

Power of the Crowd

Published in Managing Partner magazine

October 2010

The latest issues of the Legal 500 and Chambers & Partners directories have been published recently, while Waterlow's Solicitors' and Barristers' Directory is out in February. Firms and partners will either laud them as erudite works or dismiss them as misinformed – the key determinant being their individual showing.

The cycle is endless, with marketing departments even now gathering information, confirming client credentials and building their knowledge bank for the next submission. Is it all worth it? Just how important are the legal directories in terms of client decision-making?

To answer this question, we need to explore the way in which directories are exploited in practice and the psychology surrounding their use. Experience suggests that whilst they may, on occasion, be referred to by a general counsel to identify an expert for an esoteric area of law, this is not the role that they generally play in the purchase decision. Indeed, my GC friends tell me that it would be amazing (and worrying!) if any competent corporate counsel had to refer to directories for that purpose on any more than rare occasions.

Directories do however have a core purpose as a source of third-party validation – for firms to cite in their marketing and sales efforts, and for general counsel to fall back on as adding credibility to their choices if their judgment is questioned in future.

This second point goes to the heart of decision-making in professional services. When faced with the purchase of a complex, intangible, high-value service with potentially far-reaching consequences for the organisation, one of the fundamental psychological drivers for the buyer is a desire to reduce (or ideally eliminate) any perception of risk in the decision that they make.

Directories play to the psychological concept of social proof or informational social influence. This suggests that, when we are faced with a lack of information, we place high importance on the example set by others.

It is a powerful reason why directories along with other forms of risk-reducing credentials have a place in the decision-making process. The downside is that it can lead to decisions being

made which are safe and convergent; a herd mentality is one of the possible consequences.

To arrive at their decision to appoint a new firm, clients identify indicators or proxies which give a good sense of likely service quality and user experience. As well as directory statements, these will include schedules of relevant practice experience, rosters of clients of a similar nature, strong credentials in a specific sector, bench strength in terms of resources and testimonials as evidence of excellence.

Directories have a role at the fulcrum of the decision process, whether we like it or not.

