



## MARKETING ACTIVITIES OF BOOKKEEPING AGENCIES IN THE REPUBLIC OF SERBIA

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### Abstract:

The authors of this paper try to determine which marketing activities are usually performed by bookkeeping agencies in the Republic of Serbia. Due to the specificity of bookkeeping activities and their public influence, the scope of marketing activities of bookkeeping agencies was quite limited in the past. However, even though these activities have been allowed in contemporary business, the experts from this area still do not recognize the contribution marketing activities would give to their businesses' success. Taking all facts into consideration, the authors have conducted a research whose participants are members of the biggest associations of bookkeeping agencies in the Republic of Serbia. The results of the research show that half of bookkeeping agencies used some type of marketing activities (Internet marketing and print advertising) in order to promote their businesses.

### Key words:

advertising,  
bookkeeping,  
internet marketing,  
Serbia.

### 1. INTRODUCTION

Doing business in 21<sup>st</sup> century does not imply only having a good product or service, setting the appropriate price or being available to consumers. Apart from paying attention to a vast number of competitors on the market, companies also have to pay special attention to communication with their target market. The main function of promotional marketing strategy is to convince target customers that the offered products and service have an advantage over their competitors [1]. Apart from persuading the clients, the goal of promotion is also to inform consumers about products and services, especially when it comes to new offers. Moreover, apart from convincing and informing, promotion aims at reminding consumers of the fact that their needs can be satisfied. The mix of elements used by company when communicating with its consumers is called marketing communication mix or promotional mix. These elements are: advertising, public relations, sales promotion, personal sales, direct marketing, Internet marketing.

All companies which sell products or services use advertising more than other elements, both as a simple announcement and as a campaign which costs more than a million dollars [2]. The proof of the importance of marketing in the world is most certainly the forecast that companies will spend around 545 billion dollars on advertising globally [3].

Unlike the previous decade, when the biggest amount of marketing was seen on TV advertising, technological changes and the development of the Internet, as well as the appearance of smart phones and other technological innovations have led to key changes in the manner of mutual communication of companies and their consumers, i.e. clients. The E-marketer report estimates that the amount of money spent on Internet marketing will soar up to 213 billion dollars on the global level in the year of 2018, which is almost double than the expenses in 2014, which amount 140 billion dollars. Moreover, it should be highlighted that the changes have also occurred in market sphere of communication exchange between companies and their consumers, so nowadays physical and electronic market can be considered to be equal when it comes to communication and exchange systems. Furthermore, it is crucial to know the fact that contemporary buyers and clients often require personalized approach to satisfy their needs, especially when it comes to services [4].

All things considered, there is a trend of changing marketing activities in the world.

### 2. LITERATURE REVIEW

Even though legal entities from almost all fields have been implementing various marketing communications in advertising for a long time, bookkeeping agencies and certified public accountants (CPAs) still do not find that these activities have a positive effect on their business. In some countries, marketing of bookkeeping agencies was even forbidden- in Great Britain till 1984 [5], and in the USA in the period from 1922 till 1978 [6]. Today, there are almost no limits to the usage of marketing activities by bookkeeping agencies. The quoted authors claim that this change was not brought by the fact that most accountants were convinced that marketing activities were appropriate for bookkeeping tasks. On the contrary, they considered that they violated the integrity of their vocation.

In the research conducted by Sellers & Solomon in 1978, it has been noticed that 66 % of surveyed CPAs think that marketing will not improve the reputation of their bookkeeping agencies, while 45 % consider that this reputation will even be endangered [7]. In the same research, the examinees have claimed that marketing of bookkeeping agencies will not have a positive effect on the level of quality of given services, and 40 % consider that this level will be decreased. On the other hand, bookkeepers are aware of the fact that the usage of marketing activities will raise the awareness of the existence of bookkeeping agencies within new clients. Even the newer research materials (2005) have not shown that bookkeepers are ready to use marketing activities more aggressively because they think it would have a negative effect on their integrity [8]. One research from 2009 has proved that bookkeeping agencies mostly use websites and inform their clients directly via e-mail, and that there is a lack of planned marketing activities in advance [9].

However, it is still undoubtable that advertising of bookkeeping agencies is two- folded. Firstly, it increases healthy competition between agencies, and secondly, it has a positive effect on the increase of income of marketing agencies which would be hired by bookkeeping agencies. The effectiveness of marketing of bookkeeping agencies depends on the amount of budget which has been given for this purpose, but it also de-



depends on the legal entity in question. Bookkeeping agencies which have the opportunity to hire a marketing agency have much better advertising which implies doing activities before the advertising process, such as market analysis etc. [10]. Also, important legal entities are advertised more often and use the services of marketing agencies more often.

### 3. RESEARCH METHODOLOGY AND RESULTS

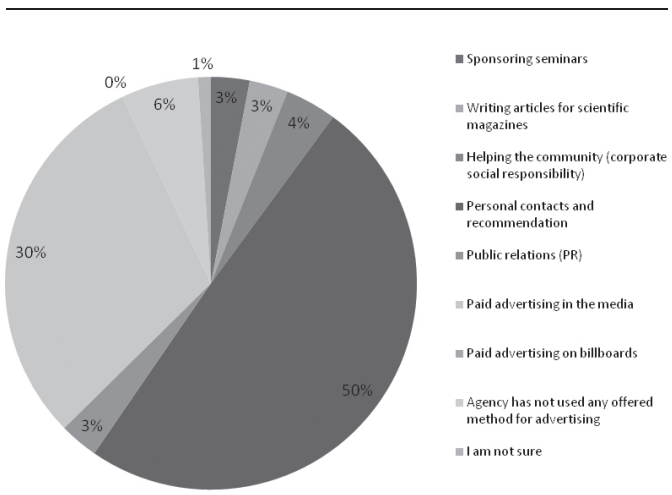
The research which has been conducted in Belgrade in the period from 6<sup>th</sup> October, 2014 till 20<sup>th</sup> October, 2014 is in the form of online questionnaire filled in voluntarily by employees in bookkeeping agencies. Examinees which have filled in the questionnaire are members of Association of owners of bookkeeping agencies- UVRA Novi Sad and UPSS (Association of fiscal advisors of Serbia). 65 out of 76 questionnaires were completed and suitable for analysis for the purpose of the research. The first part of the research refers to the demographic image of examinees, their level of education and years of work experience, while the other part of the research includes questions about previous marketing activities of bookkeeping agencies where they are employed and the attitudes of examinees about marketing.

The research has been conducted with 65 employees working in bookkeeping agencies - 44 (68%) male and 21 (32%) female. The highest number of examinees are aged between 46 and 55 (31%), 56 and 65 (29%), 36-45 (28%), while the lowest number of examinees are aged between 26 and 35 (12%). When it comes to the level of education, most examinees have higher level education (43%) and college education (28%). 18% of examinees have secondary school education, while the lowest number of examinees have master's degree (8%) and postgraduate degree (3%). 44.62% of examinees have more than 20 years of working experience, and 1.54% of examinees have 5 years of experience in bookkeeping activities.

Regarding the question whether the employees' bookkeeping agency has used marketing activities in the past, the results show that more than half of the agencies did use some marketing activities in the past (54.69%), while 43.75% agencies did not use any marketing activities in the past.

The results analysis has shown that bookkeeping agencies rely mostly on personal contacts and recommendations (50%) and paid advertising in the press (30%) when promoting their services.

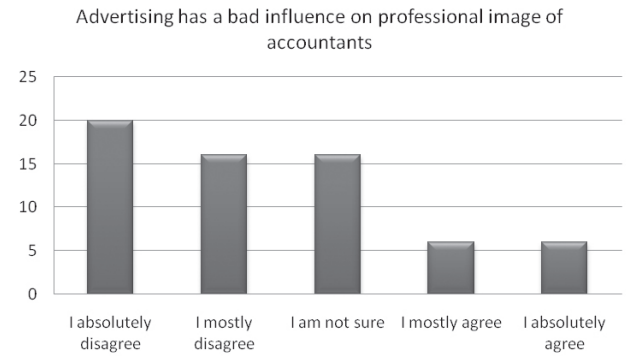
We have noticed that bookkeeping agencies from Great Britain also use personal contact as the best marketing activity, as well as sponsoring seminars [11].



Picture 1- Marketing activities of bookkeeping agencies

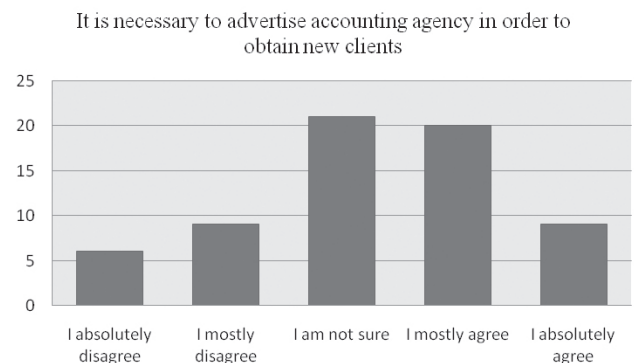
According to the given feedback, bookkeeping agencies mostly advertise by the Internet (41%), in the press (36%) and scientific magazines (16%), while radio (5%) and billboards (2%) are the least used.

Great number of examinees think that marketing is positive for professional image of accountants. The results show that 81% of examinees do not agree with the attitude that marketing has a bad influence on the professional image of accountants.



Graphic 1 – Attitude towards marketing- professional image

However, when the examinees were given the opportunity to share their attitude about marketing of bookkeeping agencies, only 45% had a positive attitude that this activity is necessary in order to gain new clients.



Graphic 2 – Attitude towards marketing- new clients

### 4. CONCLUSION

Even though a great number of examinees do not agree with the attitude that marketing has a bad influence on the professional image of accountants, the results show that personal contacts and recommendation are still of key importance for marketing activities of bookkeeping agencies. However, if they decide to advertise in the media, they mostly do it by the Internet, which generates comments and recommendations of its users.

Having in mind that the huge percentage of examinees are not sure, i.e. they mostly agree that it is necessary to advertise bookkeeping agencies, while low percentage of examinees absolutely agree with the offered statement, the future research should define which factors have an impact on the given results. It should be analyzed whether deeper cooperation between bookkeeping and marketing agencies would lead to the generation of appropriate solutions regarding the creation of



marketing programmes devoted to promotion of bookkeeping agencies, which are specific. Their characteristic is, above all, and at least in the domain of mass communication, seen in the fact that bookkeeping services are organized to satisfy the needs of great clients (organizations), which makes the Internet and scientific magazines platforms suitable for the future development of promotional strategies.

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## MARKETING AKTIVNOSTI KNJIGOVODSTVENIH AGENCIJA U SRBIJI

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### Apstrakt:

U ovom radu, autori su pokušali da utvrde koje marketing aktivnosti obično obavljaju knjigovodstvene agencije u Republici Srbiji. Usled specifičnosti knjigovodstvenih poslova i njihovog značaja prema široj javnosti, obim marketing aktivnosti knjigovodstvenih agencija je u prošlosti bio značajno ograničen. Međutim, iako je u savremenom poslovanju prethodno dozvoljeno, stručnjaci iz ove oblasti i dalje u potpunosti ne prepoznaju doprinos koje bi marketing aktivnosti doprinele uspešnosti njihovom poslovanju. Imajući prethodno u vidu, sprovedeno je istraživanje čiji su učesnici bili članovi najvećih udruženja knjigovodstvenih agencija u Republici Srbiji. Rezultati istraživanja pokazuju da je polovina knjigovodstvenih agencija u prošlosti koristila neku od marketing aktivnosti (internet marketing i oglašavanje u štampanim medijima) za promociju svog poslovanja.

### Ključne reči:

advertising,  
book-keeping,  
internet marketing,  
Srbija.