship, and client satisfaction surveys. None of the leading Venezuelan law firms appears to currently use advertisements or blogs to promote their practice as the promotion of one’s practice is forbidden by the code of ethics. Law firms in Venezuela seem to be less enthusiastic about the effectiveness of individual marketing instruments than firms in other jurisdictions in the research. In particular, print tools (newsletters, brochures, advertisements, and directories), and technology tools (web sites, blogs, and CRM) do not receive high marks for effectiveness. The same is true for media/public relations, sponsorship, and speaking engagements.

More than one respondent remarked that the political situation poses the biggest challenge for Venezuelan law firms, as it is currently a *“country in which the Government nationalizes the private industry and where there is little faith in the law.”* (Managing Partner, Venezuela)

Venezuela: most used tools and most effective tools



Statistics

Latin American countries researched

Country	Population ^a	GDP (Current Market Prices) ^a	Percent of GDP in Latin America ^a	Number of lawyers	Population/lawyer
Brazil	187 million	US\$ 1,068 billion	36.3	560,000 ^b	334
Mexico	104 million	US\$ 840 billion	28.5	191,000 ^c	545
Argentina	39 million	US\$ 213 billion	7.2	131,507 ^d	297
Venezuela	27 million	US\$ 182 billion	6.2	111,608 ^c	242
Chile	16 million	US\$ 145 billion	4.9	19,000 ^d	842
Colombia	47 million	US\$ 135 billion	4.6	135,785 ^d	346
Peru	28 million	US\$ 93 billion	3.2	70,000 ^c	400

It should be noted that many Latin American countries do not have an official bar exam in order to become a lawyer. Once a student has graduated from law school, s/he can call him/herself a “lawyer”. The numbers of lawyers listed above might therefore be higher than the actual number of practicing lawyers.

For comparison

Country	Population ^a	GDP (Current Market Prices) ^a	Number of lawyers	Population/lawyer
US	300 million	US\$ 13,245 billion	1,143,000 ^e	262
China	1,314 million	US\$ 2,630 billion	110,000 ^f	11,945

Sources:

- (a) International Monetary Fund (IMF)
World Economic Outlook Database – April 2007 Edition
www.imf.org/external/pubs/ft/weo/2007/01/data/index.aspx
- (b) Ordem dos Advogados do Brasil (OAB)
www.oab.org.br/relatorioAdvOAB.asp (August 2007)
- (c) Centro de Estudios de Justicia de las Américas (CEJA)
Reporte sobre la Justicia en las Américas 2006-2007
www.cejamericas.org/doc/proyectos/reporte2006-2007.pdf
- (d) Centro de Estudios de Justicia de las Américas (CEJA)
Reporte de la Justicia – Tercera edición (2006-2007)
www.cejamericas.org/reporte
- (e) American Bar Association
www.abanet.org
- (f) www.chinalawyers.com

Legal systems and bar association rules

As a traditionally much regulated market, marketers in the legal industry have to be aware of the local rules and regulations regarding promotional and marketing activities. The following section is intended to give the interested reader an overview of the legal systems and the respective bar association regulations, but is not intended as legal advice. In order to avoid violating local rules, please refer to the specific country's bar association for the most up-to-date information.

The codes of ethics of some countries are very similar, e.g. the Peruvian, Chilean and Venezuelan codes have very similar content, and parts of the Peruvian and Chilean codes even have identical wording.

Argentina

Argentina's legal system is a mixture of US and West European legal systems.

The regulations of marketing-related activities is partially defined by *Ley 23.187 –Ejercicio de la Abogacia en la Capital Federal* (1985), which forbids the publication of notices that might lead to misunderstanding, that offer advantages that might violate current laws in force, or goes against professional ethics. The regulation also forbids the use of paid intermediates to refer business.

Both prohibitions are reinforced in the Code of Ethics from the Colegio Público de Abogados de la Capital Federal (Buenos Aires) which states that lawyers must refrain from prospecting clients from other lawyers, directly or indirectly. The code also allows for the publicity of decisions that are not final, but the lawyers need to state them as such in the media.

The code also reinforces the importance of protecting confidential information from the client and, most of all, the importance of working with professional dignity.

Brazil

Brazil's legal system is based on Roman codes.

The standards for promotion and advertising of legal services in Brazil are defined by the Brazilian bar, Ordem dos Advogados do Brasil (OAB). The main marketing-related information is presented in the Code of Ethics and Discipline (1995), which has a long and detailed section devoted to the subject compared to other countries in the study. Besides its section on publicity, the code presents two important and basic rules: (i) The work of a lawyer is incompatible with any kind of commercial procedure; (ii) Any kind of direct or indirect offer of services that is considered attraction/prospecting of clients is forbidden.

In 2000, the Brazilian bar issued *Provimento 94*, which focus on promotion and advertising, and updates the publicity section from the Code of Ethics and Discipline. It also includes new and more detailed information. Generally speaking, lawyers are forbidden to advertise on TV, radio, and billboards. The use of intermediates to obtain work is forbidden. Other kind of promotion, such as media presence, magazine advertising, Internet, etc. is allowed, but has to be discrete and 'in moderation'.

The presence of lawyers in the media (print, TV, radio etc.) is allowed, but should always be informative/educative. Regular appearances or a self-promoting presentation should be avoided. Lawyers should also avoid discussing on-going cases or the mentioning of names of clients.

The *Provimento 94* also states that any publicity means common to a commercial activity should be avoided. No other activity should be promoted together with the practice of law.

The Brazilian ethics regulation is similar to the regulation in other Latin American countries. The biggest difference lies in the fact that it is very detailed and names a wide range of activities of publicity, such as business cards, folders, advertisements, media, newsletters, and web sites. Regulations in other countries in the region are typically short, sometimes vague, and open to different interpretations of what is permitted.

Chile

The Chilean legal system is derived from Spanish law. Subsequent codes are influenced by French and Austrian law. In June 2005, Chile completed an overhaul of its criminal justice system to a new, US-style adversarial system.

The Chilean Code of Professional Ethics has a few articles regarding marketing-related topics. It states that business should be the result of a lawyer's reputation of honor and professional competence. Direct or indirect soliciting of work as well as self-praising publicity should be avoided, as they go against the profession's dignity.

Lawyers can publish informative notice, but only with the firm's name, address, and practice. The regular use of media (radio or print) to make statements about the firm or on-going cases is also considered to go against the dignity of the profession. The publicity of litigation cases can only be done when there is a final decision; it has to be done in a 'respectful' and 'moderate', i.e. informative way, and is restricted to professional/scientific publications.

Colombia

The Colombian legal system is based on Spanish law. A new criminal code modeled after US procedures was enacted into law in 2004 and is gradually being implemented.

Of all Latin American countries in the study, Colombia has the most recent code of ethics. *Ley 1123 – Código Disciplinario del Abogado* (2007) updates an older version of the country's code of ethics, but no changes have been made to the regulation of marketing. The use of intermediates to obtain work or the offer of commissions in return for recommendations are both considered improper and against the profession's dignity. Any kind of advertisement that goes beyond the lawyers' names, titles, practice specializations, address, and other basic information is also considered improper. The same goes for self-praise publicity, pursued by the lawyer or offered by the media.

Mexico

Mexico has a mixture of US constitutional theory and a civil law system.

The Code of Ethics (1997) from Ilustre y Nacional Colegio de Abogados de México has only a few topics dedicated to marketing-related matters.

Lawyers are forbidden to make any kind of publicity that implies the commercialization of the profession or any unfair competition. The publicity of cases should be avoided and regular presence in the media (print, radio etc.) is considered contrary to the profession's dignity.

Peru

Peru is a civil law country.

The Professional Code of Ethics (1997) of the Colegio de Abogados del Peru states that clients should be the result of a lawyers' reputation of honor and professional competence. Direct or indirect soliciting of work and self-praise publicity by lawyers should be avoided as they go against the profession's dignity.

Lawyers can publish informative notices, but only with name, address, and practice. The regular use of the media (radio and print) to make statements about the firm or on-going cases is also considered to go against the professional dignity. The publicity of litigation cases can only be done when there is a final decision, and in a respectful and informative (not overly commercial) way.

Venezuela

Venezuela has an open, adversarial court system.

The Code of Professional Ethics (1985) states that lawyers should not use the media to discuss any on-going cases, especially litigation cases without a final decision. Publicity can only be done when there is a final decision, in an informative way and published only in professional/scientific publications.

Growth of clientele should be the result of a lawyers' reputation of honor and professional ability. Direct or indirect soliciting of work as well as self-praising publicity should be avoided as it goes against the profession's dignity. Print and audiovisual publicity is limited to name, title, area(s) of practice, address, phone, and office hours. Any kind of commercial advertisement with promises of results and special advantages is considered contrary to professional ethics.

The use of paid intermediates to generate work is strictly forbidden and considered a serious violation of professional ethics.

About the researchers

Marco Antonio P. Gonçalves

Marco is a legal marketing specialist with several years of experience in professional service firms and more than ten years of practical experience in information technology. He has conducted more than 1,250 hours of technical and executive training courses since 1997.

- Author of numerous articles on legal marketing published in specialized magazines, newsletters, and web sites in Brazil, the United States, England, Germany, Spain, and Peru.
- Coiner of the term *espelhamento empresarial* ("corporate mirroring") which aggregated the reasons why a law firm must adopt business practices in its operations. The term was introduced in the article *Escritórios de advocacia devem adotar práticas de administração?* ("Should law firms adopt business practices?"), published on December 20, 2006, on *Consultor Jurídico*, one of the main news web sites devoted to the Brazilian legal market.
- Author of marketingLEGAL (www.marketinglegal.com.br), the first Brazilian blog on legal marketing and law firm management-related themes.
- Founder and coordinator of Marketing Jurídico Brasil (www.marketingjuridico.com.br), the first Brazilian open debate group on legal marketing and law firm management related themes, with more than 300 members.

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Silvia Hodges

Silvia has been working in international marketing for many years, initially in B2B marketing in "corporate Europe", then in-house in law firms, followed by several years as an external consultant to professional service firms. She is currently working on her PhD in legal marketing (Nottingham Law School, UK), as well as an Executive-in-residence at Emerson College (Boston/MA) in the Department of Marketing Communication.

- Researcher of a number of studies on international buying behavior and legal marketing in Europe, Latin America, and the US.
- Author of a textbook on legal marketing for WoltersKluwer/UTET (2007), contributor to books on legal marketing, columnist on legal marketing for an Italian daily business newspaper, frequent speaker at industry conferences and author of articles on (international) legal marketing topics
- Founder of the legal marketing network "Legal Marketing Italia" (www.legalmarketing.it) and the "Managing Partner Roundtable" in Italy
- Co-founder of the marketing consulting firm "marketude" for law and accounting firms

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About the Legal Marketing Association

The Authority for Legal Marketing®

The Legal Marketing Association (LMA) is a not-for-profit organization dedicated to serving the needs and maintaining the professional standards of the men and women involved in marketing within the legal profession.

One of the principal goals of the Legal Marketing Association is to provide to its members vital and timely information on a wide variety of legal marketing issues so that they may grow professionally as well as personally. LMA members immediately gain access to a wealth of resources including national and regional educational programs, the monthly newsletter Strategies, LMA Web site and online job bank, industry specific market research, timely and provocative white papers and much more.

More than networking – LMA provides real tools and a knowledge bank so that members are empowered to build successful practices in today's competitive legal marketplace.

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