

**MARKETING OF INTANGIBLES:  
MARKETING STRATEGIES OF CONSULTING  
COMPANIES AND THEIR SERVICES IN SWEDEN**



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Marketing of intangibles: Marketing strategies of consulting companies and their services in Sweden

ABSTRACT

The consulting service business is rapidly developing and demand for consultancy in all kind of sectors and business functions are needed. Europe is a good market for consulting services since professional consulting companies have entered European market after United States and it has been growing quickly as well as in Sweden. Marketing strategies evolve constantly due to the rapid change in technology. The research aims to find the best marketing strategies of consulting companies in Sweden and their services in the market and it also aims to help new entrants to get the most out of their marketing strategies.

This thesis research was guided by Innovalogy Ltd. which provides consultancy services in Scandinavia and has also operations in Turkish market. Thesis includes theoretical background as well as author's own research regarding Swedish consulting companies. Qualitative research, interviews with high level executives from Swedish consulting companies were done in order to improve the research.

The results of this thesis research showed that networking and referrals as traditional marketing tools have been used for primary marketing activities by Swedish consulting companies and social media is one of the most important modern marketing tool for intangibles. Even though, consulting companies are not using social media effectively in order to reach its clients to develop new businesses, they are often used for monitoring the existing or potential clients' comments, feedbacks and growing interests.

The outcomes and recommendations of this research were summarized at the end of the thesis and also delivered to commissioner company.

**Keywords** business consulting, Sweden, marketing, intangibles, service marketing

**Pages** 43 p. + appendices 1 p.

## ABBREVIATIONS

BC	Business consulting
CEO	Chief Executive Officer
CMO	Chief Marketing Officer
CRM	Customer relationship management
GDP	Gross domestic product
FEACO	The European Federation of Management Consultancies Associations
LTD	Limited
MC	Management consulting
M&A	Mergers and acquisitions
ROI	Return on investment
SEK	Swedish Krona
SME	Small and medium sized enterprises
TSE	Turkish Standards Institution
USD	United States Dollar

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# 1 INTRODUCTION

## 1.1 Motivation and background

The business environment is changing constantly and new trends are created. Consulting industry is one of the most popular industries nowadays and it has grown quickly even though first management consulting company was actually found in 1886.

Consulting industry started to grow initially in USA because of the welcoming business culture of the industries with the pioneering of Arthur D. Little, Booz, Proudfoot Consulting and Boston Consulting Group.

Assistance from consulting companies was accepted easily in US. Buying an external help from consulting was natural for companies in USA where managers in Europe were bounded to internal competences thus buying external advice was seen inappropriate. European companies have started to use consulting companies in order to get professional advices and help. The researches in the field have showed that consulting represents the biggest market in Europe and consulting has been one of the fastest growing industries in Europe.

Konsultguiden, which is an economy magazine focusing on consulting industry, is listed one hundred and eleven consulting companies in 2012 that are actively offered management consulting services in Sweden. This list includes global consulting companies as well as the small and micro-size players in the field. It is mentioned that consultants in Sweden are successful in terms of creating a demand of their services and managed to make profit in all industries.

This thesis aim is to research and to analyze the marketing of intangibles and uses consulting companies in Sweden and their services as a case study. In addition, the most effective marketing approaches during early market entry phase in Sweden were analyzed and defined as part of the study.

## 1.2 Commissioning organization

Innovalogy Ltd. is a business consulting company located in Tampere, Finland which also has a local presence in Istanbul, Turkey. The company offers professional consulting services to its clients in terms of business development and operates mainly in Northern Europe and Turkey. Innovalogy clients mainly consist of leading Scandinavian and Finnish corporations, SMEs and private equity companies.

The company offers consulting services including business and market development, supply chain management and operational development and performance analysis of distributor or partner.

In addition, company actively takes part in mergers and acquisition business processes and helps its clients in terms of asset management.

Besides their services; Innovalogy is the official partner of Turkish Standards Institution (TSE) in Finland. Thus they can provide required standards for Turkish market which are demanded by its clients during market entry and their operations in Turkey.

Innovalogy is able to provide latest information in business consulting and to create good value for its customers with its reliable and effective way of working. The company mainly operates in following industries; Banking & Financial Services, Construction, Consumer Goods, Education, Energy & Utilities, Information Services, Life Sciences and Healthcare, Manufacturing, Private Equity, Retail, Technology and Transportation & Logistics. (Innovalogy Oy 2014)

This thesis work was guided and commissioned by Innovalogy Ltd. Innovalogy uses effective marketing strategies in terms of selling of its business consulting services as its intangible assets in Scandinavia and helps this research with its experiences in various markets. Marketing of intangible services in Sweden was a challenge for the company and Innovalogy received benefits and developed its marketing strategies as an outcome of the study. (Innovalogy Oy 2014)

## Research question, objectives and methods

The main research question of this thesis study was:

*What are the most effective marketing approaches when a consulting company enters Swedish market and aim to sell its services?*

In order to answer the research question, this thesis work aims to achieve the following objectives which were raised by the above mentioned research question:

- Identifying the current situation of consulting industry in Sweden
- Categorizing the consulting company diversities
- Identifying the services of consulting companies that are offered in Sweden
- Identifying the most common industries that Swedish consulting companies offer services to and the most important industries which are in need of consulting services
- Detecting the marketing activities of consulting companies in Sweden at entrance phase
- Identifying the most common marketing approaches used by consulting companies in Sweden
- Detecting the marketing activities of micro and small and medium-sized companies (SMEs) in Sweden.

### 1.3 Structure of thesis

This thesis work was divided into two main parts which include theoretical knowledge and researches which were done for the Swedish market in order to understand the current situation of the market for business consultancy.

In chapter one, the motivation and background of the thesis research was explained and the reason of this research discussed explicitly. Detailed information about commissioning company is given after a general knowledge of motivation and background. Research question of this thesis and objectives are also found in under commissioning company title.

Theoretical part mainly discussed in the second chapter which covers brief history of the consulting business and current status, market overview, industries and available services in Scandinavia in particular case of Sweden. Interviews that are related with this research mainly cover small-medium sized consulting companies in Sweden.

The marketing guidelines for consulting companies are discussed in chapter three. This chapter includes the comparison of tangible goods versus intangible services, various marketing strategies and survey outcomes which was done by Consulting Success.

The chapter four discusses the importance of digital marketing in consulting services which also mentioned effective digital marketing tools and the use of social media by consulting clients and consultants.

In chapter five, researches which was done related to Swedish consultancy companies are given such as industries they provide their services, the most common services and sizes of consulting companies in Swedish market.

The chapter six explains the marketing methods of Swedish consulting companies by providing the outcomes of performed interviews. Those interviews were done with the executives of three SME size consulting companies in Sweden.

Conclusion chapter covers a summarize of all thesis chapters, mentions the most important and key findings for marketing activities for consultancy companies and the most common services with target industries.

Recommendation chapter, comes after conclusion chapter, is aimed helping for future researches and giving clear advices for related researches which will be done regarding Swedish consulting companies' marketing operations.



## 2 THEOROTICAL BACKGROUND

### 2.1 Market overview, industries and available services

This chapter explains the Scandinavian market regarding consulting business and focuses on Sweden as a case country. The Scandinavian countries includes Sweden, Denmark and Norway which excludes Finland. However, Finland also mentioned as a part of the study due to the market similarities with in Scandinavia.

#### 2.1.1 Scandinavian consulting market

Consulting industry has begun to develop in Scandinavia after the Second World War. In the beginning of the period, small-size and local companies were the main leaders of the Scandinavian consultancy market. Due to the market growth and increasing demand, international companies started to establish their offices during 1960s. During that growth session, small companies that were already in the market started to grow in size as well as international players have started to enter the market. Local companies were the dominant ones in the market until large international companies have entered the market and it started to be a big challenge for the existing small firms. Especially American consulting companies have become the dominant consulting companies in Scandinavian market.

“During the last few years, the overall Scandinavian market has grown considerably. The growth has to be considerable and driven by the region’s position as a European market leader in mobile technology and wireless applications along with the privatization of public services. The emergence of the e-business market has greatly impacted the overall market. “

According to Barry and Reivud big sized companies make the Scandinavian consultancy market more challenging for the medium sized companies unless they deliver their services to niche market.

Globalization is also mentioned as a factor which causes the companies to look for international consulting firms. International companies which would like to get a professional support from consulting firms prefer to get required services from global companies since they keep growing and becoming more international. Presence of American companies in Scandinavia is expected to be continued and domestic companies will have to put effort on keeping their existence in the market.

The Danish market for management consultancy has begun to grow slowly where consultancy in Sweden has already been growing almost for 20 years during 1970s.

As it was mentioned earlier, international players in the market especially the American ones were dominant in Sweden, Denmark and Finland where in Norway domestic companies were the ones which kept growing faster and held the biggest market share during first years of consultancy business in Scandinavia.

Researches which were done by Barry and Reivud in 1998 have showed that the main focus of Denmark and Norway consulting companies was to provide IT related services to their clients. However, international companies in Sweden were delivering services that are related with strategy and business development where small-size companies focus primarily on the services that are related to HR and business competence development.

Since 1960s consultancy business in Scandinavia has been growing considerably and results of survey which was done by European Federation of Management Consultancies Association clearly explain the current situation of the consulting market in Nordic countries.

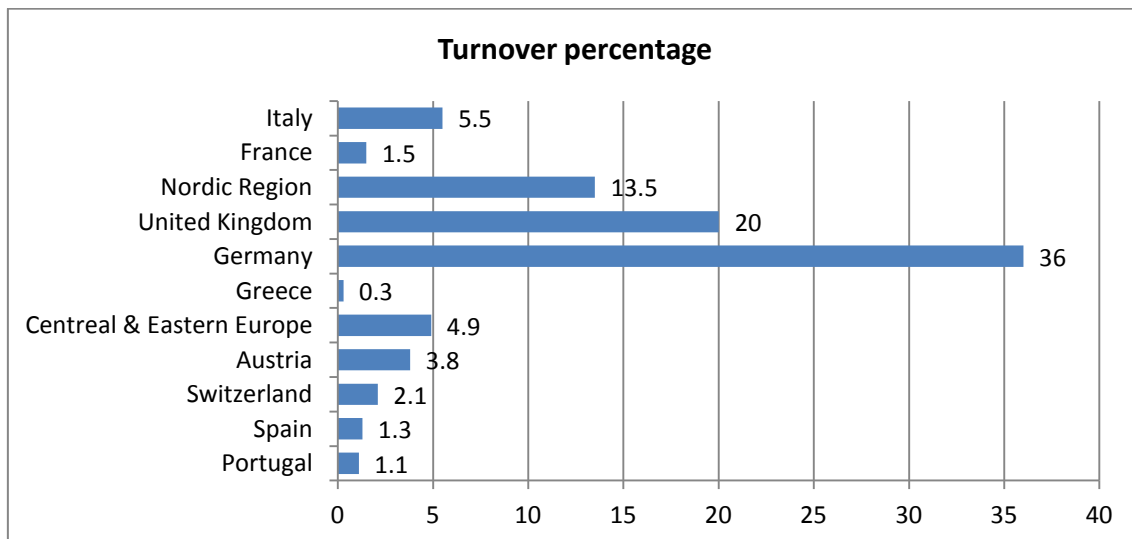


Figure 1 Size of European BC Market (Total Turnover) by Country-Region, 2011 (European Federation of Management Consultancies Association, 2012)

Figure 1 shows survey results that Germany has the largest business consultancy market based on turnovers of each European country and the country is the largest market in specifically management consultancy market. UK has the second biggest turnover share in business consultancy as well as management consultancy. Nordic countries which were included in survey are Denmark, Finland, Sweden and Norway. The region covers the third biggest market size after Germany and UK consultancy markets in business consultancy. However, when it comes to management consultancy the region takes fifth place with 9% of overall European management consultancy market size as shown in Figure 2.

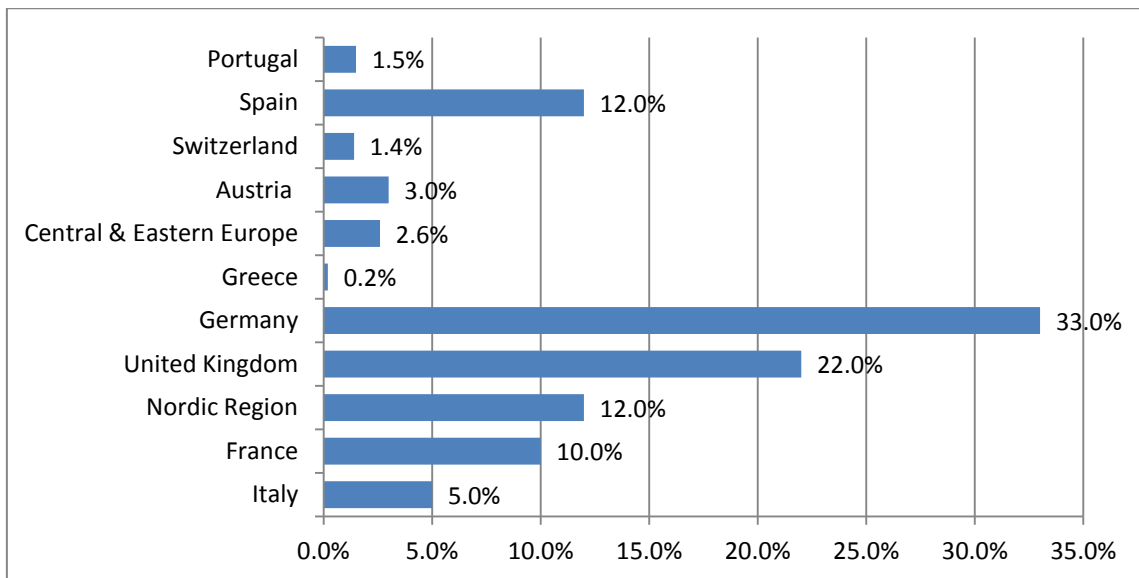


Figure 2 Size of the European Management Consulting Market (Total Turnover) by Country-Region, 2011 ( European Federation of Management Consultancies Association, 2012)

### 2.1.2 Swedish consulting market

Consulting business has constant growth in Europe and reached to 14 billion Euro market share among main industries. Analysts of Swedish business magazine *Konsultguiden* mention that Swedish market has been growing with 20% which made the market more attractive for foreign investors.

Jonas Karström from *Affärsvärldens konsultguide* analyzed the current status of Swedish market for consulting industry in 2008. “The Swedish management consulting industry based on the 2006 financial statements defined as follows: a total of 500 consulting firms active in eleven different areas of business, around 138 000 people employed, total sales of 125 billion SEK (a revenue of approximately 5 billion SEK in the Swedish management consulting sector and bottom line results of approximately 7.5 billion SEK.” (Jonas Karström, *Affärsvärldens konsultguide*, 2008)

It is expected that there will be more demand towards consulting services due to the growth of Swedish economy and more consultants will be hired to work in the field. There is not enough amount of consultants in Sweden and lacking qualified consultants to perform under current challenging tasks.

In the end of 2007, a survey was done among Swedish consultants in order to understand what are the main threats that Swedish consultancy industry could face in near future. 57% of overall responses were showing that employee shortage is the biggest threat in the industry which means that the amount of people who sees this as threat is getting bigger since the number was only 39% in previous year’s survey results.

The biggest threat to grow in consultancy business in Sweden seems to be lack of competent employees and decreasing consulting service prices comes after that as the second biggest problem for near future in Swedish market. Domestic competition in market is also another problematic factor for business to grow. However, the existence of global consulting firms in the market is another challenge since the beginning of the business in Sweden as well as in whole Scandinavia. Figure 3 explains the biggest threat to growth in consulting business.

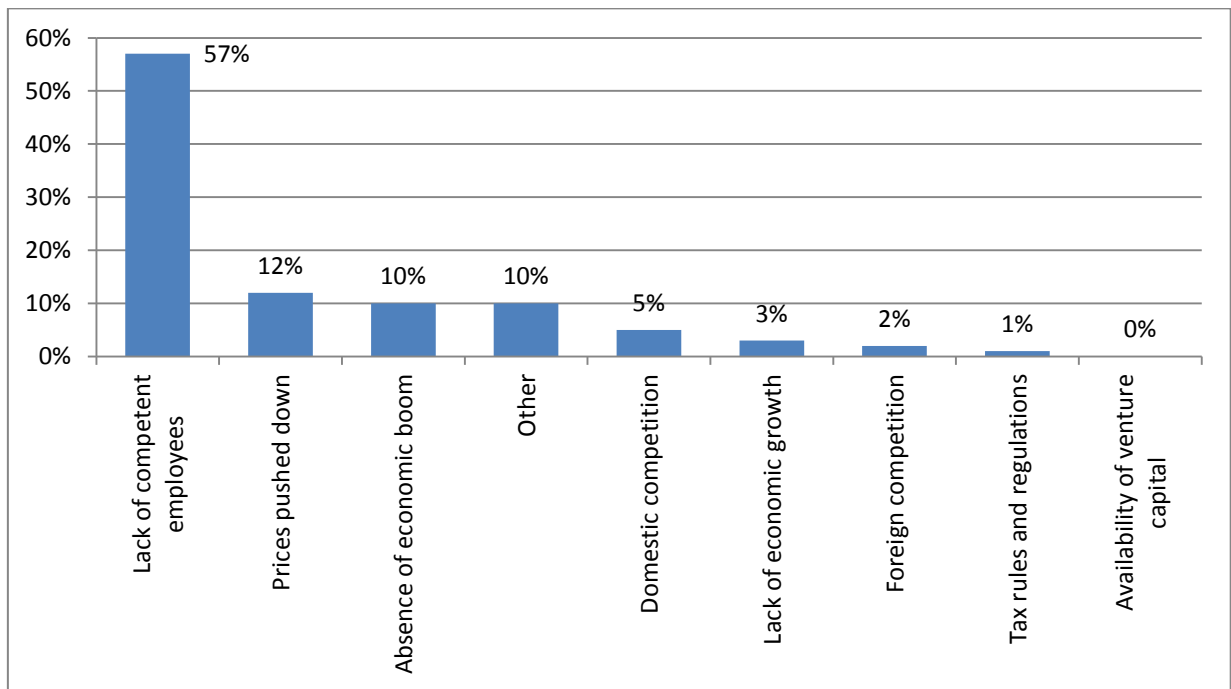


Figure 3 The main threats of Swedish consultancy industry in the future

In research which was done by *Konsultguiden*; it is mentioned that revenues of consulting companies increased in 2012 and consulting sector kept growing. 26% of growth in education industry and 13% growth of engineering consulting sales were the biggest achievements of the sector in 2012. Other sectors that consulting companies deliver their services have the slight changes in between 1% and 7%.

*Konsultguiden* shows that consulting business growth 11% compared to previous year and reached to 206 billion SEK market share. Consulting companies recruit 168000 employees to their company due to analyze of 500 major consulting companies in Sweden.

### 3 MARKETING GUIDELINES FOR CONSULTING COMPANIES

Marketing principles for consulting services were developed by Kubr (2002, p.649)

- Regard the clients' needs and requirements as the focal point of all marketing
- Remember that every client is unique
- Don't misrepresent yourself
- Don't oversell
- Refrain from denigrating other consultants
- Never forget that you are marketing a professional service
- Aim at an equally high professional performance in marketing and in execution

According to principles of Kubr; clients' needs must be the first element that must be taken into account in order to market the consulting services. Every client has different needs and/or could want to demand the service in different way.

Customized solutions and tailored services might be demanded instead of getting the standard service that company provides to most of the time. Thus "every client is unique" principle is important for a successful marketing in consulting business. Marketing activities of the company should not misstate the services of the company and the company itself.

Misrepresenting would make expectations higher and customers could expect different services than the company actually is able to provide and deliver. During marketing activities, companies should not belittle their competitors or other consultants. Besides they must remember that they are marketing professional services and appropriate marketing techniques must be used.

Marketing activities of services must be continued in order to reach new customers not only until selling the service to existing clients.

#### 3.1 Intangible marketing services vs. tangible goods

Service industry has rapid growth and generates dynamic environment which success measured by the effective marketing activities. The service product must be tailored to customer needs, priced realistically, distributed through convenient channels and actively promoted to customers. New market entrants are positioning their services to appeal to specific market segments through their pricing, communication efforts and service delivery, rather than offer all sort of services to everyone. (Lovelock, Service Marketing 1/13)

Promoting tangible goods is easier than selling of an intangible service since it gives more trust to customer when they can see, touch or try that product they intend to buy. Salesperson will easily let customer understand what the product is and what it can give as advantage.

In contrast to that, selling a service might make salesperson's job difficult due to the nature of intangibility of the service and its physical visibility. Services are offered by using relationship between salesperson and buyer. For example; while offering an IT consultancy for a growing company requires good communication skills for sales person. Seller must firstly promote his/her own skills and build trust of future clients. Value creation between service provider and future clients becomes inevitable since there is no visible product or experienced by physical demonstration.

Marketing operations of physical goods cannot be easily used in same way for intangible services. Thus marketing techniques need to be differentiated from marketing of tangible products.

### 3.2 The marketing strategy level

Before implementing the marketing activities in order to be a successful player in the market, there are two main marketing strategies must be considered at entry phase. First one is to focus on the product itself where the production oriented marketing strategy is mainly based on the production operations such as cost efficiency. And the second one is market oriented approach which focuses on investigating the market structure for the sector and market analysis, needs of the market and demands of the services. This research is mainly focused on to define the relevant market specific marketing strategy. Marketing of consulting service in Sweden is strongly relying on defining the needs of industries and creating the services based on those demands.

### 3.3 Market oriented marketing strategies

Marketing strategy should be defined by asking several market specific questions to understand the current status of the service industry and its market. Consulting companies that are interested in entering to Swedish market should consider following questions:

- What kind of solutions we provide that can distinguish us from other consulting companies in the market?
- Can we make acceptable profit when we offer services with reasonable prices?
- Do our existing services match with the current needs of the market?
- Do we use the same strategy of implementing our services in Sweden as used in other markets or do we have to consider strategy change to be successful in the new market?

Answering those questions while understanding the effective marketing strategy will help the company to identify the new market, future clients and competitive advantages over the other players in the market.

As a conclusion of those questions, consulting company defines marketing strategy by considering the client’s existing problems, required service optimization if there are any and contribution to the market.

### 3.4 Survey regarding consulting companies' marketing strategies

The survey which was done by *Consulting Success* in 2014 has shown the main marketing strategies that have been used by consulting companies in all over the world. The survey information gathered more than 15000 consultants who have origin from 53% US, 20% Europe, 10% Asia, 10% Australia and 7% Africa. This study gives an understanding to define commonly used marketing strategies in order to gain more clients, to reveal the most effective marketing method and eventually to expand existing market share.

The following figure shows the result of a question of “What kind of marketing do you spend the most time on?”.

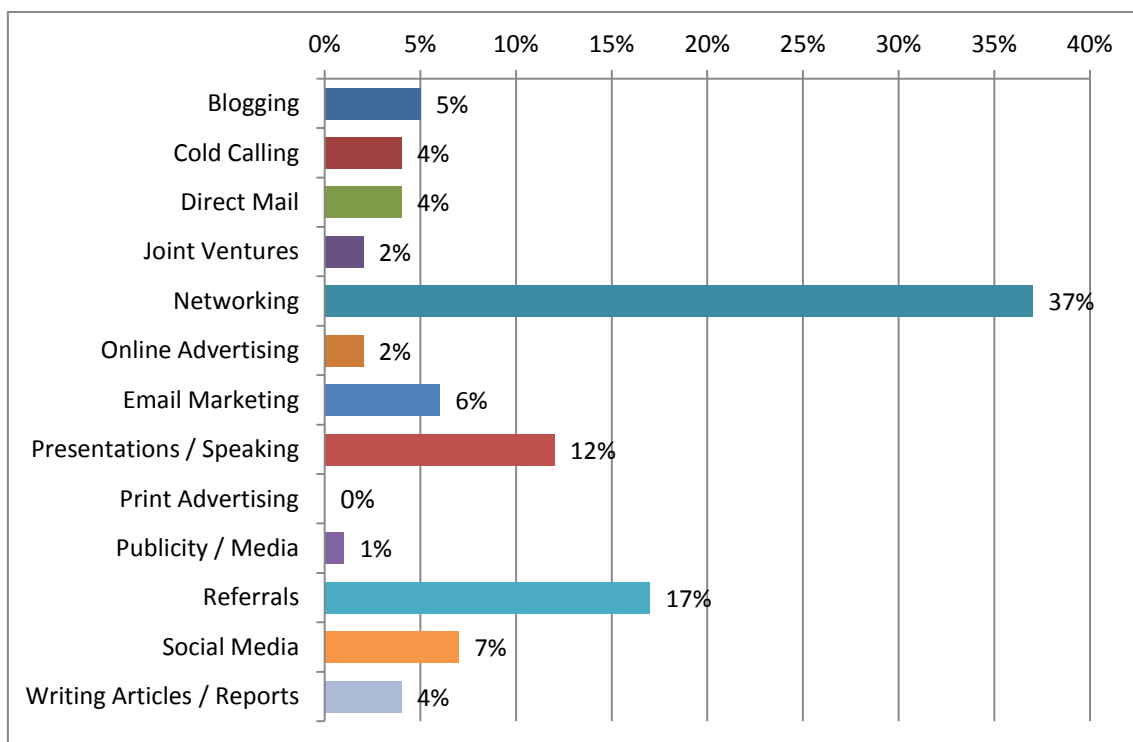


Figure 4 Marketing types and percentage of spent time, 2014 (<http://www.consultingsuccess.com>)

As a result of the question, networking is the most used marketing activity for most of the consultants in the survey in 2014 (see Figure 4). It is mentioned that in last year’s survey results networking was taking the biggest share among all marketing operations the companies spend most of the time. Referrals follow networking with 17% of total responses when print advertising looks like consultants do not spend time as well as investment on it. Based on survey; networking and referrals are in common strategies among the consultants and they could be considered as first marketing steps of a new set up company in consulting business.

Marketing helps the companies to make future clients be aware of the brand and their service offers. 70% of the respondents claimed that networking (35%) and referrals (35%) (see Figure 5) marketing strategies are more beneficial on their sales than other options such as presentations. Networking and referrals are the ones which consultants spend most time on and get the biggest profits in all marketing operations.

Writing articles or reports, publishing paper-based advertisements and marketing consulting services in media do not return the money according to result of related question "Which has made your business the most profit?".

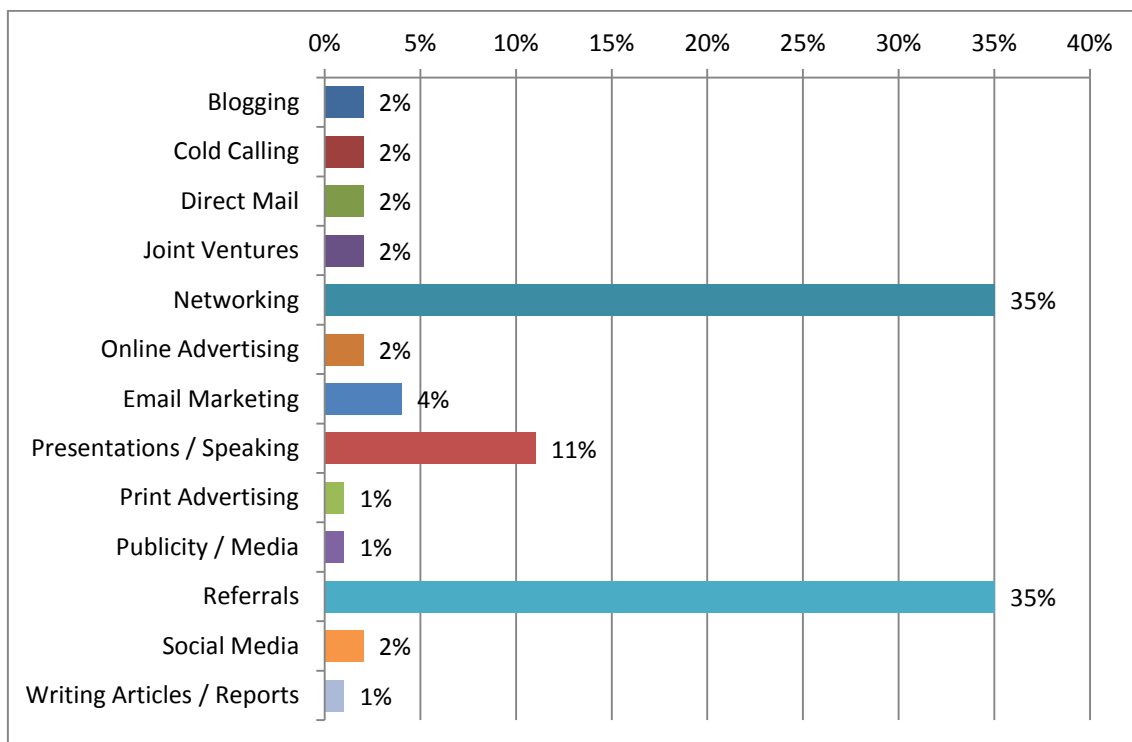


Figure 5 Marketing strategies based on the return of an investment, 2014 (<http://www.consultingsuccess.com>)

Understanding the average investment on marketing activities is also important for new companies to define their marketing strategy well and find the proper budget of marketing comparing to the whole income of a company.

Figure 6 shows the marketing investments of consulting companies in 2014. According to the study, 3000 – 5000 USD marketing investment share drop down from 25% to 7% during 2014. Small brackets are mentioned as they did not have changes from 2013 to 2014. However, all big brackets had a decrease in one year period of time. It also shows that the investments above 10000 USD up to 50000 USD have dramatically decreased in a year.



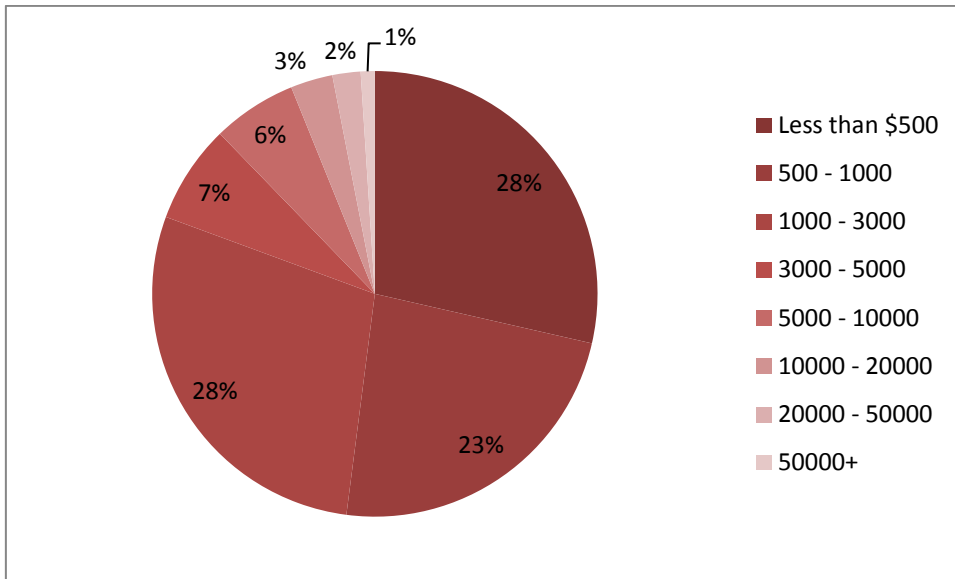


Figure 6 Marketing investment of consulting companies based on 2014 survey. (<http://www.consultingsuccess.com>)

It is important to understand the annual income of consulting companies or individual consultants to correlate with their marketing expenses. Figure 7 shows the annual income of responders in the survey.

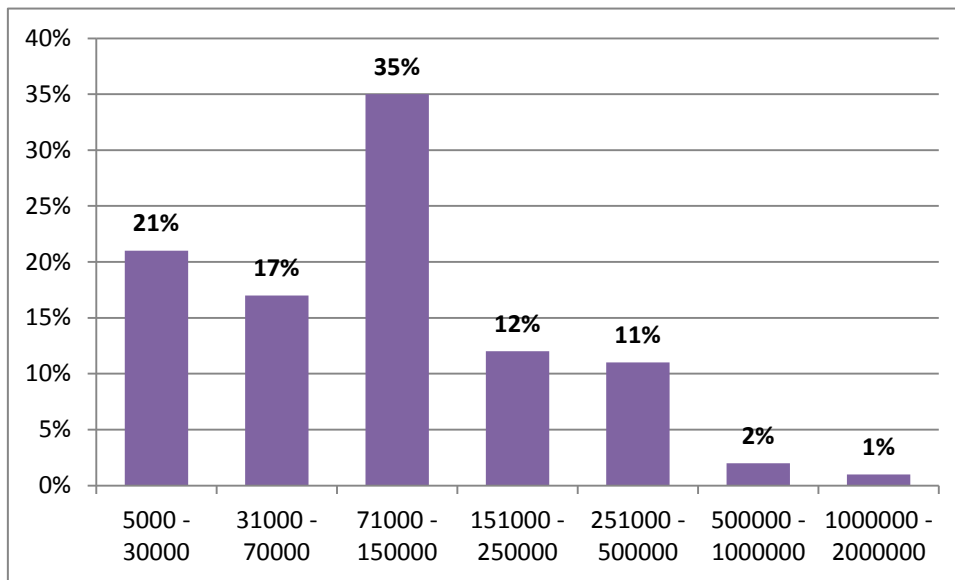


Figure 7 Annual income of responders, 2014 (<http://www.consultingsuccess.com>)

The survey focuses also on the amount of the clients that are worked during a year of responders in consulting company. The results in Figure 8 showed that 37% of responders are working 3-6 clients and 26% with 6-12 clients each year.

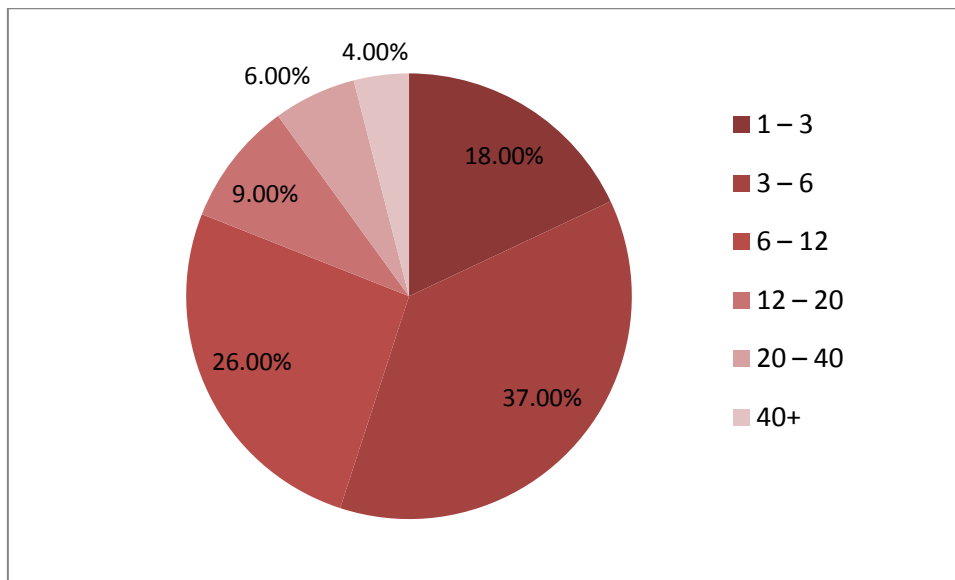


Figure 8 Yearly client numbers of responders, 2014 (<http://www.consultingsuccess.com>)

### 3.5 Marketing approaches to obtain new customers

Marketing of services is more difficult to implement than marketing activities of tangible products. The purchasing decision of a product is easier by seeing and touching an item as well as it is easier to promote by the sales person.

Kubr (2002, p.650) argues that "clients wish to reduce their risk by finding out whether the consultant's abilities match technical expectations and personal capabilities. The technical dimension mostly defines the technical know-how needed to solve a client's problem." (Marketing of Consulting Services, Jan-Daniel Laufhütte, 2004). Thus it is important for a consulting company or consultant to indicate the technical expertise and personal communication skills to promote its service to a client.

Marketing of consultancy companies can be done both in direct marketing and indirect ways. Indirect marketing usually takes longer time compared to direct marketing. However, such marketing method also has also good and big impact on reaching and gaining new clients.

Philip Kotler who is included in the list of the most important living Thinkers 50 shortly mentioned how a consulting company should market itself. "A consulting firm needs to choose defined areas of expertise and become the best in those areas. The firm should communicate its expertise through written articles, speeches, and exceptional performance. The firm should prepare effective brochures, ads and other media. They should build a network of referral sources with accountants, lawyers and other professionals." (Interview with Philip Kotler by Michael McLaughlin)

As described in marketing survey of consultants, networking and referral sources is the most important marketing approach to obtain new customers. However, it is possible to see inclination marketing strategy from pre-

paring of brochures and media advertisements to utilizing more digital marketing and social media sources.

### 3.5.1 Direct marketing

Direct marketing methods are mostly used by micro and small-size consulting companies. Direct methods for consultancy companies are listed by Jan-Daniel Laufhütte as; (Marketing of Consulting Services, Jan-Daniel Laufhütte, 2004)

- Systematic cold contacts/canvassing
- Unsystematic cold contacts/cold calls
- Follow up of cold contacts

#### 3.5.1.1. Systematic cold contacts/Canvassing

Cold visits and telephone calls are the least appropriate ones in marketing activities since managers would not feel so comfortable. Telephone calls should be used for booking an appointment.

Sending brochures or letters to clients is considered as direct mail marketing. It is possible to find a ground to create close connection with possible clients by direct mail marketing. Direct mail marketing should be done in an effective way. Thus intended direct mail should include possible solutions of customer and explains the services that fulfill the needs. It is also important to add previous client references to gain the trust of a potential client. Showing an exact service that client would be interested in will avoid the distance and keep a close contact with possible customers. In case of a need for additional information, client must be told in letter not to hesitate to contact and get an appointment with an expert. Direct mail marketing might be seen as high investment to an organization due to the spent time and money. However, it is considered as good starting point to establish a long and solid cooperation with a client. Taking a copy of the successful direct mails is also possible. Direct mail letters could also be written by the company by paying attention to several points.

Those are listed briefly by William A. Cohen as; (How to Make it Big as a Consultant, William A. Cohen, 2001)

- Get attention
- Develop interest
- Demonstrate benefits
- Show credibility
- Deliver a call to action

“Write in first person. Write simply with your potential client in mind. And keep it personal. Define your target audience exactly. Focus on that individual reader as you write your copy.” (How to Make it Big as a Consultant, William A. Cohen, 2001)

Delivering the marketing letters to right audience is also a critically important factor. Reaching the future clients must be the first goal of direct mailing since it would be a loss to send marketing letters or brochures to people who would not be interested in the services that company provides. Direct marketing letters must reach the potential clients who would like to get what company offers. In order to create a chance to being read, letter must be sent to an individual name. It is a well known fact that large companies invest high amount of money on direct mailing.

#### 3.5.1.2. Unsystematic cold contacts (Cold Calling)

Cold calling is a type of unsystematic cold contacts and calling of a contact mainly target a number of potential clients instead of focusing on a specific potential clients. Mailing to all operational region or business sector would be a good example for that kind of marketing activities. Cold calling is usually performed in three different ways which are listed by Jan-Daniel Laufhütte in research named Marketing of Consulting Services, 2004.

- Unspecific cold calls
- Cold calls linked to a competitive advantage respectively with a specific product
- Cold calls with a business solution

Unspecific cold calls are mostly to create the first image of the company, to show strength of the company however getting a response by unspecific cold call is really low.

Cold calling is linked to a competitive advantage respectively with a specific product. Cold calling with a business solution is used in order to show tailored made services for a specific problem in a business area.

“These either stress a competitive advantage a consultant has and hence increase the potential to succeed, or give a detailed description of a former successful case to point out the consultants experience and competence.” (Marketing of Consulting Services, Jan-Daniel Laufhütte, 2004)

#### 3.5.1.3. Follow up of cold contacts

Follow up of cold contact is the last step of direct marketing activities. Follow up process is possible to perform in case of a phase which consultant did not get any answer from cold calls or visits. This strategy would help an interested client to be convinced or to get the final decision of the person. If the last decision is negative then there should not be any other step taken.

### 3.5.2 Indirect marketing

Indirect marketing methods for consulting companies are really important to be implemented. They are mostly used by large companies compare to direct methods. Accenture, McKinsey and Arthur D. Little are some of those companies which concentrate on indirect marketing strategies. They are long term marketing activities though, indirect marketing has significantly important effect thus they are necessary to be in marketing operations of consulting companies.

Jan-Daniel Laufhütte in his research lists indirect marketing methods as: (Marketing of Consulting Services, Jan-Daniel Laufhütte, 2004)

- Word of mouth, networking, referrals and relationship marketing
- Events, sponsorships, seminars and workshops
- Memberships and directories
- Presentations
- Self analysis
- Medias
- Brochures and booklets
- Reputation
- Advertising
- Studies and projects
- Articles and books

### 3.5.3 Word of mouth, networking, referrals and relationship marketing

Word of mouth is seen as the most efficient way for marketing of consulting companies as well as networking. If a company is heard from someone who utilized the services of that company and giving references by using their own experiences about services would help decision maker to be able to consider the company's services.

Getting good references from others will build a trust towards company. Networking is another marketing strategy which also works well on consulting companies. "To be successful a consultant has to be well connected! Contacts have to be followed-up consequently to gather new relevant information but not misused one-way" (Marketing of Consulting Services, Jan-Daniel Laufhütte, 2004, p.36)

Referrals are also good marketing methods for companies to gain new clients. Former clients who utilized their services could give speeches or presentations. If a client is happy with the service that was offered, he or she can be in promotional activities of the company, give references or such reference can be used to reach new customers.

Philip Kotler described in an interview about the marketing relationship as:

"The most important skill is client relationship management. Build a good database on each client's activities, interests, opinions, and other pertinent information. This will enable you to customize your service and communications to each client. "

"Your firm's marketer must also develop brand-building skills that go far beyond brochures and advertising. Brand building also occurs through event management, sponsorships, contributions to good causes and other activities" (Philip Kotler)

Relationship marketing could also be built between clients and the consulting company. Building up a relationship with former colleagues or business partners are type of marketing that is possible to create easily.

"The real definition of networking to me is building relationships before you need them," says Diane Darling, an expert on the topic and the founder and CEO of Effective Networking, Inc. located in Boston, USA. "Networking is difficult because we tend to only do things in life when we need to. But if you're running a marathon, you don't wait until the morning of the race and then just go out to run. On that day of the race, you remember all of the time and hard work you put in ahead of time while training to get to that point. With networking, when you really need a job or new clients, empowering your existing contacts is the key to getting you there."

#### 3.5.4 Presentations, events, sponsorships, seminars and workshops

Sponsoring in an event and taking part in seminars or workshops are another appropriate marketing technique for a consulting company. Workshops can be held in order to discuss the current situation of some specific business areas and need of consultancy for those business areas will help consulting company to meet possible clients. Being a sponsor partner of an event is also another good way to market the company.

Consultants should also attend to events and be a speaker to get chance to meet their future clients. It is important to present profile of existing clients would create good image since reference clients might share their experience during consulting work.

Seminars are another suitable marketing platform for consultants to give a presentation about existing services. Presentation in a seminar can give clear image about services and build an effective relationship about the company and its possible offers. Consultant who gives a presentation in seminar should be well prepared for possible questions and demonstrates his/her experience during answering those.

Consultants can be a speaker of some events and can get a chance to meet their future clients. In professional presentations, solution provider clearly explains their services, expertise and business areas.

### 3.5.5 Memberships in related business associations

Being a member of a consulting association brings credibility and increase professional image of the company since associations have strict rules to follow. In addition, associations usually publish directories where you can find the details of consulting company and it helps company to be more visible.

Having a membership will provide a chance to be in specific events and meet other players in consultancy field, monitor how competitors are doing and have open discussions at the same time with networking. Understanding where the business stands, seeing the others and having discussion about current situation of business and market, getting to know about future changes or sharing own ideas with others will always contribute to the consultancy sector and individually to consultant. Figure 9 describes the member associations of FEACO (European Federation of Management Consultancies Association).



Figure 9 Member associations of FEACO, 2014 (European Federation of Management Consultancies Association, 2014)

### 3.5.6 Reputation Management

Building up a brand and managing the reputation is a key factor for a consulting company to be successful. Creating a good reputation is hard and might take years where losing it is easy and might happen overnight. One good example to understand the impact of reputation management explained in Accenture case:

Accenture (derived from words of “accent” and “future”) decided to split itself from its origins which were Arthur Andersen and Andersen Consulting in 1989. In the early beginning, Accenture used the existing reputation of those organizations. However, Accenture accomplished to build up a reputation as management and IT-consulting company and successfully increase it during years (Jan-Daniel Laufhütte, Marketing of Consulting Services, 2004)

### 3.5.7 Advertising

Paying for advertisements in consulting business might be seen as cheapening the brand since consulting sector is all about selling the skills, it might show that company needs to spend money on selling their skills because they are not as good as they say.

According to Lorin Beller Blake, who is a consultant and the business owner of Big Fish Nation, the easiest way of marketing for consultancy is to do your job really well. Marketing needs to have the driver of competitive success and it is all about sharing good experiences and satisfactions of your clients to potential ones.

She mentioned an important point in an article that organizations might throw Dollars out and thinking this to be a shortcut to success. However, all we need is due diligence, every day repetitiveness and social networking.

### 3.5.8 Articles and books

Consultants from well-known company should write an article or contribute to a book to be recognized, remembered and stay popular in the field.

Yves Morieux Managing Director of Boston Consulting Group and Peter Tollman have published a book called "Six Simple Rules How to Manage Complexity without Getting Complicated." This book is a good example of an effective marketing of a consulting company. In this book author's theoretical knowledge and practical knowledge are described well. "This research is based on an analysis of productivity, its drivers and engagements trends. It leverages state-of the art thinking in social sciences, notably organizational sociology and behavioral economics." (Boston Consulting Group, 2014)



Brochures are not made to be aimed at a specific group of target and they do not focus on a customer problem. They are mostly to provide general information about company's services and their offers. In that case brochures are seen as the opposite marketing methods of cold contacts.

## 4 DIGITAL MARKETING IN SERVICE BUSINESS

Digital marketing is rapidly developing with the change of technology and it can be mentioned as one of the most common marketing methods for any kind of business area for today. Changes in IT and communication fields also affect the way of doing business. Digital marketing is a new approach for companies to understand customer behavior.

Marketing by using digital channels has many advantages and disadvantages compared to traditional marketing techniques. Some marketers defend that digital marketing could be combined with traditional marketing theories. Digital marketing is more efficient compared to traditional methods if company target to reach wider consumer range.

The survey that was done by ThinkVine in 2014 was responded by 200 senior level marketing executives:

"Do you think your digital marketing spend will ever exceed your traditional media spend? If so, when?"

Result of the survey shows that companies believe their digital marketing expenses will exceed their traditional marketing expenses in coming two years. Digital marketing is more efficient compare to traditional methods if company target to reach wider consumer range.

There are 23 marketing executives mentioned that their digital marketing spending has already exceeded their traditional marketing expenses. On the other hand, three of them believe that there will not be more spending for digital marketing than traditional marketing operations. Figure 10 describes more detailed information about the results of the survey.

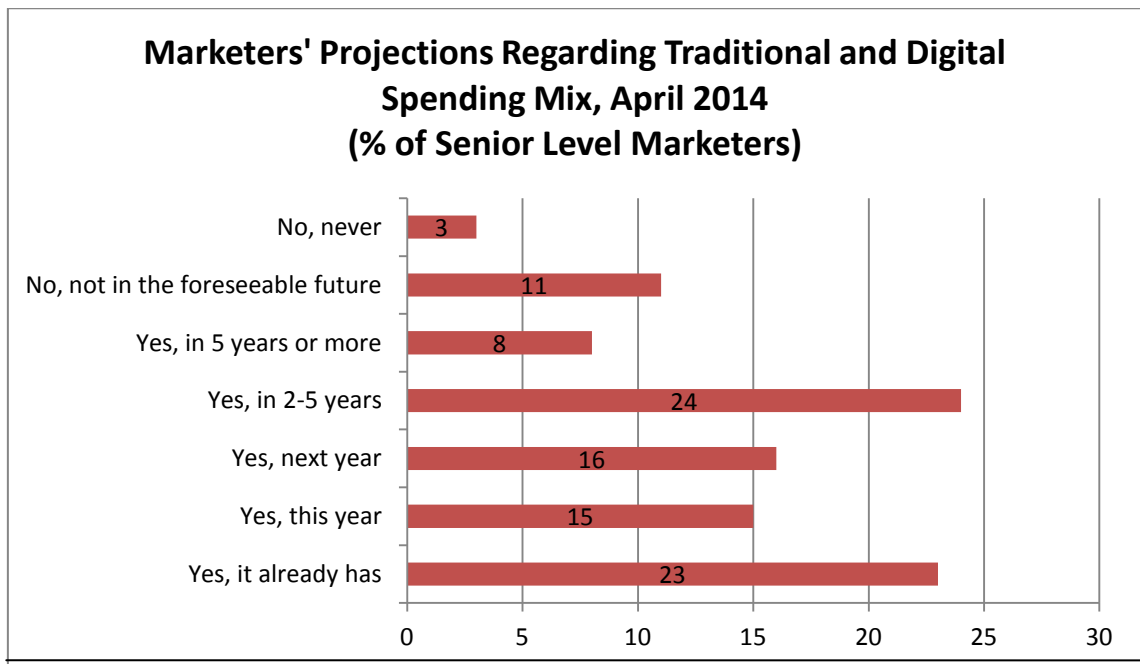


Figure 10 Marketers' projections regarding traditional and digital spending mix (Thinkvine, 2014)

#### 4.1 Usage of digital marketing in Sweden

Digital marketing has a great impact on marketing strategies of companies. New technology has made the digital marketing easy and social media improved rapidly to be used as a marketing method. Digital marketing has some advantages compare to traditional marketing. Rob Faulkner has listed the advantages of digital marketing as described below:

Digital marketing is;

- Level playing field
- Reduced cost
- Simple to measure
- Real time results
- Refinement of your strategy
- Brand development
- Far greater exposure
- Viral
- Not intrusive
- Greater engagement

In this chapter, Swedish consulting companies are detected in order to understand if the digital marketing and social media tools that are used, and if they do, which social media tool is the most popular among Swedish consulting companies. Figure 11 shows the social media usage of selected Swedish consulting companies and type of the used platforms.

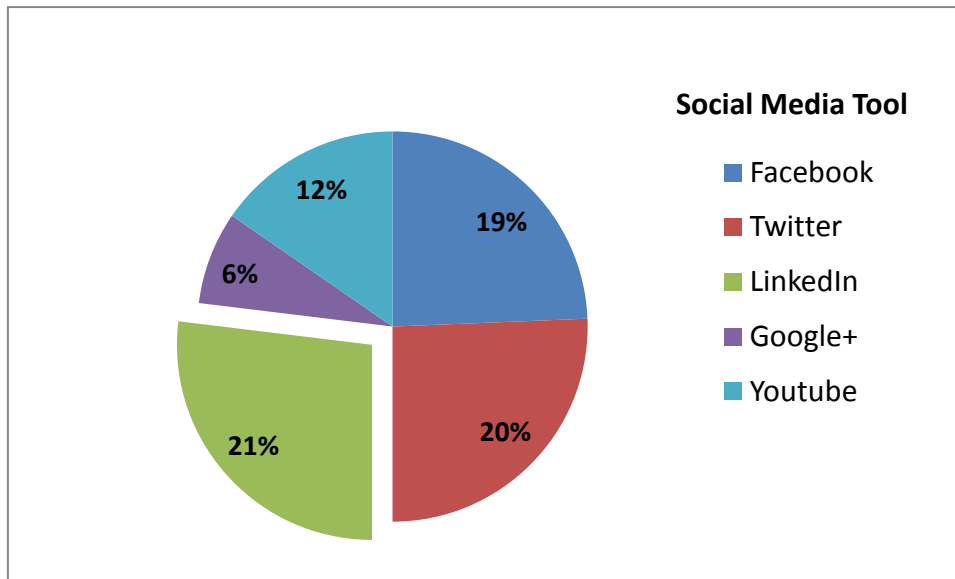


Figure 11 Social media usage of selected Swedish consulting companies

#### 4.2 Consultancy companies' adaptation to social media marketing

In 2012, Bloom Group LLC, the Association of Management Consulting Firms (AMCF) and ResearchNow conducted a survey to understand if consulting companies have adopted social media as a marketing way of their business. The research has two different points of views, one is by the clients of consultancy service and the other is by consultants.

This research has key findings such as:

- "Social media is not the preferred method of looking for a consultant." When a potential client of consulting service is looking for a right company, they prefer to consider colleagues' recommendations, presentations and check companies' traditional marketing materials than using the social media.

- "Consulting companies therefore don't consider social media in their top tier of effective marketing techniques." Traditional marketing methods such as books, seminars and presentations by consulting companies and articles on company's website are considered more effective marketing types than social media marketing tools. Social media content is important to see how many likes, comments or shares they get but most of consulting companies do not use social media tools to contact clients or analyze the comments.

- "Social media is consuming an increasing portion of the consulting marketing budget." Respondents of the survey said that they are planning to have one out of three of their budget spent on social media by 2014.

-Even if the consulting companies are not proactively doing much in the social media space, they should watch out for negative comments in social media which can do serious damage to a company's chances to win contracts. Consulting companies must be monitoring the comments and shared experiences on social media tools in order to protect the company from bad reputation. The survey showed that buyers of consulting services are mostly searching the so company online before they send request. Public comments must be followed carefully.

#### 4.2.1 The client's point of view

In order to understand how companies evaluate social media while searching for consulting service providers, ResearchNow conducted a survey which was done among almost 200 companies. Responders are from companies with different company sizes which include large, mid sized and small. Companies run business in different industries but all are big enough to invest on consulting services. Responders of survey have titles which enable them to purchase consulting services. When 70% of respondents are decision makers, the rest is direct reporters of decision makers.

One of key learning from this survey was to see social media is not yet as important as other tools for service searchers. Respondents were asked to rate the importance level of given marketing methods. According to importance, respondents gave a number between 1-10 scales. When score 1 means "not important at all", score 10 defines "extremely important".

The decision makers have chosen following responses as the most important ones: "contacting colleagues in my firm" as the most important with the score of 6.89 and "contacting others outside of my firm" as the second most important with 6.60. Thus, this result shows us getting personal recommendations is very important among consulting service clients. However, leadership marketing category comes as second important for clients. In addition, viewing consulting company's presentation in public conference and reading consulting firms' online publication are very important as well. The least important ones are "posting questions in public social networking sites such as LinkedIn or Facebook" with score of 3.48 average rate and posting questions in micro blogging sites such as Twitter" with the lowest rate as 3.18 in the survey (see Figure 12).

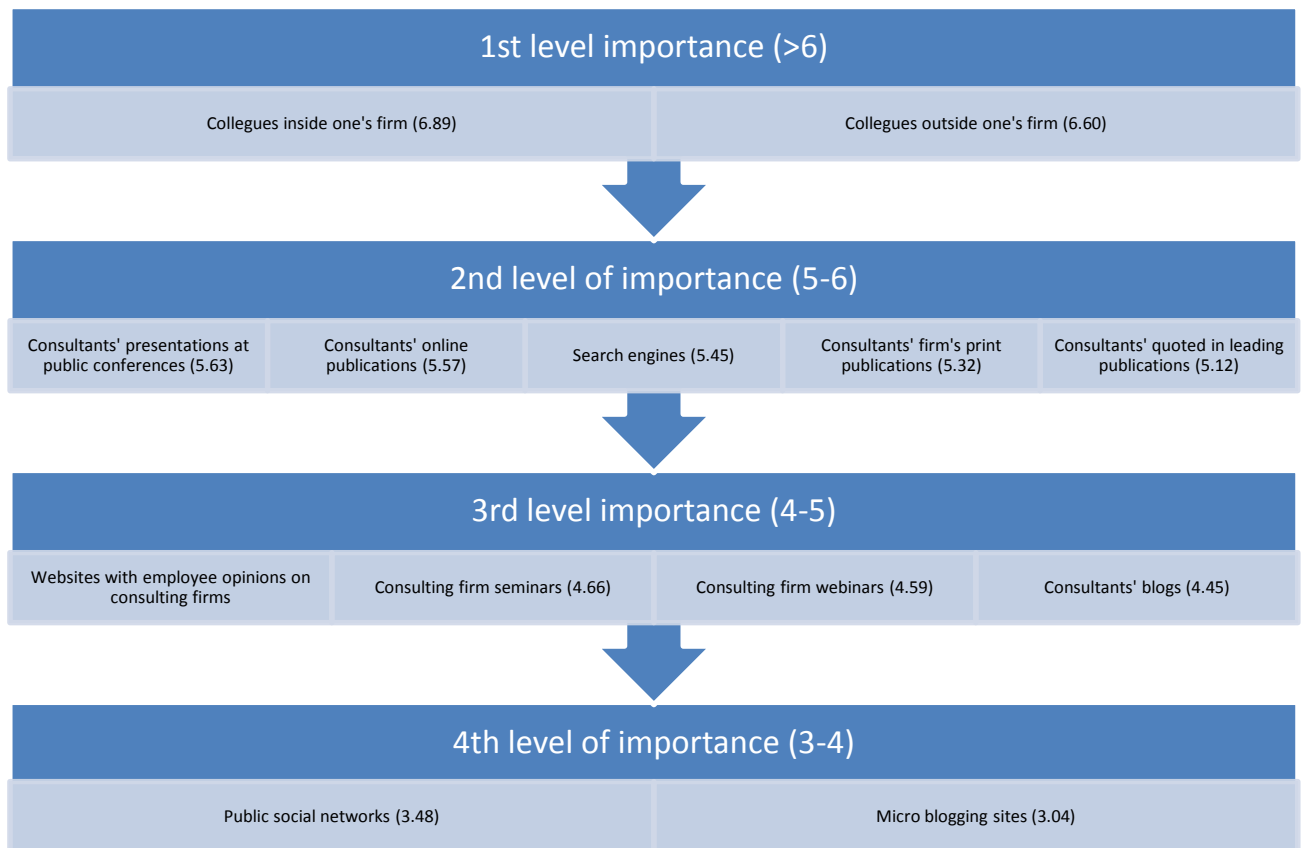


Figure 12 Importance levels of marketing operations for consulting service seekers by ResearchNow (<http://www.researchnow.com/en-US.aspx>)

#### 4.2.2 The consultant's viewpoint

The research which was conducted in 2012 among potential clients of consultants was actually being conducted three years in a row. The organization, Bloom Group LLC, the Association of Management Consulting Firms (AMCF) and ResearchNow kept conducting the same survey in order to understand if social media will take more important place when potential client look for consulting service. Each year the effects of social media on consulting service and changing marketing techniques are considered to explore in this research. In the latest survey which was done in 2102, responders from 92 different consultancy companies have participated and most of these companies offer services in operational consultancy.

Responders include CEO's, CMO's and head of business developments as well as other marketing executives with minimum ten years experience in consulting business. The survey had 24 questions to measure current social media usage and expected changes in usage of social media tools in their marketing activities.

Key outcome of the survey was to see social media is not completely adopted in marketing activities which consultants intend to invest on social media more in near future.

Overall result of the survey was that participant companies of survey will spend one out of three of their yearly marketing budget on social media by 2014.

Social media was not considered as the most effective marketing technique for consulting service business. Social media has not taken an important place in marketing activities. However, consultants seem to be ready to invest on social media tools.

When it was asked to rate in scale of 1-5 numbers (Score 5 describes the most effective), to understand effectiveness of marketing activities, social media was not in first ten methods. In the survey, consulting companies chose offline marketing methods in top ten most effective marketing tactics. Seminars, presentations, books, articles and other publications were considered as the most effective ones. Search engines, online articles, videos and newsletters were online methods which considered as the most effective marketing strategies by consulting companies.

This survey also gave detailed and clear results considering the used marketing methods. Survey described three main marketing methods as the most important ones out of 28 observed methods. Those were related methods of traditional offline, online and social media (see Figure 13).

Figure 13 Responders' answers on marketing channels they have used (www.bloomgroup.com)

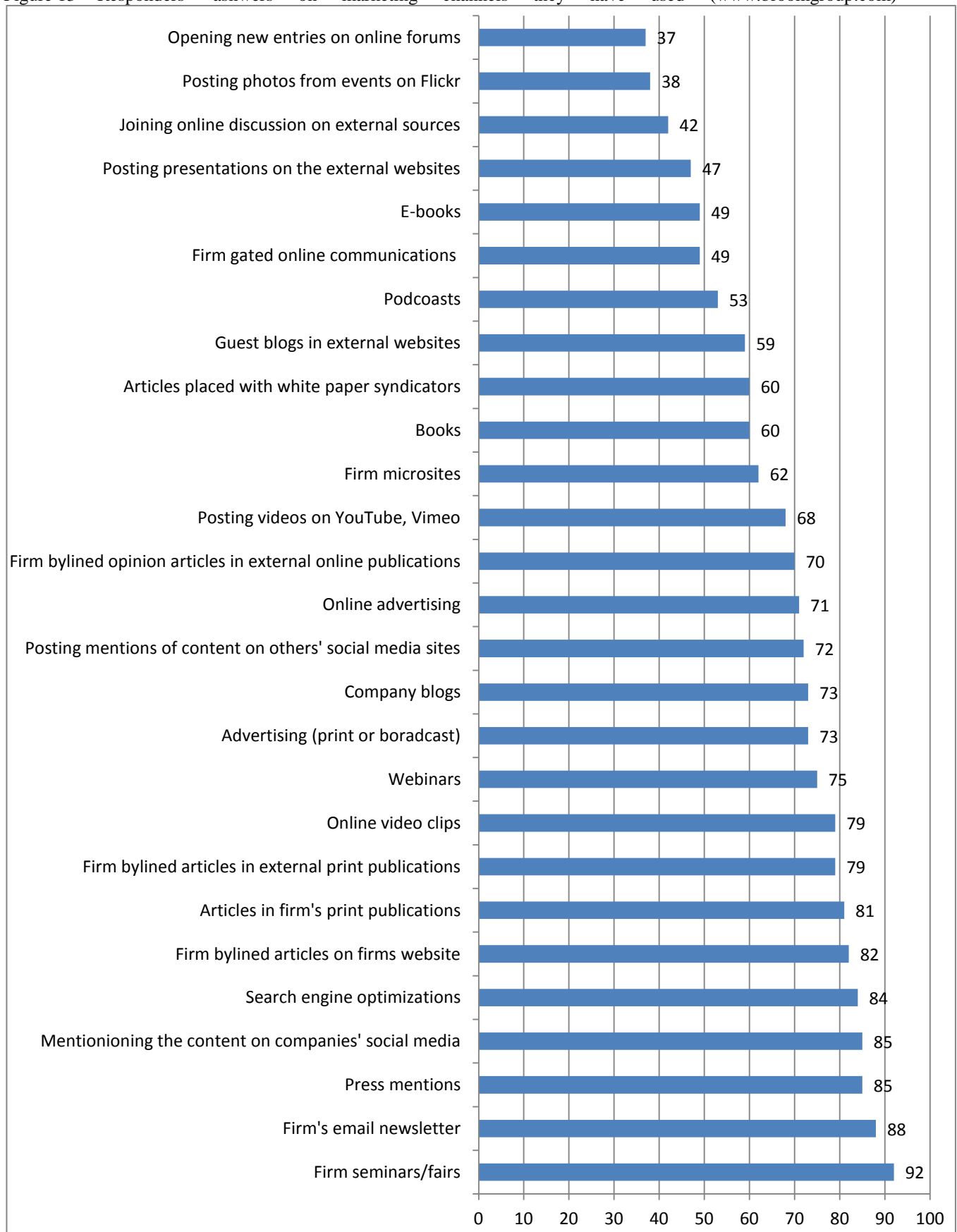




Figure 13 shows us traditional marketing methods that were used very often among consultants which social media related online tools were least often used. Almost all respondents had experienced public presentations and companies' seminars with 96% and 92%. E-mail newsletters of the company took the third place among all marketing techniques with 88%.

The least often used marketing activities were posting comments in discussion areas of external online publications (42%), posting photos from events on Flickr (38%) and the least used one was posting questions and comments on discussion sites.

## 5 RESEARCHES RELATED TO SWEDISH CONSULTING MARKET

### 5.1 Sizes of consulting companies in Sweden

In this research, 29 consulting companies which deliver services in Sweden were considered for further market analyze. Companies and working employees were the most important criteria. Figure 14 describes the sizes of consulting companies in Sweden by employee numbers.

Company sizes described if company has 10000 and more employees as “Global”, 1000 to 10000 as “Large”, 500 to 1000 as “SME” and finally employees less than 500 as micro-size.

In the research, 11 out of 29 consulting companies in Sweden, according to size by employee numbers were considered as micro size in this research which means almost 34% of overall companies existing in market as Global players. Seven companies in Swedish market which were researched are large sized which take second biggest share in the market as well as the second biggest size in scale. SME sized companies were only two in the researched companies and micro size companies were referred by nine companies in Swedish market and 31% of whole researched ones. Figure 14 shows the share of companies according to their sizes.

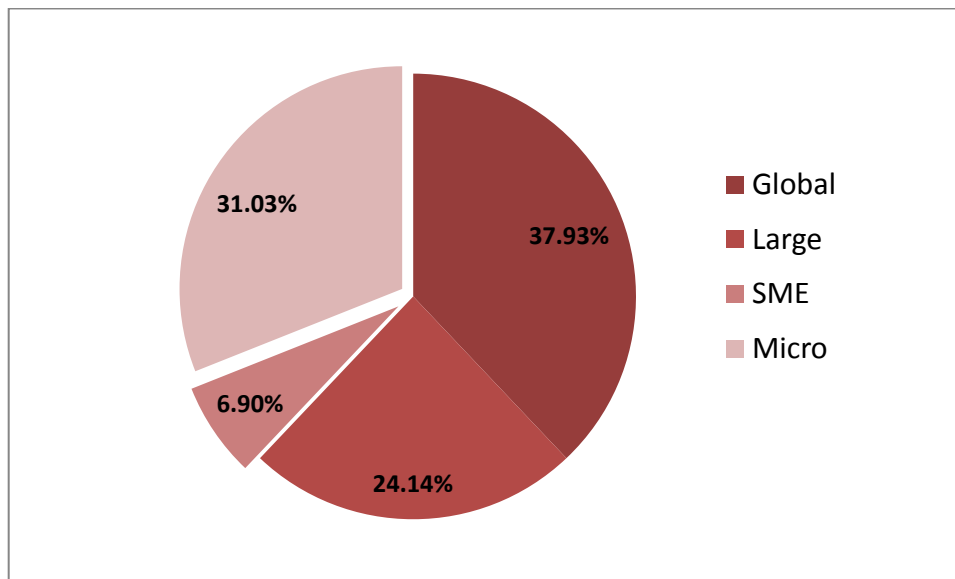


Figure 14 Sizes of consulting companies in Sweden by employee numbers

## 5.2 Services and service sizes of Swedish consulting companies

Research by Yale Undergraduate Career Service related to industry areas of top consulting companies has showed the top industry categories that companies operate.

- Management consulting
- Financial services/accounting
- Human resources
- Information technology
- Litigation/economic consulting
- National security
- Sales and marketing

In this thesis, 30 consulting companies in Sweden were analyzed regarding the industry areas which they provide their services.

Management consulting services had the highest share among other consulting services in Sweden as described in Figure 15. Innovation, risk and finance-accounting expertise areas come after management consulting when it was considered by total amount of companies which provide their services. Sales and marketing, mergers and acquisitions (M&A) and process management were also in top three most provided services among Swedish consulting companies.

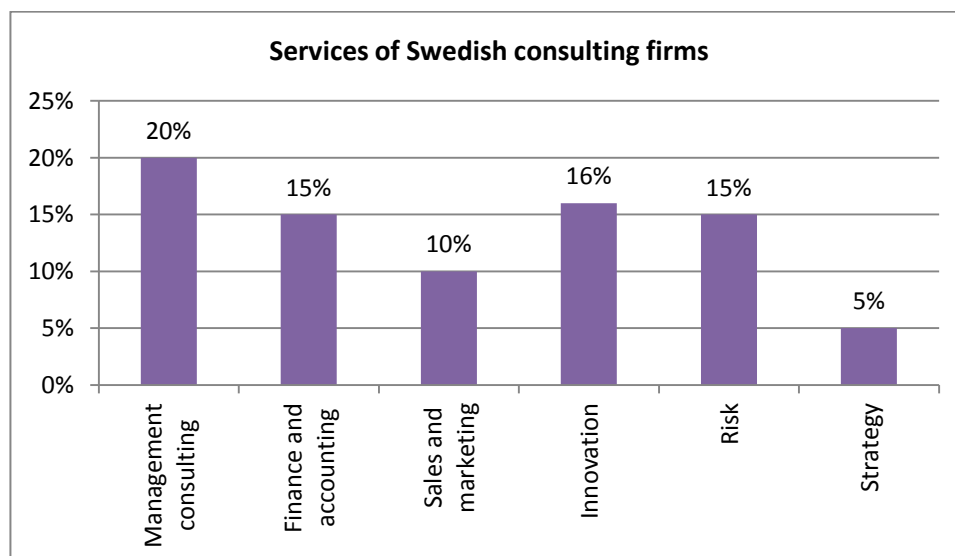


Figure 15 Top Six Services of Selected Swedish Consulting companies

The service size of thirty examined companies in the research classified as broad range, limited and niche areas. Twelve companies out of thirty were considered as broad range which offer six different services. Twelve companies among all have service size which were representatives of broad range with more than six service offerings.

However, eight out of thirty companies were provided three to five different services as limited size where one or two services were provided by the niche area companies.

### 5.3 Target industries of consulting companies in Sweden

Industry categories where consulting companies primarily offer were listed below and also described in Figure 16:

- Healthcare and life sciences
- Media and communications
- Public sector
- Private equity
- Finance
- Transportation
- Food and beverage / consumer goods
- Automotive
- Energy
- Aerospace and defence
- Oil and gas
- Construction

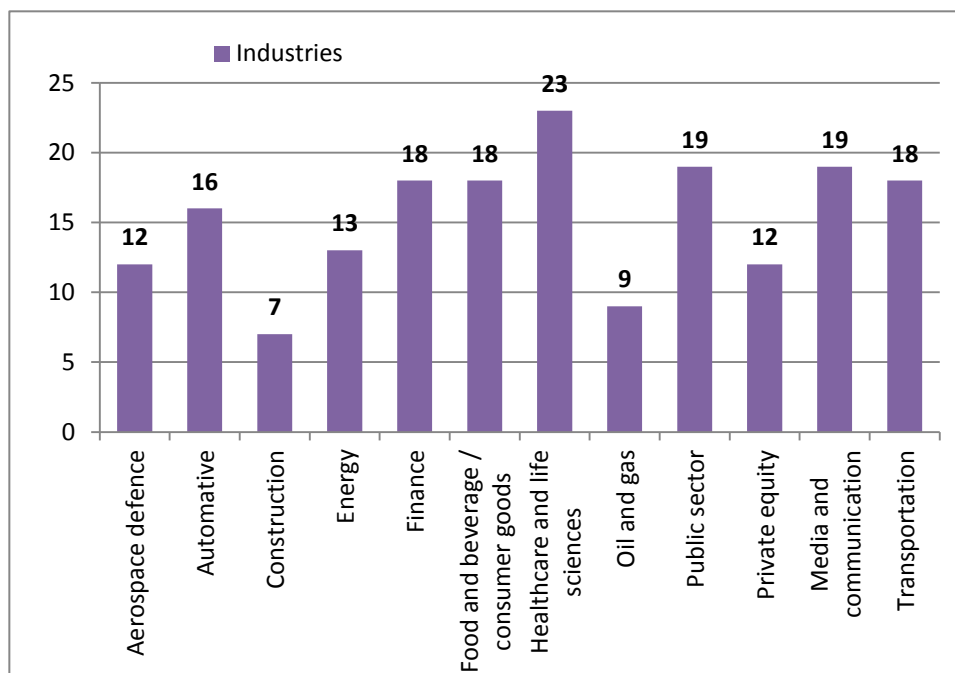


Figure 16 Industries where Swedish consulting companies provide their services

## 6 MARKETING METHODS OF CONSULTING COMPANIES IN SWEDEN

### 6.1 Key findings of qualitative research

This thesis was done with qualitative research method by interviewing three marketing executives from SME size Swedish consulting companies. Marketing executives who were interviewed did not only talk about their companies' situation but also gave detailed information about Swedish consulting sector. This interviews were provided practical information in order to contribute the theoretical part of the thesis. Those interviewed marketing professionals in consulting industry were questioned concerning their marketing methods, budget of marketing activities and usage of social media tools in marketing.

Key findings of interviews are listed below;

- Building own channel, using references and networking seem to be the most important marketing activities in Swedish market for SME consulting companies.
- Interviewed consulting companies in Sweden consume more traditional marketing methods than utilizing modern ways such as digital marketing and social media.
- One out of three interviewed executives mentioned to attend the seminars in various industries.
- SME consulting companies in Sweden intend to utilize same marketing activities which networking is considered as the most important driver in their business.
- Social media is not that important for Swedish consulting market yet. Even though, it is considered as one of the most important marketing activities in other markets of the Europe.
- SME consulting companies do not have an exact marketing budget.
- Marketing strategies of SME companies are different than big players in the market. Brand building and customer relationship management cost more for local companies than it does for global consulting companies.
- Publishing printed books, articles on newspapers or printed advertisements are not important for interviewees.

- Interviewed executives have mentioned that their marketing strategy has been always depending on personal contacts, references or networking. Marketing strategy of the companies has not been changed by time or new trends.
- Social media is not consumed much comparing to global companies. However, blogging in internet is an important tool for marketing and sharing the information about companies' services and the sector.

The interviewees were asked 13 questions which two of them had "yes or no" type of questions. Each question had its own logic in order to understand the marketing strategies, activities and differences among Swedish consulting companies.

Segmentation logic of the questions is listed below:

Q1 and Q2: Defining the position and the marketing duties of the responder in the company including operational segmentation of the consulting company in Sweden.

Q3, Q3A and Q6: Defining the consulting company marketing strategy

Q4 and Q5: Defining the existing marketing expenses and its scope

Q7, Q8 and Q8A: Understanding the change management of the consulting company in terms of its marketing activities.

Q9 and Q10: Defining the upcoming trends in consulting company marketing in Sweden and its related expenses.

Q11 and Q12: Understanding the relevancy of the theoretical arguments in the thesis concerning the marketing of consulting company.

Q13: Understanding the insider marketing information which normally is not listed in the marketing literature.

## 6.2 Qualitative research detailed analysis by answer

In this chapter, findings from interviews are explained in details one by one with questions as headings. All interviewees wanted to be anonymous in this thesis research.

- Could you shortly describe your position in the company and please explain the scope of your company in Sweden? (Q1)

Two of interviewees are founders of companies in Sweden and they are executive board members.

The last interviewee is marketing director of the company. All of executives are actively visiting companies and having an important role for the sales of services. Thus they are not only high level managers of the companies but also they keep their business alive by marketing. Their companies are making sales and providing the service since they are also taking roles as consultants at the company.

Those consulting companies offer management consulting services, for instance strategy, development, operational and organizational consultancy in various sectors in Swedish market. Banking, insurance, finance, public sector and IT are some of the industries which interviewed companies offer their services.

➤ What is your role in marketing activities in the company? (Q2)

In order to understand marketing activities of researched companies better, it was aimed at interviewing the top marketing executives. Thus all of interviewees are the highest executives in marketing departments and companies' marketing department reports to interviewees. Nevertheless, they all are responsible for every step in marketing activities, from creating marketing strategy to implementing the actual marketing activities in the company.

➤ What are the most important and effective marketing activities of your company and why? (Q3)

Networking and building close relationship were mentioned as the most important and effective marketing methods. Visiting companies, getting references from colleagues and using personal relationships are very often used by consultants in Sweden. Reaching the potential clients and having a close relationship in order to understand their needs and demands have very crucial role in sales timeline.

Delivering high value projects has also very contributive effect on references. Name dropping while visiting the clients, having references from previous or existing customers are the most important marketing strategies which enable the sales.

➤ What is the most important platform for a consulting company to network in Sweden? Fairs, seminars, arranged business days? (Q3A)

There are some fairs which consulting companies can attend in Sweden but interviewed companies avoid having a specific budget in order to attend seminars or fairs to reach potential customers. Companies considered not paying the event entrance fee to enter seminars or business fairs where they can meet potential clients. On the other hand, one of the interviewed companies arranges their own business days and considered to invite companies which they would like to cooperate.

Hosting such an event and giving detailed information about companies' services and understanding the needs of the target group are the main goals of creating an own event. Besides that, making an event which has an entrance fee also contributes to marketing budget of the company. Clients which are interested in knowing more about the company can pay in order to participate to that specific event and get chance to network with solution provider.

Talking about changes in industries and markets as well as new trends will help companies in the market not to be left behind. Thus consulting company should reconsider their strategies or understand better what they should focus on more. Telling potential clients where there will be changes and which steps should be take to be successful in the business field are some tips which could be given during such events. However, while talking about current situation of specific industries or business fields, consultancy company can promote itself by telling about their services and how future demands will match with their services.

➤ What is your yearly budget for marketing operations? (Q4)

There was not an exact number mentioned for marketing budget since interviewed companies are pretty much small companies in the market. It was strongly mentioned that there is no budget which is specifically used for marketing operations. Only one interviewee can give an estimated number which was in between one to two million SEK. This is not an expense which is invested on marketing but an estimated number that company averagely spends on promoting the services and using for digital marketing related operations.

➤ How does your company target its marketing expenses? (Q5)

As it was mentioned that marketing activities of consulting companies in Sweden mostly depend on personal contacts, networking and references, marketing expenses are targeted for those purposes. Since there seems not to be a specific budget for marketing expenses, it is not well known how Swedish consulting companies target their marketing expenses.

➤ How does your marketing strategy distinguish your company from other consulting companies in the market and why? (Q6)

All of interviewees have mentioned that marketing strategies which Swedish consulting companies in SME size are more or less the same. They all have networking as their main marketing element. Only one of executives said that they create their own business seminars and that is not a common strategy in the market. After event is held, visiting solution seekers' at their offices and building close relationship with potential customers are the next steps which lead the consulting company to the sales action.

Since consulting business is very competitive, making sure to deliver the best service makes the biggest difference and keeping a close relationship with customers will be efficient aspects for customers to make the decision about purchasing a service.



- How important is digital marketing for you and what's the most important social networking tool? (Q7)

Digital marketing is an element which all of the companies' consider as the newest trend in marketing activities. However, having an account on social media tools, using those tools actively in order to promote the company and reach the target group are not important aspects for consulting business in Sweden. All consultancy service providers in the market have at least one of the most common social media tools as it can be seen in Figure 11.

Blogging is a good way to share company's news, writing blogs about business consultancy sector or Swedish market itself is often done by Swedish companies as it was mentioned earlier. Keeping company's website updated, giving required information about the services and companies' expertise always contributes to the marketing. E-mail marketing could be also considered as an effective online tool for Swedish consulting business.

- What was your marketing strategy at early stage of your company? Did you find it effective and how is that strategy different from your current marketing activities? (Q8)

At the early stage of the companies, it is important to build the brand and brand awareness so that consultancy service seekers will be aware of the new company and its services. Actively visiting potential clients and giving detailed information face to face, being in touch very closely are needed in the early phase marketing of the company. References and name dropping is very well used and found effective as the first steps for a new company in Sweden. These marketing operations are found very effective as consultants keep implementing the same ones after early stage of company as well. Thus current operations are not much different than the companies' traditional marketing methods. After building a good relationships with customers, supporting companies' activities with online marketing such as social media and other digital tools are added to the marketing operations and taking into consideration to bring more value to the company.

- Do you agree that consulting company size mainly defines the marketing strategy and its expenses or are those standard? (Q8A)

Size of company does make differences on marketing strategy and its expenses. A company which exists in the market for a long time has very different marketing operations than a new established company with much less amount of employee number. Being present in the market for long time means to have wider client profile, better CRM (Customer relationship management) and better chance to get new contacts through previous clients. A new company in market with few consultants needs more time to reach customers, they firstly need to build brand, make potential clients be aware of the company and finally get the sales done.

For global players in the market, there is neither time nor enough budget to spend on brand building, brand awareness and a good CRM system. Large size consulting companies with longer history in the industry enable consultants to get new contacts from previous clients or offer new services to existing ones. By using the same approach, recently hired consultant can easily use previous company's existing network to widen his or her own personal network or bring his or her personal contacts as value to the new company.

- As an expert in consulting sector, could you tell me what marketing trends you expect to be more important in near future? (Q9)

Digital marketing looks like it is going to keep its importance and will take bigger place in marketing activities for consulting companies. First of all, building the trust towards company and its services then supporting the marketing activities with digital marketing and making clients find the solution provider will be more important in the near future according to discussion with interviewees. Sharing the knowledge, having and embracing open source were also mentioned as elements which will take marketing activities further in future. Nowadays, marketing operations of Swedish consultancy companies seem not to depend so much on digital marketing. However, it is predicted that most of promotional activities will be held online in very near future.

- What kind of changes will you have on your marketing investments? Such as decreasing or increasing the marketing budget of a specific marketing activity? (Q10)

This question is directly related to Question 4 where interviewees try to understand yearly budget of the companies. Since interviewed SME sized companies do not make a specific budget for marketing activities, the question was not answered by any of responders. For large or global companies with big amount of revenue and employee number, the question would be easily answered since they decide and calculate yearly budget on every action they will take in a year.

- Networking with potential clients, using referrals and word of mouth are considered to be the most important traditional marketing tools. Do you agree? (Q11)

This was the only question which all interviewees answered as same. They all agreed that those are the most important and used traditional marketing tools as also described in this thesis' previous chapters.

- Is it important for a consulting company to give advertisement on TV or in newspapers? Publishing or contributing to sector-specific books and reports? (Q12)

This question was answered negatively twice by interviewees. Those two responders believe the importance of networking and referrals as described earlier.

The last interviewee mentioned it could be beneficial to use printed documents and that interviewee is from company which is actually gathering potential clients at their own business events. Thus sector-specific reports could be used during such events.

- Is there any innovative marketing method that is not in the marketing books or can be considered as out of the box type of thinking? (Q13)

All interviewees think that consultancy business' main marketing activities should be in traditional ways such as networking, referrals or word of mouth. There was not an innovative marketing method mentioned by them. After gaining trust of a client, they believe that customers will find them but first of all there must be a close relationship built between consulting company and solution seekers.

Figure 17 shows three main marketing elements of Swedish consulting companies. Those are the ones which directly bring the sales or can be expressed as the most important and effective marketing activities. A consultant can always use his or her own personal network to bring sales for the company. As a consultant, using your own personal relationships for business would be considered as a success for sales since there is already a relationship with service seeker and consultant.

On the other hand, consulting company has its own network. A new consultant at the company can easily go and visit company's previous clients and give them information about current services. A consulting company with a long year business background will be known in the market. Especially if the company has done good projects and clients have given good feedback, thus consultant's sales job will be much easier.

Referrals from well known person from sector, industry or just an existing client can also lead to the sales. Hearing that someone who you know has bought a service from a consulting company and got satisfied with the service will take one step ahead. Name dropping will help to build the trust, after that offering the best and the most suitable service would be next steps. Personal networking, company network and referrals bring sales thus business development for consulting companies.

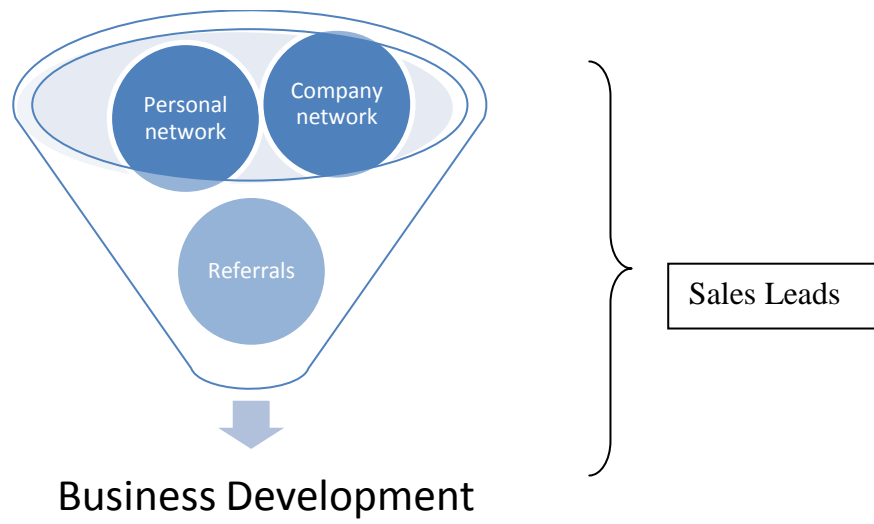


Figure 17 Three main sales constructs for Swedish consulting companies in terms of ROI.

## 7 RECOMMENDATIONS

For future researches a quantitative analysis would be done since this research is based on qualitative research methods. Qualitative research which was done for the thesis gave clear understanding for SME consulting companies in Sweden. However, a survey which could be delivered to all companies in the market would be beneficial to understand marketing strategies of consulting companies in general.

Qualitative analysis has a specific information for small and medium enterprises though, it does not cover all consulting companies in the market and results of this thesis research might not explain the current marketing activities for large or global companies.

It should be mentioned that global consulting companies have different marketing approaches, while seeking the marketing strategy of SME size companies, large or global size consulting companies could be separately researched in their own segment. SME consulting companies mostly focus on building brand and brand awareness. Global or large companies with long business life or well known brand can easily reach their clients, they do not need to build the brand like small companies need to do. It is important to understand that micro or SME consulting companies have different marketing strategies and activities than large or global players in Swedish market.

For future researches companies with different sizes must be detected and researched individually. Size of consulting company has crucial effect on marketing strategies and activities.

Digital marketing tools and social media must be considered as one of the most important marketing activities which will take place in near future and should be taken into account more in details. Traditional marketing tools are very well used in the market however, digital marketing tools such as social media or blogs are considered as important marketing activities for near future. Thus consulting companies in Sweden have at least one social media tool and they are active on blogs. They use these tools to give detailed information about their services or current situation of consulting sector. As it was summarized social media tools are mainly used to keep good reputation of the company and understand needs of clients from comments or questions.

One of results from qualitative research analysis is that digital marketing will take more important place in marketing activities. It will be more beneficial to have an active role in modern marketing in terms of usage in digital tools. Keeping the good reputation and understanding clients' approach towards company on social media can be done by using digital marketing actively. It is important to investigate modern marketing tools for Swedish consulting companies and determine how well it is used among consulting companies in Sweden in general.

Event marketing seems to rise in the consulting since it was mentioned in interviews that seminars and fairs are also considered by consultants to attend in order to seek for potential clients. Attending an event might cost a lot for a SME company with little amount of marketing budget though, networking opportunities, making new personal contacts and understanding the needs of clients are important outcomes of relevant events for consulting sector.

Hosting an event can create a good environment to gather all potential clients and have company case presentations. Thus consulting companies get a chance to have an efficient work day. In Sweden, business fairs are of very often held and importance of event marketing is increasing. Therefore event marketing, fairs and business seminars are recommended to be researched in details.

Management consulting is one of the most important services provided by Swedish consulting companies so it would be very beneficial to detect consulting companies specifically in management consulting sector. On the other hand, consulting services related to innovation is also very commonly delivered in Sweden. In case of entrance to Swedish consulting sector, having such a service would help companies to be successful. Financial accounting and risk management as third the most important services for Swedish market could be also researched in details. Tailor made solutions are also provided by companies in Sweden and being flexible with services, understanding that every client is unique and might need same service in different way will also guide companies well.

## 8 CONCLUSION

According to this thesis research, personal network, company network and referrals seem to be the most important marketing methods in Swedish consulting business. Those methods are directly affecting sales operations since selling intangibles is more difficult compare to tangible goods. Previous experience in consulting field brings valuable assets to consultant since he or she can bring those contacts in order to sell the service. This asset is important in terms of ROI (returns of investments) to have direct power on getting the sales done. References from previous customers or a client who was delivered the solution and gave positive feedback would be also very beneficial to be mentioned for building the trust. A new potential client can easily be reached by name dropping and a visit to the company can be made to have a sales discussion.

Successful projects and keeping good relationship with a client will bring more sales and more long-term cooperation with the same client as well as it could bring new customers. A satisfied client can be used as a good example for selling new services. Especially name dropping in that case will make a consultant be more confident and have a trust to his or her own service.

Digital marketing, social media and blogging have indirect effects on sales. Those have supportive impacts on sales decisions. As it was mentioned in previous chapters, solution seekers are very much intend on checking companies' online tools and reading comments about the services. Those consultants are very interested in reading previous experiences to understand if the company is suitable, good enough to or wise to contact.

This research has showed that usage of digital marketing among consulting companies all over the world is very common. This marketing approach is not adapted by Swedish companies yet and digital marketing tools were mostly seen as secondly important marketing elements for Swedish consultancy business. Consulting companies are aware of the importance of digital marketing and social tools. However, this is not the main marketing activity for the business field at the moment. Especially for SME companies, it is critically important to build trust, relationship, deliver a high quality product and get those customers as a reference for future actions. Through digital tools, clients' attention could be lost but it is not expected that a client which has checked the digital platform of consulting company and approach them to buy their service. Digital marketing is a new and rising trend for consulting business and it is considered that its role in marketing activities will be even more important in near future but nowadays it is only used for good reputation of companies or monitoring the comments about services.

Management consulting seems to be the most important service that is provided by Swedish consulting companies. It shows the need of professional support in managements to be more successful and be more competitive than competitors.

Consultancy services related to innovation is the second common service among consulting companies in the market. It can be said that innovative ideas and support on changes in business developments are also often provided by consultants in Sweden. Financial accounting and risk related services are the third most provided services among consulting companies in Sweden. That shows us a new entrant to the market could also focus on financial and risk related solutions.



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## APPENDIX

### QUESTIONS OF INTERVIEW

1. Could you shortly describe your position in the company and please explain the scope of your company in Sweden?
2. What's your role in marketing activities in the company?
3. What are the most important and effective marketing activities in the company of your company and why?
- 3A. What is the most important platform for a consulting company to network in Sweden? Fairs, seminars arranged business days?
4. What's your yearly budget for marketing operations? (Please give us an expenses range, do you think is it in million SEK/several millions SEK range or in several hundred thousands of SEK?
5. How does your company target its marketing expenses?
6. Does your marketing strategy distinguish your company from other consulting companies in the market and why?
7. How important is digital marketing in terms of ROI (Return of Investment) and what's the most important social networking tool, why?
8. What was your marketing strategy at early stage of company your company? Did you find it effective and how is that strategy different from your current marketing activities?
- 8A. Do you agree that consulting company size mainly defines the marketing strategy and its expenses or are those standard?
9. As an expert in consulting sector, could you tell me what marketing trends you expect to be important in near future?
10. What kind of changes will you have on your marketing investments? Such as decreasing or increasing the marketing budget of a specific marketing activity.

Please answer the following questions by replying YES or NO.

11. Networking with potential clients, using referrals and word of mouth are considered to be the most important traditional marketing tools, do you agree?
12. Is it important for a consulting company to give advertisement on TV or in newspapers, yes or no? Publishing or contributing to sector-specific books and reports? Yes or no?
13. Is there any innovative marketing method that is not in the marketing books or can be considered as out of the box type of thinking?