

2018 Legal Client Satisfaction Report

Benchmarks and Key Drivers of Client
Satisfaction and Service Excellence in
Law Firms

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Introduction

Welcome to the 2018 Legal Client Satisfaction Report. The first of its kind, the 2018 report brings together 3 years of consecutive study from Inavero's research team, compiling key findings to help corporate law firms stay current on how clients perceive the industry. This report will cover:

1. Legal client satisfaction benchmarks and trends

2. Service quality strategies (and common service errors) that impact client satisfaction and loyalty.

3. Best practices proven to maximize legal client satisfaction and retention.

Please note: Inavero leverages the Net Promoter® Score to measure and report on client satisfaction. Jump to page 10 for an in-depth overview of NPS, how it is calculated, and why it's considered a leading measurement of client satisfaction for individual firms and the industry at-large.

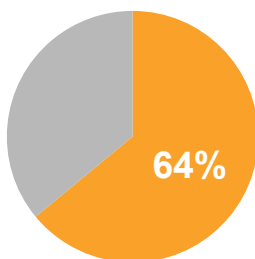
ABOUT THE RESEARCH

Findings shared in this report are derived from Inavero's Legal Industry Benchmark Study – an annual study surveying corporate clients and buyers of legal services about expectations, preferences, and satisfaction with their legal service providers.

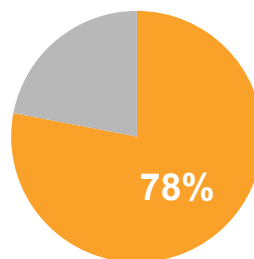
The 2018 study surveyed **545 corporate clients and buyers of legal services** from a range of organizations (fewer than 100 to more than 10,000 employees) who work with a variety of law firms (national scope to local provider) and hire across multiple specialties. You can find an in-depth look at the sample demographics on page 9.

WHY READ THIS REPORT?

64% of corporate legal clients say they are “satisfied” with their current provider, but open to exploring other firms to work with. What's more, 78% would consider leaving their existing firm if they received a referral from their personal or professional networks.



64% “satisfied” with current law firm, but open to exploring new providers.



78% would consider leaving their current law firm if they received a referral from their personal or professional networks.

These statistics suggest a somewhat concerning dynamic. While the average legal client isn't altogether unhappy, they also aren't loyal to their law firm. From a sales and marketing perspective, that might seem like an exciting opportunity to win accounts from your competitors, but when you consider that **fewer than 2 in 5 clients are likely to recommend their law firm** to a friend or colleague, you begin to see a significant gap when it comes to leveraging legal client satisfaction for growth.

Client Satisfaction in Law Firms

2018 STATE OF THE INDUSTRY

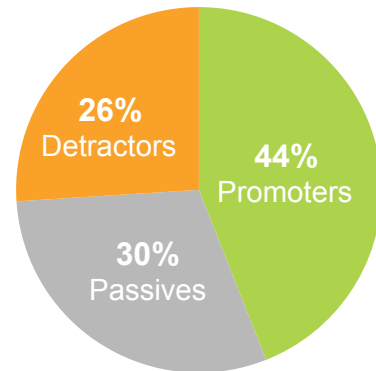
LEGAL INDUSTRY NPS® BENCHMARKS

Our Legal Industry Benchmark study asked all 545 survey respondents how likely they would be (on a scale of 1-10) to recommend their law firm to a friend or colleague. Of those responses:

44% responded with 9 or 10 – these are considered “Promoters”; they are highly satisfied with their law firm and are most likely to be loyal to their current provider.

30% responded with 7 or 8 – these are considered “Passives”; they may be satisfied but demonstrate an indifference to their experience with their law firm.

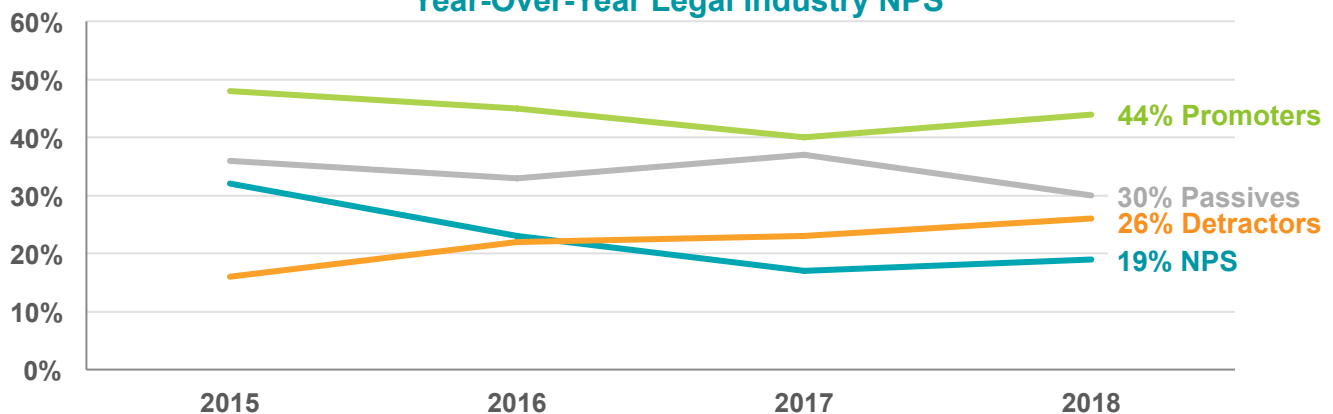
26% responded with 6 or lower – these are considered “Detractors”; they are at an elevated risk of leaving their law firm to work with a competitor, and are most likely to share negative feedback to their networks regarding their experience.



*Please note, in an effort to round industry benchmarks to whole numbers the NPS calculation may appear off by 1%. For the legal industry, another layer of specificity demonstrates the following: 44.46% (% Promoters) - 25.92% (% Detractors) = 18.54% NPS

Net Promoter® Score is calculated by subtracting the % of detractors from the % of promoters.

Year-Over-Year Legal Industry NPS



As you might imagine, [19% NPS is not ideal for the industry at large](#) or for the average law firm. And compared to the 32% benchmark from 2015 – the industry is trending in the wrong direction when it comes to executing on client expectations.

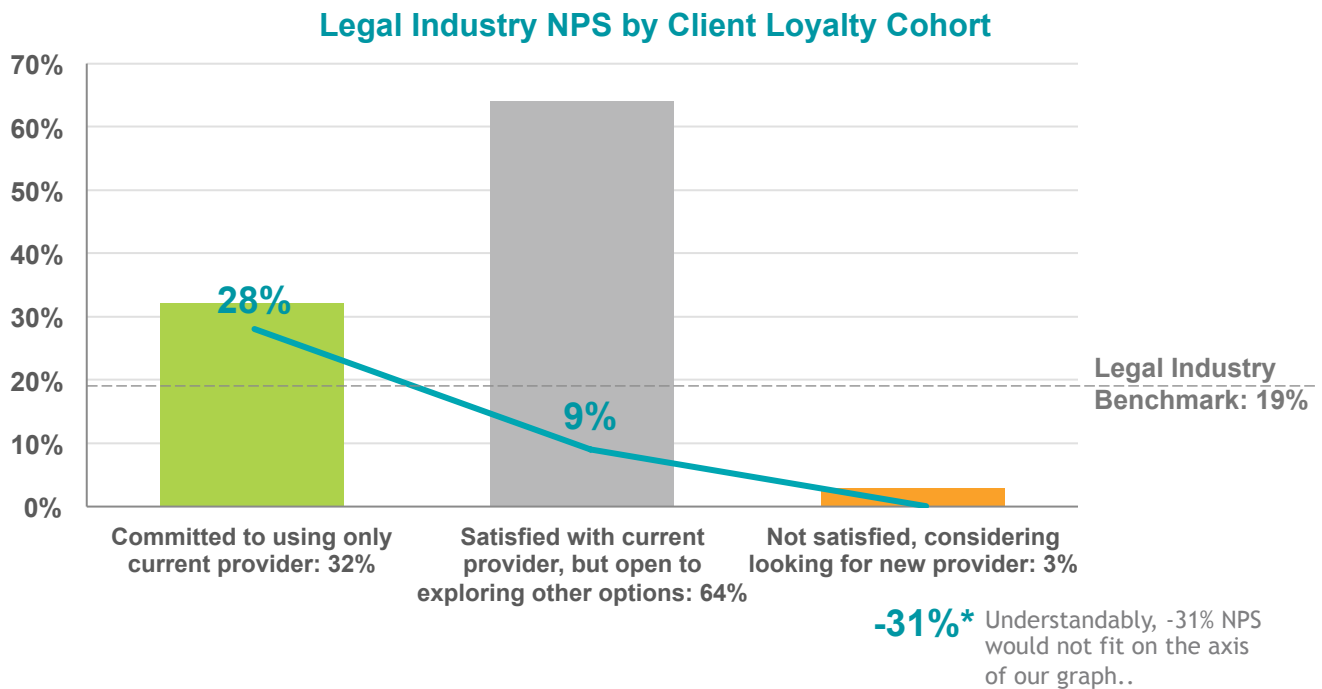
Jump to page 10 to learn more about NPS.

CLIENT SATISFACTION, CLIENT LOYALTY, AND NPS

To clarify the relationship between NPS and client retention, we asked our cohort of legal clients to describe the nature of their relationship with their current law firm based on their levels of satisfaction and loyalty.

Of the 545 surveyed, fewer than 1 in 3 clients said they were committed, exclusively, to their primary law firm. That means **2 in 3 legal clients are open to exploring other options** or may even be actively on the hunt for a new provider.

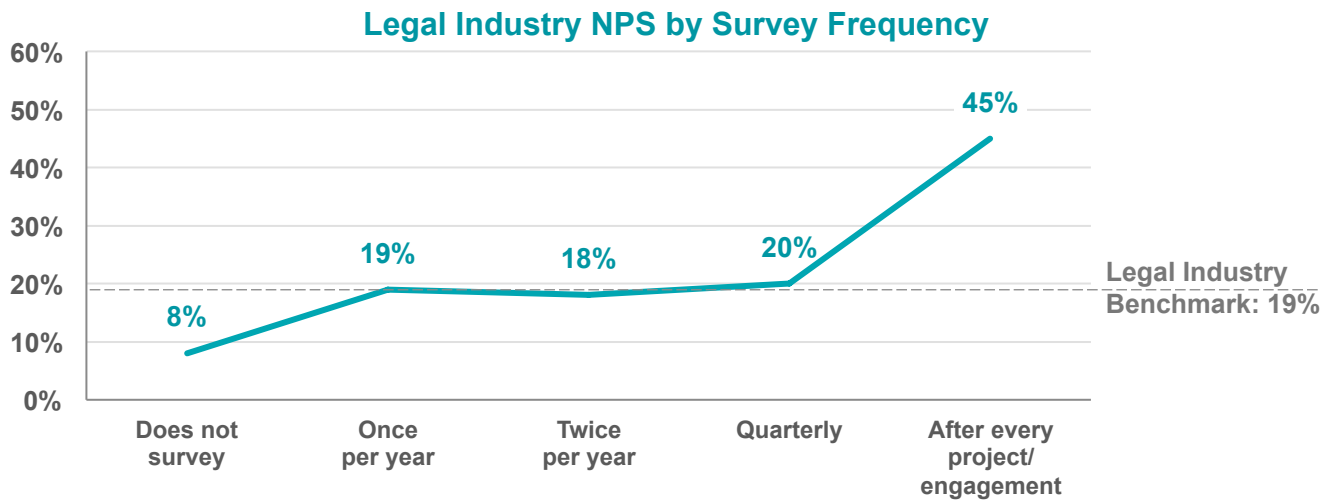
Below, you'll see categorization of responses and the NPS of each group.



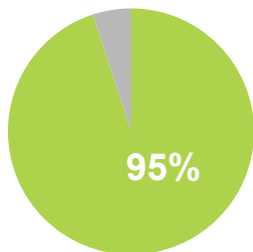
Key Drivers of Legal NPS

DRIVER #1: MEASUREMENT

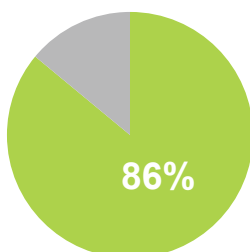
The chart below demonstrates the relationship between the simple act of surveying clients and corresponding NPS.



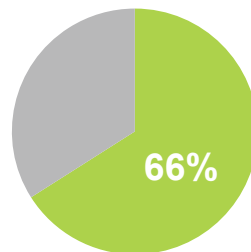
The drivers behind this dynamic become more clear when we ask clients about their willingness to provide feedback, their interest in being asked for it, and their overall perceptions of their law firm.



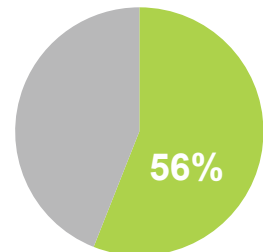
95% of legal clients say it's important to have an open channel of communication to provide feedback to their firm.



86% say that when asked for feedback, their perception of their law firm is positively impacted.



66% of legal clients say they are more likely to take the time to provide feedback through a survey than in-person.



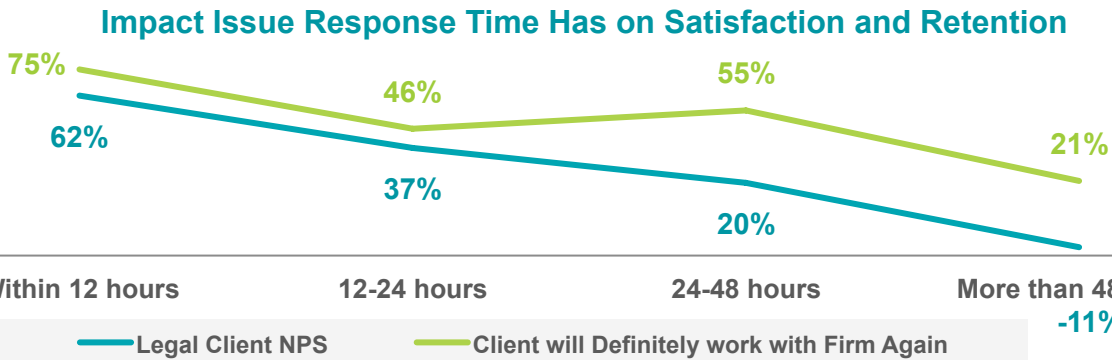
56% of legal clients say they are more candid with their feedback in an online survey than in-person.

Beyond improving client perception through the simple act of asking for feedback, an [NPS satisfaction survey program](#) provides the opportunity to quantifiably measure (and therefore manage) a sometimes nebulous firm attribute: service quality.

Bottom line: Asking for feedback can have a dramatic effect on your client's satisfaction. Leveraging surveys for regular inquiry provides clients with an open channel for raising issues and a forum where they can provide candid feedback efficiently. This is clearly evident when comparing NPS of those legal clients who are surveyed by their law firm (**25% NPS**) vs. those who aren't (**8% NPS**). By neglecting to solicit feedback from their clients, law firms miss this opportunity to demonstrate their commitment to their clients.

DRIVER #2: RESPONSIVENESS

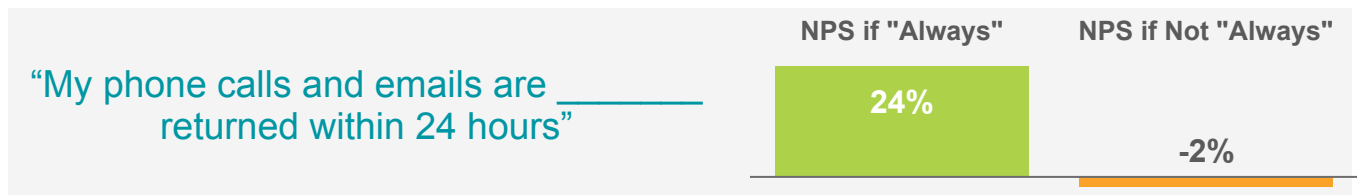
A strong survey methodology that encourages candid client feedback also introduces the inevitable task of handling issues raised by clients. Our Legal Industry Benchmark Study finds that the speed with which firms respond to client issues has a similarly dramatic effect on NPS and client loyalty.



Additional inquiry into clients’ perceptions of their law firms’ ability to address issues in a timely fashion further demonstrates the impact that responsiveness (or lack thereof) can have on client satisfaction and loyalty.

- Less than half of legal clients who experienced an issue were completely satisfied with the speed with which the issue was resolved.
- Approximately 1 in 5 legal clients who have left a previous firm did so because their firm’s responsiveness to issues was unacceptable.

Clients’ perceptions of their firms’ day-to-day responsiveness tells a similar story. Just 3 in 5 legal clients report that their phone calls and emails to their legal provider are always returned within 24 hours. But this distinction has a significant impact on the clients’ overall satisfaction with their firm.



As you can see, the NPS for this cohort of respondents is **24%** (higher than the industry average of **19%**) while the remaining clients (whose phone calls and emails are not always returned within 24 hours) report a **-2% NPS** (meaning more detractor responses than promoters).

BOTTOM LINE: When you ask for feedback, you will uncover issues. Setting a process for addressing client concerns efficiently and effectively will significantly benefit key drivers of firm success like client satisfaction and loyalty. Ensure that every member of your team understands how they are expected to [respond to client issues](#), and also what’s expected of them in their day-to-day relationships.

**ADDITIONAL DRIVERS:
UNDERSTANDING NEEDS, PROACTIVITY, VALUE, AND QUALITY OF WORK**

The following client perceptions of legal firm characteristics elicit similarly sizable impact on NPS.



Understanding business needs is core to client satisfaction for any successful professional service provider, and law firms are no exception. Legal clients who feel their needs are understood are happier than the average legal client (**36% NPS** vs. **19%** industry average) while those that don't feel their needs are understood report severe dissatisfaction with their law firm (**-26% NPS**).



In addition to simply understanding their needs, clients of law firms appreciate proactivity in their firm's approach to service. Those who feel their law firm is proactive in helping their business report a solid **33% NPS**, a much higher mark than the **-12% NPS** of clients who do not always get the proactivity they desire.



Legal clients are also very sensitive to the perceived value they receive for the cost of working with their service provider. Those who do not agree that their law firm's services are a good value have a **-12% NPS** compared to the **39% NPS** of those who find their firm's services to be a good value.



Finally, clients expect error-free work from their law firm. This is evident in the **28% NPS** reported by clients who claim they always receive error-free work from their firm vs. the **-15% NPS** of those who don't.

BOTTOM LINE: These key drivers of NPS can (and should) factor in to your firm's [client satisfaction and retention strategy](#). Monitor client perceptions closely, and consider asking the above questions in your satisfaction survey for further intelligence and benchmarking.

What now?

TAKE ADVANTAGE OF THE OPPORTUNITY TO DIFFERENTIATE

If there's anything we've learned from the 2018 Legal Industry Benchmark Study, it's that law firms have an immense opportunity to set themselves apart from the competition by prioritizing service excellence and taking steps to maximize client satisfaction.

If you're feeling overwhelmed by the data and unsure of what to do next, here are a few ideas for how you can leverage these findings for success at your firm:

- **Start surveying your clients.**
 - Remember, your clients are ready (and waiting) for you to ask them for feedback. Surveys provide them the most regular and efficient way to tell you what they think, and give them the greatest opportunity to be transparent with their feedback.
 - [Download our Satisfaction Survey Checklist for Law Firms](#) for an in-depth overview of what to look for, what to plan for, and how to maximize the results of a client survey program.
- **Set a firm-wide practice for responding to client issues.**
 - Take advantage of the Service Recovery Paradox.
 - Know that when it comes to resolving client issues – good is the enemy of great. Mastering the art of service recovery can help foster deep client relationships and improve their perception of your firm.
- **Set a goal to beat the legal industry benchmark of 19% NPS.**
 - Invite your team to read [NPS® 101 for Law Firms](#) – this 5 minute primer will elevate everyone's understanding of the terms and concepts of Net Promoter Score and start your initiative off on the right foot.
 - Remember, 0% NPS is “bad,” 30% NPS is “average,” 50% NPS is “good,” and 70% NPS is “world class.”
 - Understand that world-class service requires dedicated effort, buy-in across the firm (from leadership- to associate-level), and a commitment to transparency.
 - Visit inavero.com/legal/nps-for-law-firms to learn how Inavero law firms achieve world-class service.
- **Segment NPS scores for deeper insight into firm dynamics and opportunities to improve.**
 - Look at NPS by location, partner, practice area, or client tenure. Deeper layers of specificity will allow you to manage and grow NPS over-time (in the areas you may need it most).

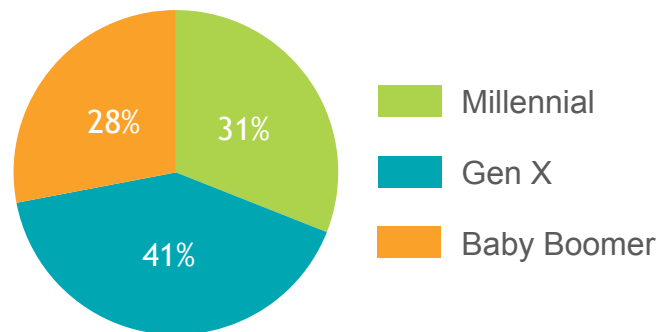
Thank you for your interest in our legal industry research, and for your investment in client satisfaction as a strategy for growth. We hope you have found this report actionable and informative – and we encourage you to browse the following appendices for an in-depth look at our legal client sample and comprehensive overview of NPS. Stay tuned for further findings from the 2018 Legal Industry Benchmark Study, and please don't hesitate to reach out to the Inavero team if you have questions about this report. Onward!

Appendix 1: Sample Demographics

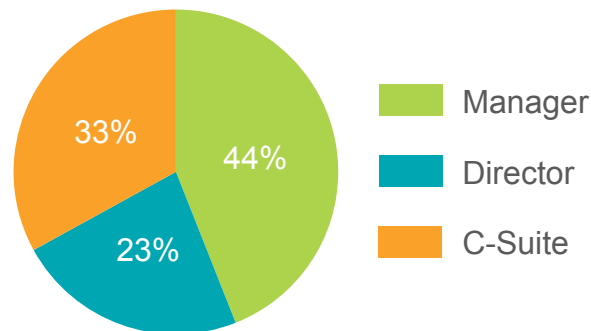
2018 LEGAL INDUSTRY BENCHMARK STUDY

Our study sample consists of 545 buyers and clients of legal services. Below you can see how respondents are distributed by age bracket, job title, and size of their employer organization.

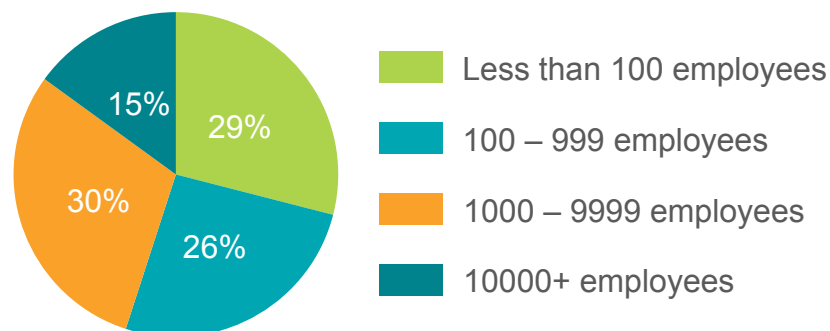
Respondents by Generation



Respondents by Job Title



Size of Respondents' Organization



Appendix 2: About NPS®

Chances are you've heard of Net Promoter® Score before, and whether you realize it or not, you've probably participated in an NPS survey.

NPS is a simple metric based on a single survey question that asks your clients how likely they are to recommend your firm to a friend or colleague using a numeric scale of 0 - 10; ten being extremely likely and zero being not at all likely.

Responses to this question are divided into three categories:

- **Promoters** are clients who answer with a **9 or 10**, which means they are highly satisfied with your services and are loyal to your firm. Promoters represent your strongest allies and are most likely to be active in promoting your firm to others.
- **Passives** are clients who answer with a **7 or 8**, meaning that they may be satisfied but demonstrate an indifference to their experience with your firm. Passives, while not as immediately detrimental as detractors, represent a risk to retention and firm reputation. Put frankly, they cannot be expected to be loyal to your firm or promote your services to their own network.
- **Detractors** are clients who answer with a **0 through 6**, signifying they are at elevated risk of leaving your firm to work with a competitor. Not only are you at risk of losing the business of detractors, they are also the most likely to share negative feedback to their networks regarding their experience with you.

Your firm's "score" (NPS stands for 'Net Promoter® Score' after all) **is calculated by subtracting the % of detractors from the % of promoters** in your set of responses.

NPS has been around for a long time. The concept was created by Fred Reicheld at Bain & Company and Satmetrix, and was later introduced as the Net Promoter(R) Score methodology in 2003 when Fred published an article in the Harvard Business Review called "[The One Number You Need to Grow.](#)"

Since then, NPS has gained momentous traction across industries as a way to benchmark service quality, improve retention, and build company reputation. It allows firms to measure loyalty behavior as a proxy for client perception - helping to mitigate biases about what constitutes "good" or "great" service. And it provides a single metric to benchmark against the industry and across other world-class service organizations.

Visit inavero.com to learn more about NPS in the legal industry.

About Inavero

Inavero is a leading provider of client satisfaction surveys and service quality research for professional service firms. We help legal providers leverage the Net Promoter® Score survey methodology to measure client satisfaction, differentiate on service quality, and build online reputation.

Learn more at inavero.com.

