

Thought Leadership **Consulting**

A Euromoney Institutional Investor company

# A voice in times of crisis

Covid-19 and the marketing function in legal, professional and financial services

# Executive summary

The uncharted waters of the Covid-19 pandemic demand a navigator. Expert advice is more valued than ever and minds are focused, presenting a unique opportunity for legal, professional and financial services to dispense guidance.

At the same time, lockdowns and the collapse of physical events have severely restricted networking opportunities which – combined with the massive uncertainties wrought by coronavirus – amplifies the need for effective client messaging.

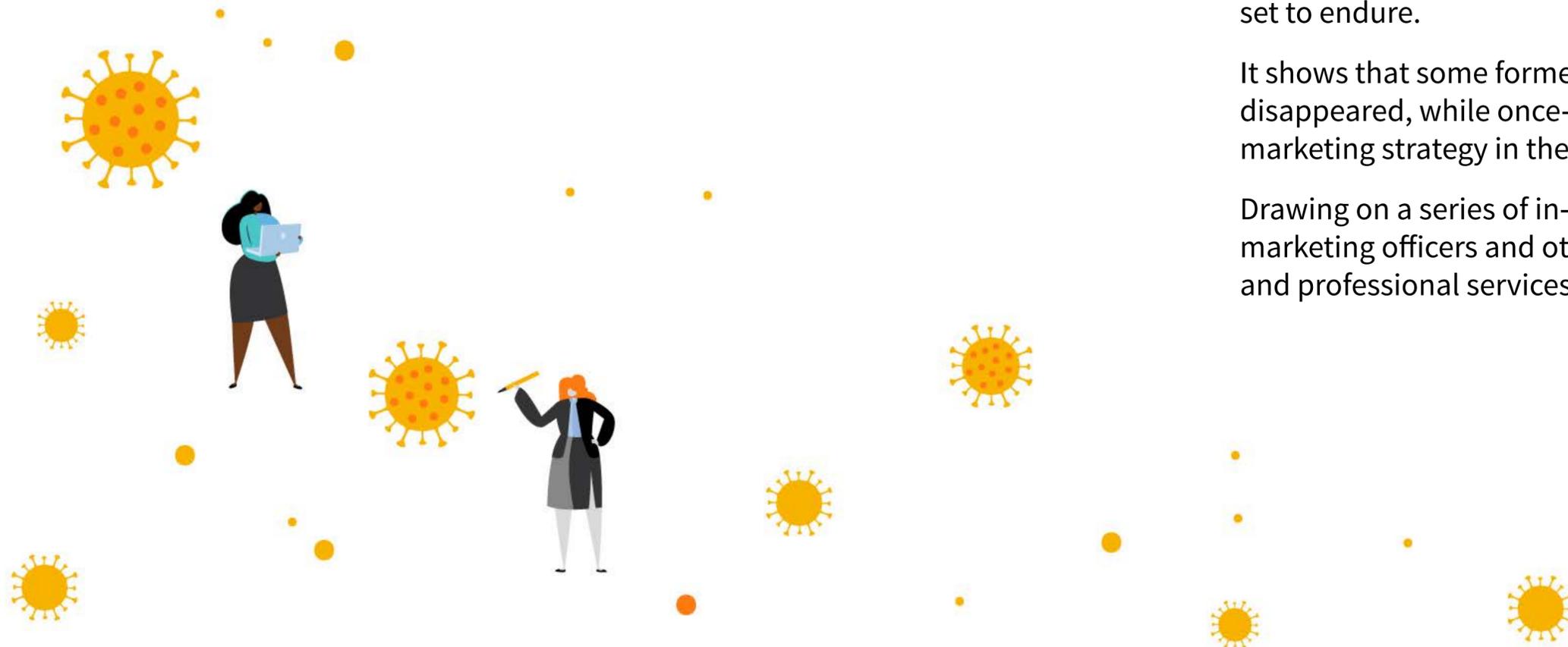
But marketing teams also must contend with huge internal upheaval, as many firms rush to slash budgets, centralise decision-making and adjust their content and means of communication in response to the pandemic.

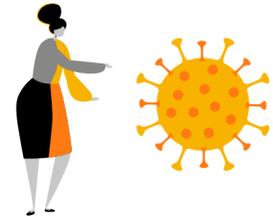
Such rapid changes inevitably breed mistakes, but some firms have adapted quickly, finding a formula that cuts through the cacophony of Covid-19 content to ensure their message is heard.

This report by Euromoney Thought Leadership Consulting examines how professional services' and financial institutions' marketing functions adjust to a new reality, which changes are most effective and which are set to endure.

It shows that some former mainstays of communication have all but disappeared, while once-niche digital channels have become pillars of marketing strategy in the coronavirus world.

Drawing on a series of in-depth interviews and a survey of chief marketing officers and other senior marketing experts at legal, financial and professional services firms around the world, its key findings are:





### KEY FINDING 1

## Cuts are widespread, but firms preserving marketing spend perform above average

Firms that shield their marketing budget from cuts report higher audience engagement than the rest. Two-thirds of the survey's most successful marketing performers also reacted to Covid-19 by re-allocating events spending to digital marketing, rather than cutting it.



### KEY FINDING 2

## Firms with unified Covid-19 messaging perform better

Fifty-six per cent of most successful marketers have centralised Covid-19-related marketing decision-making. Among the less successful players only about one-third have done so.



### KEY FINDING 3

## Digital networking is work in progress

With physical networking events on hold, webinars, virtual conferences and panels are among the most popular replacements. But networking success varies, with some preferring a push for more virtual one-to-one client meetings.



### KEY FINDING 4

## The vast majority believe that Covid-19 will fundamentally change how their firms interact with clients

This view is most pronounced in finance (75%), but a majority of law firms (57%) also agree, and only one in four of all businesses foresees a return to pre-coronavirus patterns once the crisis has subsided.



### KEY FINDING 5

## Audience engagement is high but worries about content fatigue are real

Alongside better targeting of audiences, proactive and exclusive content is key to minimising the risk that audiences may tire of Covid-19-related marketing.

# Introduction

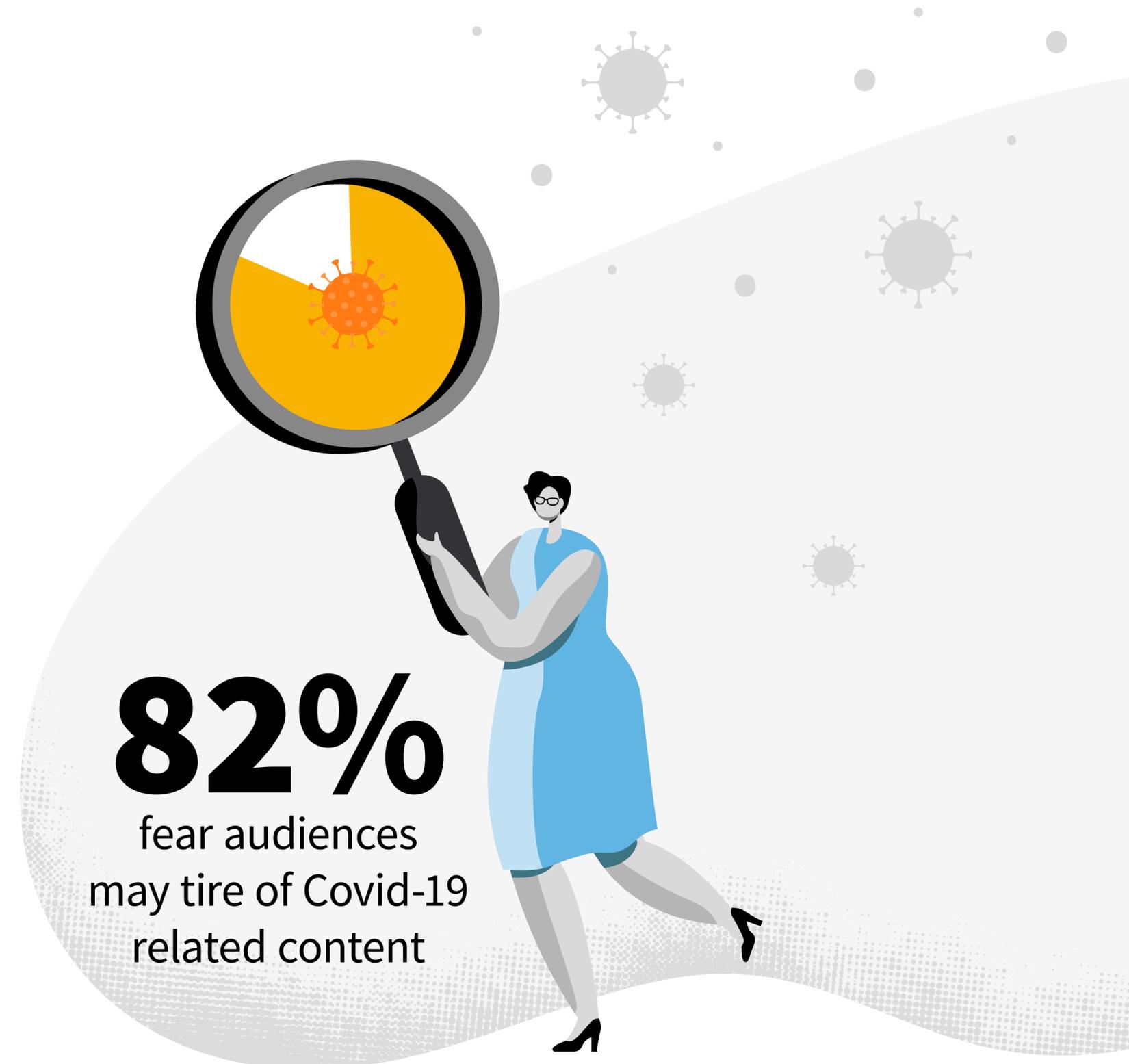
Amid the myriad uncertainties of the Covid-19 pandemic, marketing of professional services faces a specific paradox: budgets are shrinking just as audience engagement rises.

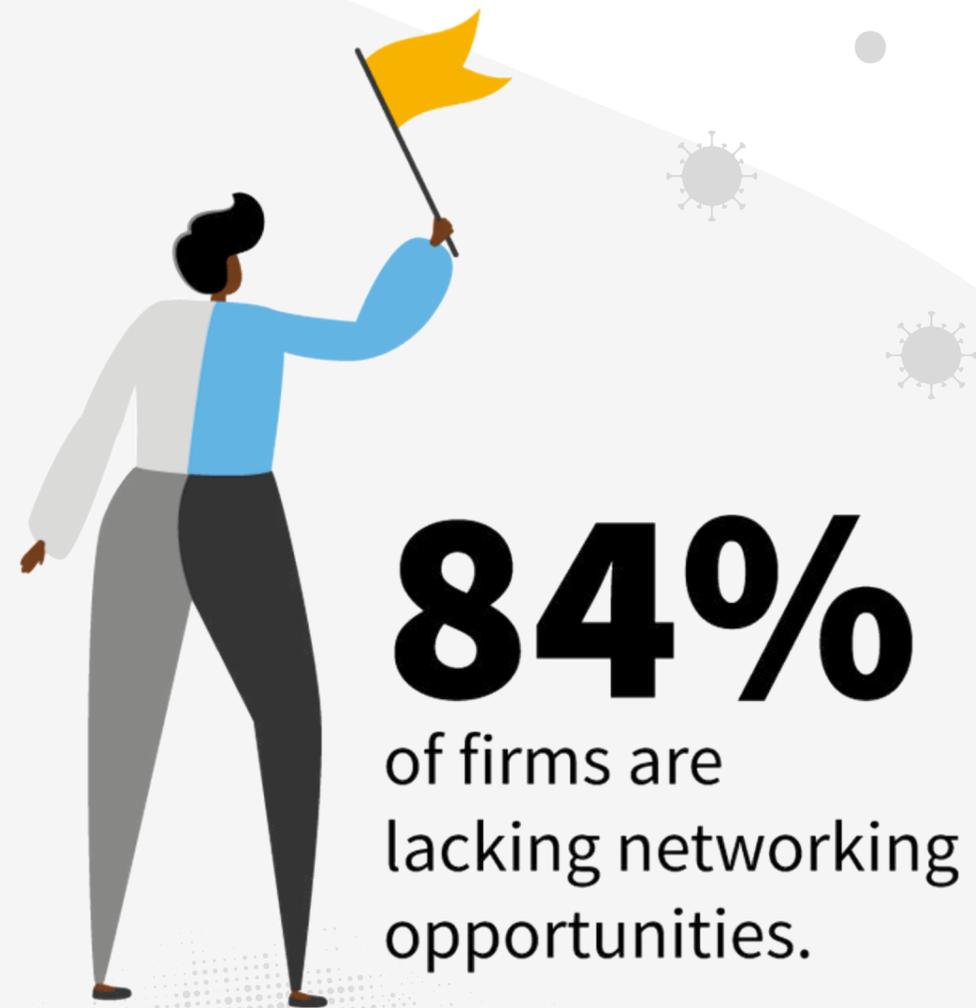
Faced with huge unknowns about the severity and duration of the crisis, and how governments, investors, businesses and other stakeholders will respond, clients are seeking out expert opinion and analysis.

Thus as ever, opportunities are emerging from crisis, prodding senior marketing experts at law firms, professional services firms and financial institutions to rethink established approaches and experiment with new or neglected ways of communication. Our data shows this revolution is underway in many – if not most – organisations.

A clear majority, in particular eight out of 10 firms that resisted the temptation of budget cuts, report that their marketing during the pandemic is driving greater audience engagement, and many also report better share of voice within their respective markets.

Yet such success could be transitory, with 82% of respondents citing concerns that audiences will tire of Covid-19-related content. The marketing function must strike the right balance, in terms of topic, channel, and timing.





**84%**  
of firms are  
lacking networking  
opportunities.

Unsurprisingly, Covid-19's takeover of global headlines has forced firms to respond in their own communications, and four in 10 say their marketing workload is dominated by Covid-19. Yet many (29%) have resisted the general trend, reporting that Covid-19 touches on less than a quarter of their marketing.

At the same time, there has been a decisive shift in the marketing mix as firms respond to the restrictions of lockdown and less face-to-face contact. Most (56%) respondents report some lack of networking opportunity, and a further 28% bemoan a "significant" lack. In response, marketers are experimenting with a variety of alternatives, from webinars to virtual conferences and the ramping-up of one-to-one meetings online.

In this report, we zero in on the approaches taken by the most successful communicators – those firms that report an excellent share of voice and increased audience engagement in the current crisis.

These top performers come from our survey of 57 senior marketing executives, mainly across the EMEA (Europe, Middle East and Africa) and Americas regions. They work for law firms, banks, investment firms and management consultancies of various sizes, evenly split between those posting annual revenues either side of \$1 billion.

Seven in-depth interviews with marketing heads of global institutions provided additional crucial insight and shaped the research.

## Leading from the top

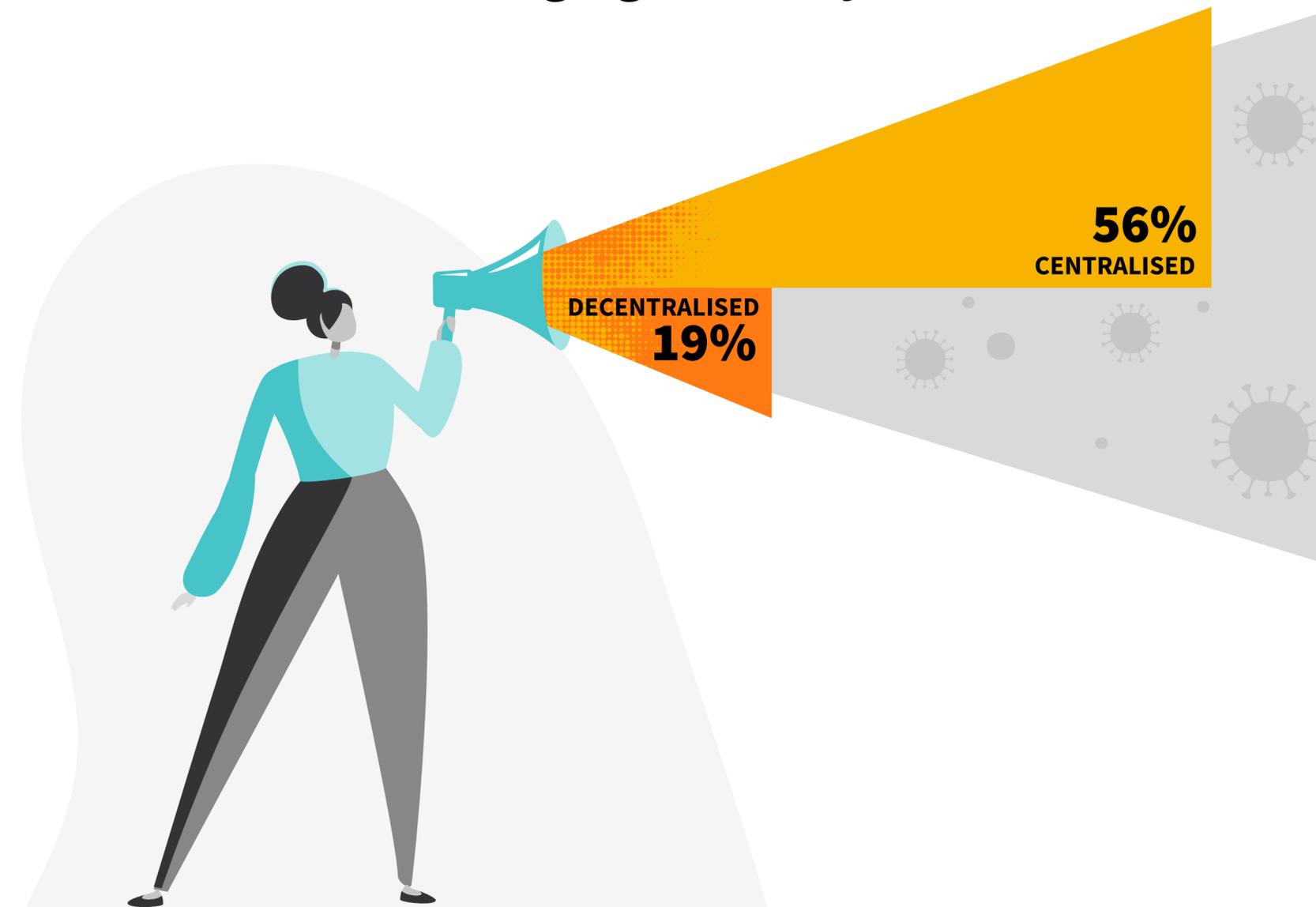
The unique demands of the coronavirus crisis have pushed many professional services firms – including those whose communications have thrived during the current crisis – to reorganise, resulting in a perceptible trend towards centralisation.

Before coronavirus, marketing decisions were made by a central body at less than one-third of firms (30%), our data shows. Now, though, many firms have concluded that Covid-19 messaging is best decided upon centrally. A majority of the top performers – those 28% of firms in our panel that rate their share of voice during the crisis at nine out of 10 or better – have centralised coronavirus-related marketing decisions, often in a specific steering committee. This trend is much less pronounced among those who do not rate their share of voice so highly; for them, centralised decision-making only increased by seven percentage points to 37%.

In the Americas marketing responsibility tends to be more decentralised than within EMEA firms.

Not only are EMEA firms about twice as likely to have instigated Covid-19 steering committees, EMEA marketing experts are also more likely to say that their C-suite and board understand the importance of maintaining or boosting marketing activities during a crisis. Sixty-two per cent agreed with that statement versus 47% from the Americas.

## Top marketing performers prefer to handle Covid-19 related messaging centrally



\* Respondents with share-of-voice rating of 9+ only.  
Remaining 25%: other, e.g. mix of both.

## Budgets under pressure

While management broadly appreciates the importance of marketing through a crisis, the impact of the pandemic on marketing budgets has been swift, and in some cases serious.

The data indicates, however, that cuts may be detrimental, and firms doing so may miss out on an opportunity to cement existing and build new and trusted relationships with clients.

Two-thirds of those firms facing budget changes have experienced cuts of up to 50%. One in five of affected marketers have seen their budget frozen. And of the few firms not to have had marketing budgets adjusted, most see cuts on the horizon.

These cuts may also reflect the fact that the top marketing channel before the crisis – events – is now off the table.

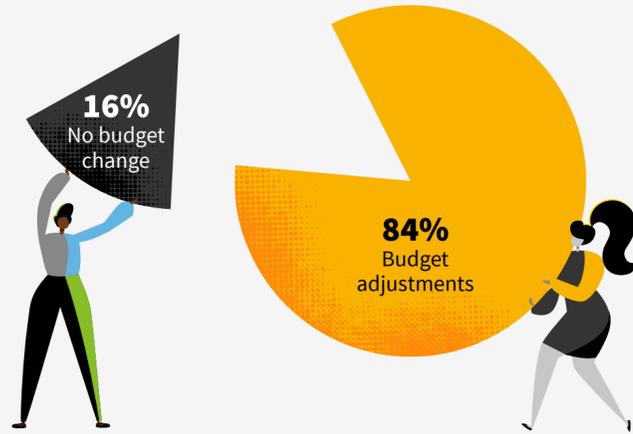
Half of participating firms have no plans to re-allocate conference spending to other marketing activities, which may highlight their unfamiliarity with alternative networking opportunities (see further below), or a reluctance to invest in new and unproven marketing concepts.

Such re-allocation may be effective, though. Almost a quarter (23%) of firms that report higher audience engagement have left their marketing budget untouched, while all firms that *didn't* see improvements in audience engagement have faced budget adjustments.



But even within the large subset that saw budget changes, the trend is clear: the roughly one-third of firms who had to accept a freeze – arguably the lesser of two evils – rather than outright cuts are more likely to report improved audience engagement.

### Budget Adjustments



Webinars and virtual conferences are the top choices of the 52% of firms that re-allocate conference money *and* report higher engagement, and of the 62% that re-allocate *and* have the best share of voice.

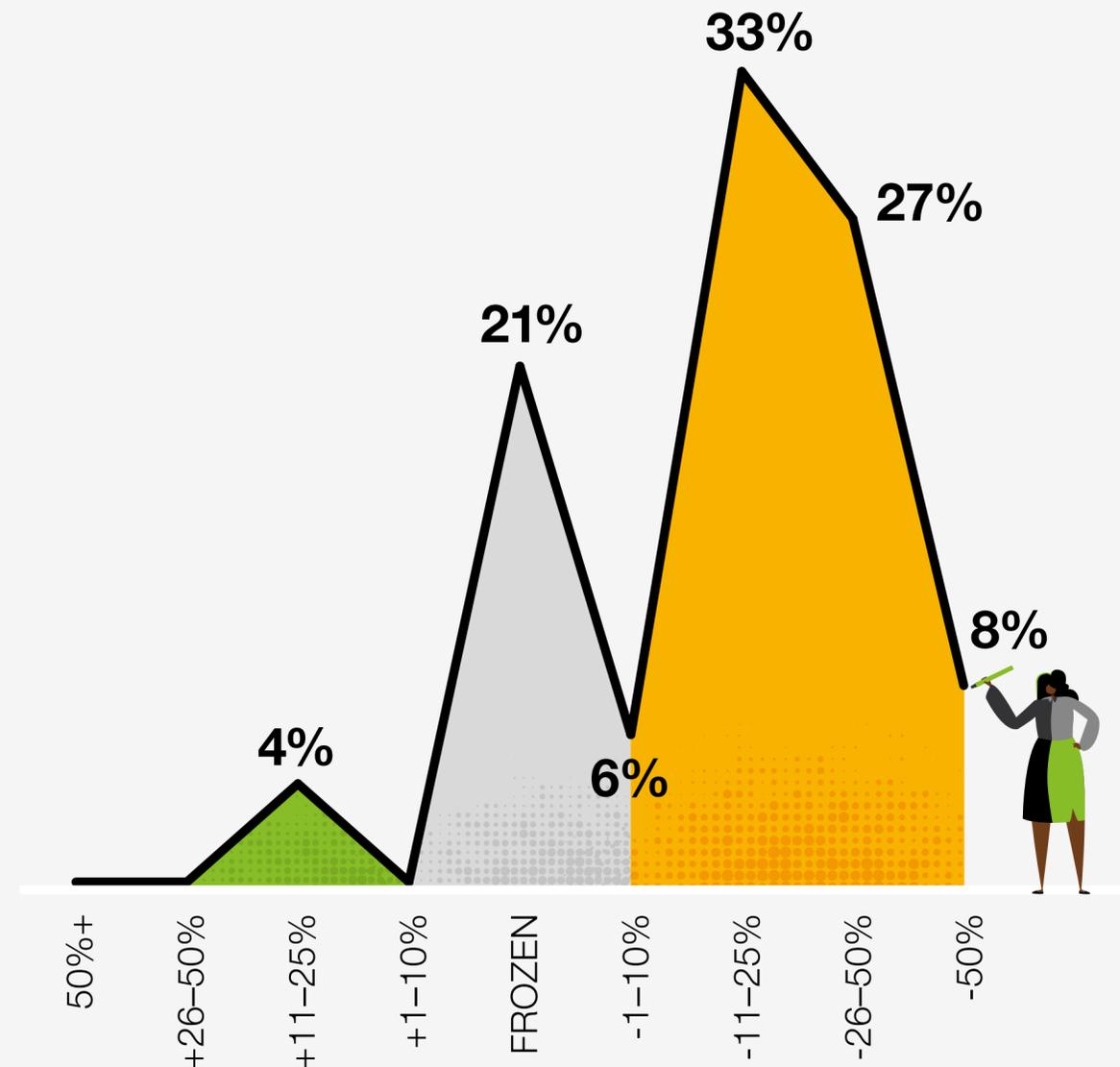
Yet much of the industry appears sanguine about budget cuts, with only 16% predicting they will be Covid-19’s most important long-term impact on marketing. This may reflect an understanding about the severity of the crisis and the constraints it entails, but it is also because marketing leaders are more interested in how the nature of their work will change after coronavirus.

Less than  
**1 in 6**

say budget cuts will be Covid-19’s most important long-term impact



## Marketing budget changes in light of Covid-19



\* Respondents who indicated a budget change



## Of Budget Guardians and Budget Cutters

*Those firms that have protected their marketing budgets have fared better in adjusting to the demands of the crisis, reporting higher audience engagement, greater networking success and more confidence in the business environment.*

*The budget guardians comprise 24 firms that responded to the crisis by freezing or increasing their budgets – or by cutting them less than 10%. Their reward is higher audience engagement, 80% of that group say. Among those who cut by more than 10% – the budget cutters – only 64% report the same.*

*The budget guardians have also seen their share of voice improve. Along with the cutters, they now prioritise webinars and social media in their marketing, but content-wise the guardians focus less on Covid-19. They also worry less about their audience tiring of the topic.*

*However, networking success appears to be the main benefit of protecting a marketing budget. Although the guardians and the cutters both relied heavily on physical events before the crisis, the guardians have better embraced digital alternatives, with one in four saying the crisis has not affected their networking opportunities. Fewer than one in 10 of the cutters agree; instead, the cutters are much more likely to report a “significant” lack of such opportunities.*

*Likewise, the guardians are more enthusiastic about many digital networking avenues. Their favourites are those that facilitate one-to-one discussions with clients, but they also highly rate virtual conferences and online roundtables for networking success.*

*As a result of this success, many firms are likely to sustain their investment and participation in these new digital forums, with 58% of budget guardians calling a rise in digital networking the most important lasting impact of the crisis.*

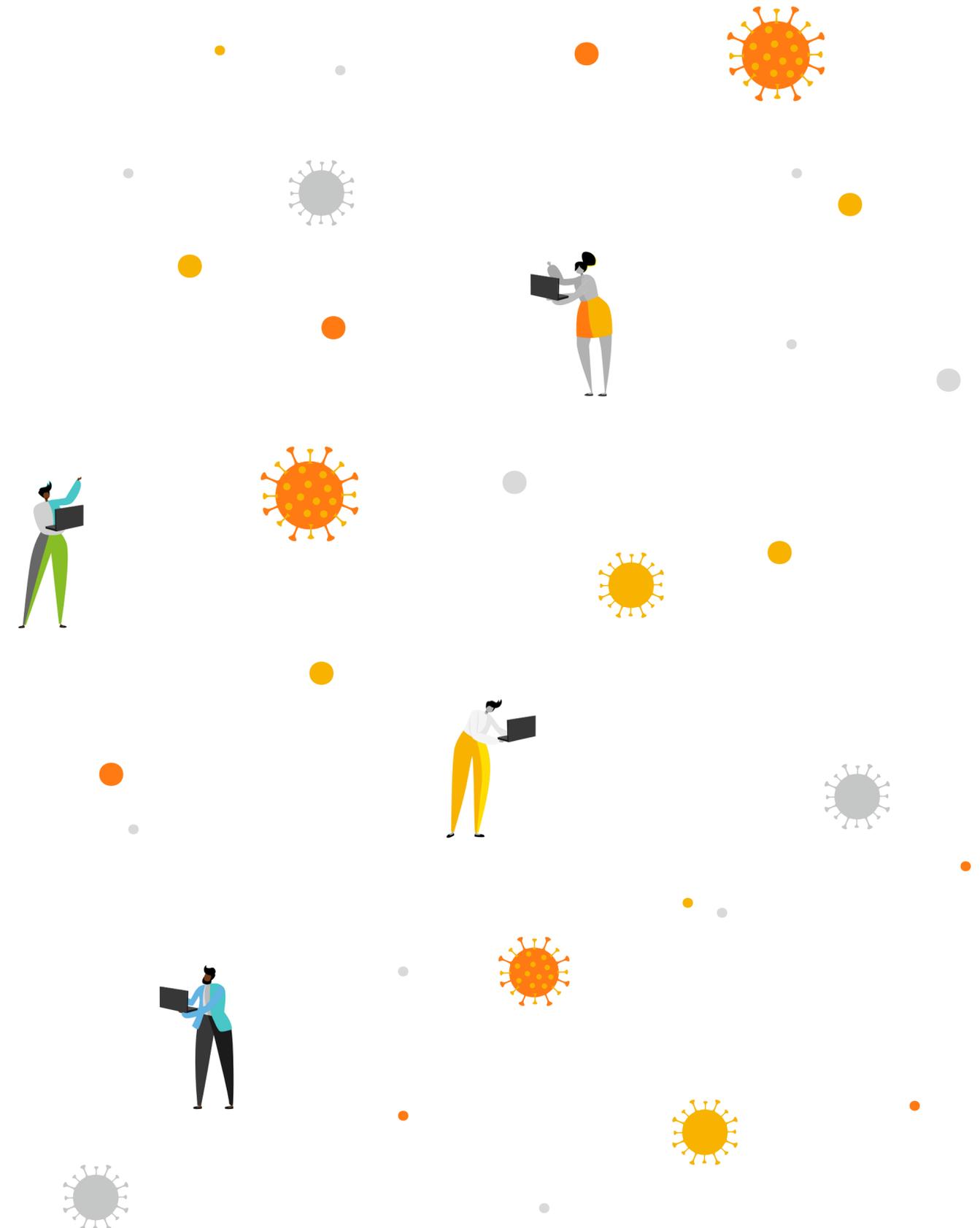
# Reshuffling the marketing mix

In the heady days of business flights, packed conference auditoriums and humming exhibition halls, external events were the top marketing choice for most professional services.

To assess how things have changed we asked respondents to rank their top marketing activities pre-crisis and now. We calculated overall scores of between 0 and 1 for each activity – a higher score indicating higher popularity.

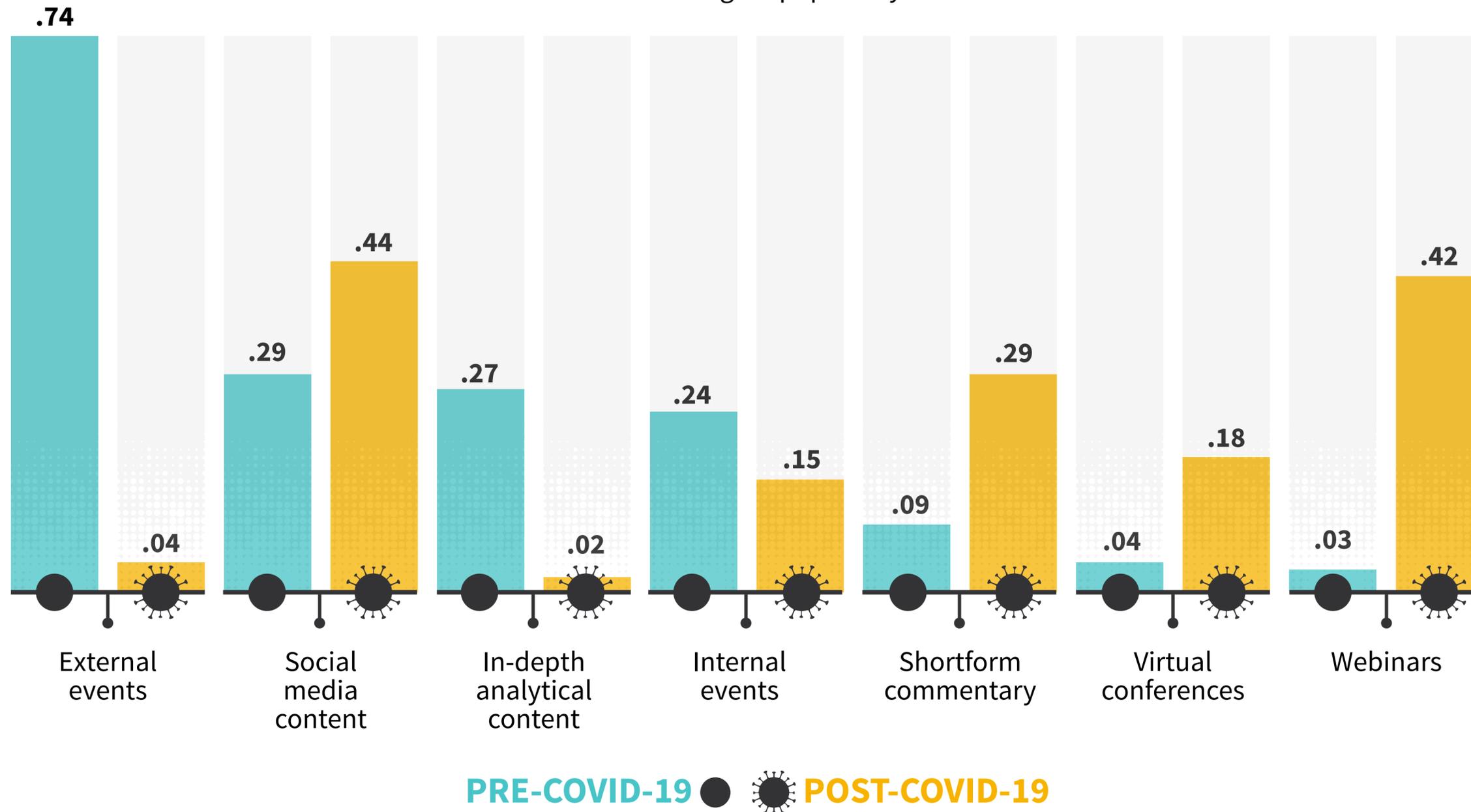
With a score of 0.74, external physical events outperformed all other marketing activities by far pre-crisis. Social media and internal events came second and third, scoring 0.29 and 0.24 respectively, with in-depth thought leadership content ranking fourth at 0.24.

Coronavirus has swept much of the old order away, with several marketing channels falling rapidly out of favour. These include the struggling events business, but also staples like advertising. In finance, for example, advertising has fallen from third most popular marketing method to fifth, while social media and, notably, webinars and virtual conferences have enjoyed a rapid rise.



## Popularity of marketing activities

\* Scoring system from 0 to 1 - higher score indicates higher popularity



## The power of webinars

Among the top marketing performers – the firms with the highest share of voice ratings during the crisis – webinars have become their favourite marketing tool, followed by social media.

These channels have risen across the board, but only the outperformers put webinars first – for the rest, social media marketing is the top priority.

Notably, almost two-thirds (62%) of leading performers have re-allocated conference budgets to digital marketing, while less than half (46%) of the rest re-directed any such funds.

Knowing they are on to a good thing, today's top performers by share of voice and audience engagement both expect webinars to be their top marketing activity later in 2020. Others are catching up with the zeitgeist despite trialling different methods early on in the crisis: those with lower engagement now expect webinars to become their top marketing channel by the end of the year, while those with lower share-of-voice scores see webinars becoming second only to social media.



## Overcoming coronavirus fatigue

While increased audience engagement is an expression of clients' hunger for information, law firms, professional services and financial institutions are concerned that their audiences may tire of the tide of Covid-19-related content washing over the market.

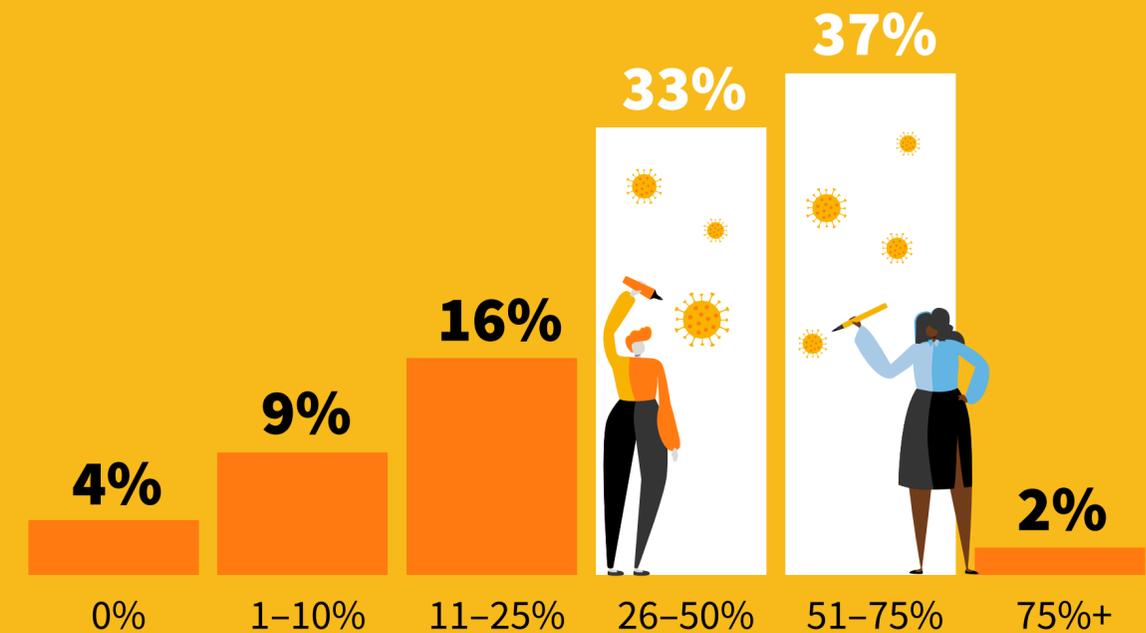
Even among those firms most successfully cutting through the noise, three-quarters worry about content fatigue. Getting the messaging right will be crucial going forward.

There is wide agreement that better targeting is essential – 74% of respondents think so. The right length, followed by exclusivity of content, are seen as the next most effective means of combating Covid-19 fatigue.

A deviation comes from the 28% of top performers by share of voice during the crisis: they emphasise the importance of exclusivity of content over its length.

Furthermore, when it comes to producing Covid-19-related content, the marketing leaders prefer proactive to reactive output (which can be a challenge in times of crisis and rapidly unfolding events), a mix of short- and long-form articles (leaning towards the former) and they prioritise quality over quantity. Similar trends are evident among those that report higher audience engagement during the crisis.

## How much of your marketing function's current workload is Covid-19 related?



Of course, a surefire way to avoid subject boredom is to stop talking about it. However, audiences are still interested in coronavirus analysis, and only a few (13%) of our respondents say that Covid-19 relates to less than 10% of their marketing workload. Overall, Covid-19-related content accounts for between a quarter and three-quarters of the workload of the vast majority of firms. The best performers, meanwhile, seek more of a balance of topics and have been rewarded for it.

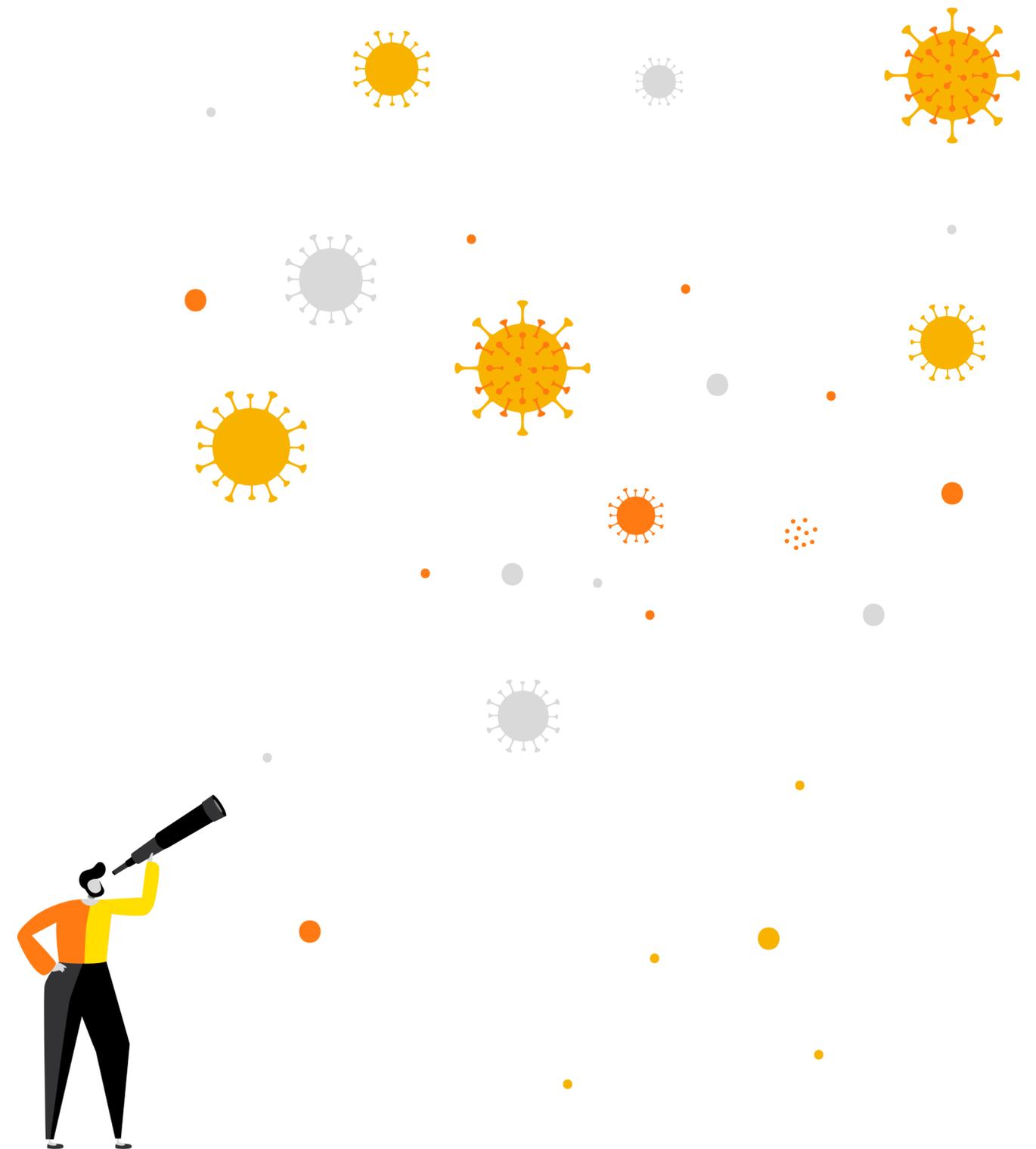
## Conferences and networking

As one would expect, the collapse of physical events like conferences and exhibitions has meant a lack of networking opportunities for most (84%) of our survey. However, only 28% describe the issue as “significant”, while 56% say networking is “somewhat” lacking.

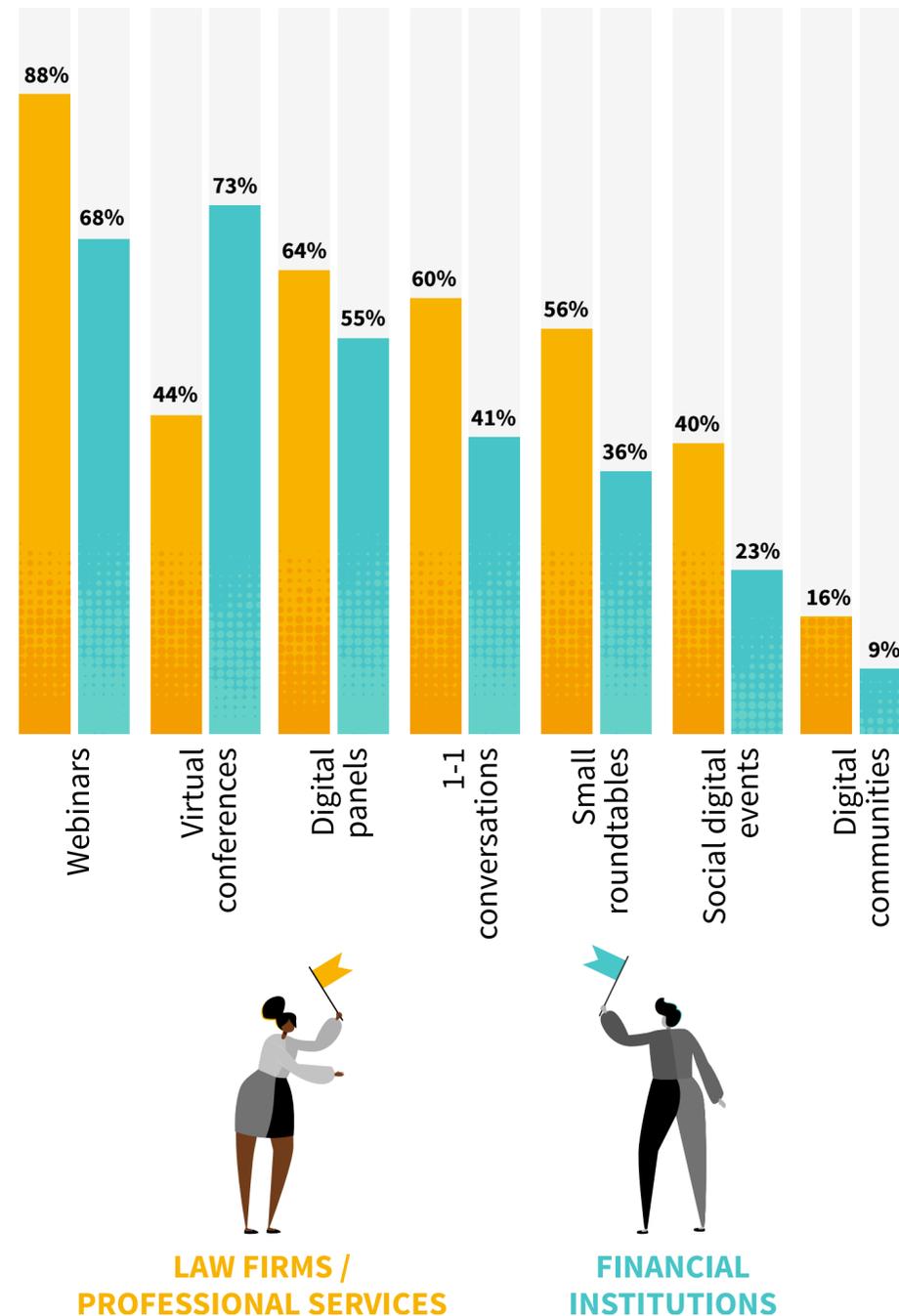
Firms from the Americas feel the loss of events more keenly, with half complaining of a “significant” lack of networking as a result, versus just 18% from the UK and Europe.

The alternative is digital networking, which half of our survey has participated in and most of the rest are planning to. Law firms, which tend to value physical events more highly as a marketing tool than banks do, have also been quicker to switch to digital networking. Some 72% of legal and other non-finance firms have already experimented with digital networking, versus 32% of banking and finance businesses.

Legal and other non-finance firms also differ from financial institutions when it comes to the types of digital networking they are exploring, having primarily ramped up webinars and digital panel discussions. Banks also value these tools, but not as much as virtual conferences, which 73% have run or are planning to run (versus 44% of law firms and professional services firms).



## Popularity of digital networking events



## So what actually works best?

Among all firms that have used virtual conferences, banks found better networking opportunities at them than law firms did, although, overall, finance companies prefer their experience of webinars for digital networking. Law firms have been most enthused by digital events that facilitate one-to-one discussions with clients.

Meanwhile, virtual social events are an offbeat but increasingly popular way to foster contacts. A surprisingly high number of non-finance firms, in particular law firms (47% vs 23% of finance institutions), have experimented with these non-business-focused digital gatherings. And they appreciate their success: law firms gave such events a mean success rating of 6.8 out of 10 – on par with roundtables and topped only by one-to-one conversations with clients (mean of 7.6).

# Conclusion

The demands of the coronavirus crisis have placed businesses in an unprecedented position, and many are still feeling for the best response.

This process of trial and error is particularly true for marketing teams, which have an array of new or untried digital tools at their disposal, but limited experience of how effective they can be.

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Many firms swiftly opted to cut marketing budgets in response to the crisis, but this may be short-sighted. In times of uncertainty clients are looking for guidance from experts, and those firms in our panel that kept their budgets intact are more successful in cutting through the noise. They are also better in leveraging digital networking opportunities.

Firms generally report higher audience engagement now than before the crisis. Harnessing that attention and retaining it appears contingent on choosing the right marketing medium, publishing a balance of Covid and non-Covid content and adding fresh and exclusive insights rather than just responding to events.

In an attempt to maximise impact, many firms have bundled their Covid-19 marketing activities centrally – the data shows that often this move pays off, resulting in more effective marketing and a higher share-of-voice.

In the current crisis businesses experiment with a variety of digital tools and platforms to replace the sudden lack of face-to-face networking. Forty-two per cent see more digital networking as Covid-19's lasting impact, here to stay even after the crisis has subsided, although there is no clear consensus yet about what works best in this respect: banks make extensive use of virtual conferences but find webinars more effective; law firms prefer one-to-one online meetings. Firms that have reallocated events spending rather than cut it tend to be more successful in their marketing.

All this adds up to fundamental change for the marketing function. Covid-19 and social distancing may be temporary, but adjustments in how businesses communicate and interact with customers will endure. Those that master these changes now will command the marketing high ground for years to come.



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