

# THE PROMOTION OF THE ACCOUNTING SERVICES WITHIN THE LIMITS OF PROFESSIONAL ETHICS

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## Abstract

*The marketing services involve using specific methods and techniques of marketing, adapted to the process of provision of services. Thus, the marketing services are focused on attract clients and establish preferential relations with customers and obtain their loyalty. In the case of accountants, the marketing must provide a description of the services offered by professional accountant, and the description must concur to reality. This paper aims to describe how accountants can promote their activity and, in the same time, to respect the ethical rules*

**Keywords:** *accounting services, professional accountant, promotion, marketing, professional ethics.*

## Introduction

On the background of the globalization process of the economy, the accounting companies need to develop an increasingly range of services. In addition, the competitive environment is getting stronger and, to maintain their old customers and to acquire new customers, the accounting companies must develop their marketing strategies, with which help could make known their specialized services. The global economic vision combines elements that have been progressively created, borrowing and transforming concepts, ideas and factors accordingly to the existing conjunctural features.<sup>1</sup>

A service is an activity performed or an intangible benefit offered to a customer and, therefore, it doesn't result from the purchase of a physical object. Regarding of accounting services, they have developed continuously, in the same time with business environment and, as a result, the major accounting companies had adapted their capacity and expertise to the information needs of their customers and to the services required by them.

## Particularities of marketing for services

Promotion policy has an important and even decisive role for the process of selling products and services, especially on the markets characterized by a strong competition.

The promotion process consists of an ensemble of activities, performed to make known a service to potential customers, the ultimate goal of these activities being a successful market launch of the service and the sales increasing.

The promotion mix of services has several forms and there is a wide range of promotional tools, which have different objectives:

Advertising – means the impersonal presentation of a product, service, brand or of a company, for providing information to the customers about the services offered and to convince them to purchase these services. On long term, the advertising aims to change the behavior of regular customers and turn them into customers with a high degree of fidelity to the company's offer.

The advertising influence the consumers behavior regarding their commercial choices. Moreover, by definition, the basic role of the advertising is not to spread information, but to induce a certain consumer attitude and a certain consumer decision on the products and services advertised.

According to the Law of Advertising (Law no. 148/2000), the advertising is defined as: "any presentation of a commercial or industrial activity, craft or freelance activities, aiming to promote the sale of goods and services or rights and obligations". This rule is completed by the Directive of Unfair Commercial Practices (Directive 2005/29/EC), by which the European Commission establishes and impose the Community rules, valid across the EU, against misleading advertising and the aggressive practices.

Sale promotion – means activities designed to stimulate the growth of products and services sales.

Promotional events – are activities such as fairs and exhibitions, where the professional accountants have the opportunity to present the specialized services packages which they provide. This kind of promotion could be made by the leaflets and booklets distribution, organizing conferences, spot advertising screenings and so on.

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<sup>1</sup> Viorica M. Stefan – Duicu, Adrian Stefan – Duicu – "Trans – boarding the Doctrinal Phenomenon within the Management Sciences towards a Creative Dimension", Global Economic Observer Journal, 2014, No.1, Vol 2, p. 202 – 208.

Trademarks. The brand or the trademark may be the element on which a company could individualize it and it is able to create its own portfolio of loyal customers. Thus, the brand can be a symbol of a company, to which accedes customers, depending on the quality of services offered to them. Each company's goal is to provide tailored services to each customer. At the same time, the company aimed to transform its brand into an element which ensures the coincidence between the product and the individualized consumers expectations.<sup>2</sup>

Promotional strategy - consists in setting the promotional goal and resources and setting the concrete ways of promotional action, according to the categories of targeted customers and its purpose.

Marketing services can involve two different aspects of an offer:

- The main service, which means the main offer takes the form of a service. The main service corresponds to the first vocation of the company.
- The component "services" that accompanies the sale and consumption of all products (goods or services) and so-called associated service (such as after-sales service for cars).

We can also distinguish between the expected basic services, which are common to a category of offers, and the additional services, that are potential differentiators. Moreover, additional services and basic services are not fixed.

There is a continuum between goods and services, in the sense that the offers are generally mix of goods and services.

On the one hand, goods are more often accompanied by associated services: advice of sellers, financial services, after-sales service etc. Moreover, many services cannot be provided without hardware support.

But, certain services are completely immaterial as the medical visit, the advice of a lawyer or accounting services. These represents an activity performed or intangible benefits offered to a consumer and therefore do not result from the process of buying a physical object.

For this type of services, which do not involve the acquisition of some goods that define and determine them, the marketing activity is more difficult, because it involves persuading potential customers to purchase these services, only by the description of the services. The description should be clear and concise and should reflecting the benefits that the acquisition could bring to the client, without prejudice for competitors and without exaggerating claims for services offered.

### **Characteristics of the marketing for accounting services**

Promoting of the financial and accounting services must respect the limits of professional ethics, as required the rules of professional organizations. Promoting services must respect the principle of professional correct behavior and not to compromise the profession. According to the National Code of Ethics for Romanian Professional Accountants, the publicity means to communicate to the public the information about the accounting services offered and the skills that has a professional accountant, in order to get works contracts.

The advertisement is the communication to the public of the activities performed routinely by the professional accountants. This communication doesn't intend to promote neither the professional accountant, nor its company.

Follows from this that, both, the publicity and the advertisement, are just ways to inform the potential clients about the existence of the company or about the services provided by the professional accountants, without allowing the specific offers that consists in the tariff reductions or fees reductions. Also, isn't allow the comparisons between the members of the same professional organization or between their activities.

The promotional message, which is included in promotional campaigns should be as realistic as possible and must avoid the exaggerated promises, since it can turn into disadvantage, causing the lack of confidence from the potential customers.

The marketing mix involves combining, in different proportions, the marketing variables, which ensure the success of the activities performed. In the field of financial and accounting services, the marketing variables are: the type of offered service, the price of services, the promotion of services, and, especially, the modality to provide services and the professional accountant's qualification and skills. Therefore, in the area of accounting services marketing, a special place is taken by the individual promotion of professional accountant. This has a significant impact on the image and reputation of the accounting profession generally, and, as a result, promote the services offered by professional accountants turns in promoting the accounting profession.

### **Code of ethics in the marketing of accounting services**

Ethics – are moral principles and values that govern the actions and decisions of an individual or group.<sup>3</sup>

<sup>2</sup> Raboca Horia Mihai, "Măsurarea satisfacției clienților serviciilor publice", Editura Accent Cluj - Napoca, 2008, ISBN: 978-973-8915-71-8.

<sup>3</sup> Eric N. Berkowitz, Roger A. Kerin, Steven W. Hartley, William Ruedius, et al. – "Marketing", 5<sup>th</sup> ed., Burr Ridge, IL: McGraw – Hill Irwin, 1997, p. 102.

Various aspects of advertising and promotion often involve ethical considerations. Ethical issues must be considered in integrated marketing communications decisions. And advertising and promotion are areas where a lapse in ethical standards or judgement can result in actions that are highly visible and often very damaging to a company.<sup>4</sup>

Ethics in marketing of accounting services means an honest and proper presentation of the services offered by professional accountants, without exaggeration or distortion of their expertise level. National Code of Ethics for Romanian Professional Accountants allows advertisements in the press, about the professional activities performed by accountants. These advertisements must have the appropriate format and a sober and informative character. It is estimated that this approach of advertising will avoid unrealistic promises and the gap that may arise between the promises contained in the promotional message and the result of evaluation made by customers.

As a result of the conditions imposed for promoting accounting services, the methods commonly used by professional companies to promote their activities, consists in presentations of professional topics or in the publishing of articles (based on updated information), in the wide circulation journals or in the electronic publications with high visibility. Thus, the specialists prove their good training. In the same time, customers, who are looking for a specialized, competent, professional, but especially, qualified service, could obtain easier the needed information, without having to absorb large amounts of technical data.

Another promotion technique for accounting services, assumed by the National Code of Ethics for Professional Accountants consists in participation of professional accountants to radio and TV economic broadcasts, participation at conferences and seminars in the field of accounting, as well as at the events organized by Chamber of Commerce. Thus, the professional accountants have the opportunity to promote their services and, on the other hand, the opportunity to collaborate with other professionals (accountants or other professional area specialist). These meetings with different specialists – in HR, IT or lawyers – could also offer the opportunity to offer in the future full services, alongside them.

In recent years, in the marketing activities for the accounting services, online marketing has gained more and more field. Creating an own website, where to be made the presentation of the company, the presentation of the offered services and other general and specialized information, dedicated to

existing and potential clients, it is one of the solutions to promote. But online marketing is done in many forms with different names, specialist making a clear difference between Search Engine Marketing (SEM), Search Engine Optimization, Email marketing, Social Media Marketing – based on the activities developed on the social media applications and World of Mouth Marketing – that has a strong impact on the market of services.

Online marketing is the form of presentation of the product or service, using the Internet and having as final aim – the sale. Thus, the difference between online marketing and the classic marketing is that a large proportion of activities involved in marketing strategy are developed in Cyberspace. This means that market research and its analysis, the promotion of services and even their distribution can be done by the Internet.

The target of online marketing for financial and accounting services is to ensure a constant communication with customers and to offer them services adapted to their activities. However, the process of development the use of electronic services should be done in the same time with the development of legislation and ethical rules. The updated legislation and the ethical rules ensure the integrity, accuracy and authenticity of information, by preventing and detecting the unauthorized creation, modification and destruction of information.<sup>5</sup>

#### **Marketing strategy for accounting services**

The marketing strategy, applied by a profesional organization to promote the specialized services offered, must conform to the conditions of the three key – components<sup>6</sup> of marketing environments, in which companies operates:

- Macro environment – is represented by the social, legal, economic, political and technological components; the role of the organization which applying the marketing strategy is to analyze this factors and their impact on its business.

- Micro environment – is composed by students, educational institutions, employers, suppliers and competitors (at the national and global level) and other interested parties.

- The internal environment – represented by the human resource, the financial resource, the material resource and the infrastructure.

Understanding how these factors respond to the actions of the organization and the way that they affects its activity, will help in developing feasible marketing plans, which will create both revenue and

<sup>4</sup> George E. Belch, Michael A. Belch – “Advertising and Promotion. An Integrated Marketing Communications Perspective”, 5<sup>th</sup> ed., McGraw – Hill Irwin, 2001, p. 765.

<sup>5</sup> C. Maican – “Internet si E-Business”, Ed. Infomarket, Brasov, 2005.

<sup>6</sup> Marin Toma, Jaques Potdevin – “Elemente de doctrina si deontologie a profesiei contabile”, Editura CECCAR, Bucuresti, 2008.

fame for the professional organization, to help it in the promoting activity in the future. By creating a reputation and a brand, the professional accountancy organization will be well known in the market and will be recognized by the quality of services offered and the professionalism of its members. The intellectual property is very important for every professional organization and is a powerful factor in promoting.

Strategies of marketing for services are different from those for products, since the services have specific characteristics: intangibility,<sup>7</sup> inseparability, perishability, variety, responsibility of confidentiality and two-way information flow.

Intangibility. The services are not material objects and therefore they cannot be seen, touched, felt as goods can be. So, what is an insurance, otherwise a commitment between two partners for the future? Similarly, in case of accounting records, performed by a professional accountant. There is nothing in this service tangible, palpable, visible whereas a car, a TV set, a clothes are objects we can touch, see and try. The intangible nature of services makes their appreciation more difficult for customers. The intangibility of the service also makes more difficult the communication around the product and the justification of the price. An intangible product cannot be patented and defend its offer copies face of competing. It is a strategic problem for many service companies. According to many specialists in services, intangibility is the key distinction between goods and services, from which all other differences are developing.

Inseparability between consumption and production of the services has meant both simultaneity and physical proximity. That means that it is impossible to store the service or roll out the production in response to changes in demand and, in the same time, the customer must be present during the service's production at the place of production. The services are first sold and then produced and consumed, while goods are produced, sold and then consumed. For this reason customers must be convinced of the quality of services they purchase from their description by the promotion because they cannot be proved.

Perishability is a feature of services, which means the services cannot be stored for later sale. It is therefore important to exist a simple distribution channel, so that the service be created on demand, depending on the needs of economic entities who seek professional accounting services.

The variety. Services can be diverse. The quality and the type of a service can vary considerably, depending on the service producer, customer and time.

Responsibility of confidentiality - refers to the professional accountant responsibility towards its clients. The accountant has the obligation to ensure both the highest quality services, and the confidentiality of the activities developed by clients. The professional accountant will not disclose information about the services, only in cases where it was authorized or there is a legal or professional obligation to publish that information. Compliance with this professional rule turns into an advantage, because the customers appreciate ethics and morality characteristics of the accountant. This situation will increase the reputation of professional accountant and the reputation of company.

Two-way information flow. This means that the professional accountant obtain on a continuous basis information about the activities of its clients, he knows how much grows their activities and therefore he can offer more services and diversified. Basically, informing clients about the services they can still purchase is part of the marketing activity for the professional accountant.

Online Marketing Strategy for an accounting services company involves promoting services that satisfy customer requirements, achieving performance in accounting and reflect the real image of the company. However, according to the website [www.contzilla.ro](http://www.contzilla.ro) results of a survey developed among readers of the website (probably most of them are persons who working in the accounting field or searching the quality accounting services) on 1 October 2015, results that about a third of the readers do not believe in the online promotion of the accounting services that would bring results. (Table no. 1)

**Tabel no. 1**

What do you think about online promotion for the accounting services?	
30,17%	I do not think it brings results
29,31%	A good opinion
25,86%	A very good opinion
14,66%	I have no idea

All these features make it more difficult for the customer the evaluation of the quality of service that request it.

## Conclusions

Advertising has a strong economic impact on companies as it is a key element of any business strategy<sup>8</sup>. It allows traders to present their goods and services and is an important element for commercial success. It can also enhance competition by

<sup>7</sup> J. Lendrevie, J. Levy, D. London – "Mercator", 7e edition, Ed. Dalloz, Paris, 2003.

<sup>8</sup> The Communication "Protecting businesses against misleading marketing practices and ensuring effective enforcement", [ec.europa.eu](http://ec.europa.eu)

providing customers with better information and the possibility to compare products.

Efficient marketing is essential for long-term success of the professional organization. A promotional campaign is important in informing the

public about activities developed by the professional organization. Services have diversified a lot lately, and marketing has become an important science. So there are basis for the development of accounting marketing, but always in the limits of ethical rules.

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