

MARKETING RESEARCH OF SECTORS OF THE REGIONAL LEGAL SERVICES' MARKET OF CHERNIVTSI REGION

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Abstract

The article reveals the contents of the special market research of sectors of the regional legal services' market of Chernivtsi region. It is proved that a complete picture of the functioning of the regional market of legal services may be provided through the use of special methods of marketing research of advocacy and notary sectors. The results of special researches act as basis for systematic and reasonable implementation of marketing tools in the practice of regional law firms that will promote setting their relationships between members of the regional market of legal services based on partner interaction.

Key words: *marketing research, legal service, legal services' regional market, sectors of regional legal services' market.*

JEL Classification: *M30, M31, M37*

I. INTRODUCTION

An objective valuation of the status of regional legal services' market can be formed on the basis of a detailed explore of all of sectors of the market by applying some special methods of marketing research. Author's proposals on the organization and methodology of such researches make them a valuable source of information to make informed decisions concerning expediency of use tools of marketing in the practice of regional law firms, and provide the full functioning of the regional market of legal services, enhance the legal culture of regional actors. So, conduction of such special researches, aimed at creating an objective information base for providing the effective functioning of the regional market of legal services and implementation of recommendations on the use of modern marketing tools in the practice of regional law firms and legal practitioners in Chernivtsi region is important both in theoretical and practical aspects.

II. PROCEDURE OF SELECTION OF MARKETING TOOLS FOR SECTORS OF REGIONAL LEGAL SERVICES' MARKET, USING SPECIAL RESEARCHES

Conducting an objective special research of the state of regional legal services' market can be considered effective in the case of there is involvement of professional market participants - the representatives of two kinds of sectors the advocate's and the notary one (Weil A. 2013). Should agree with this position, because only those professionals who work directly in this environment, can help to characterize the market, talk about the current situation on it, give the characteristic of the main parameters of its development and formulate certain predictions and identify the specificity of functioning. The procedure of the recommendations' formation for the selection of marketing tools for the sectors of the regional market of legal services by using special researches shown in Fig. 1.

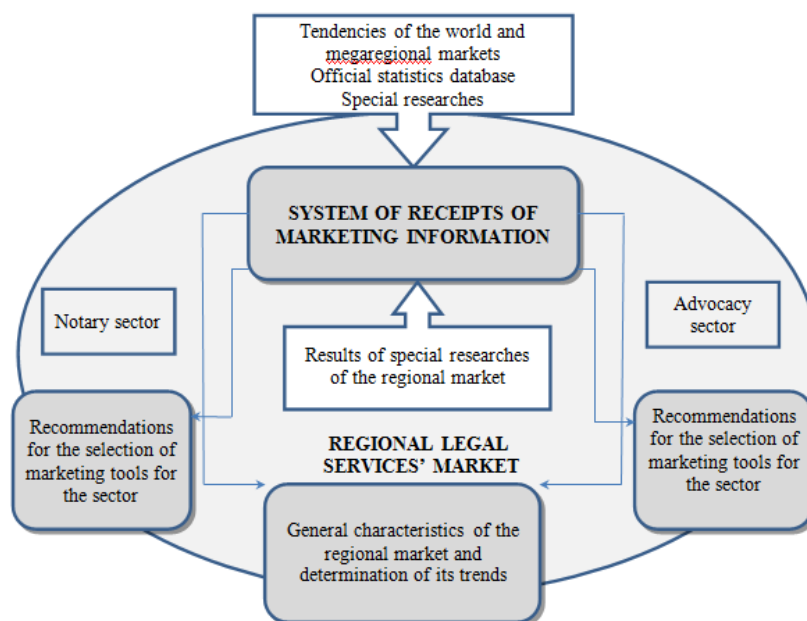


Fig.1 The procedure of the recommendations' formation for the selection of marketing tools for the sectors of the regional market of legal services by using special researches

In recent years, representatives of the economic sector and the population of Chernivtsi city and Chernivtsi region produced sustainable rational attitude to the rule of law and functioning of the legal system's institutions. In the context of discussions of different aspects of obtaining the legal aid most citizens frequently mentioned members of the advocacy. At the same time a significant part of potential customers both in the center and in the regions have a very superficial understanding about the legal profession. For the purpose of the detailed research of characteristics of regional legal services market was conducted a survey of members of the advocacy sector of Chernivtsi region, which made it possible to identify specific aspects of the functioning of the of the regional market compared to the national legal services' market of Ukraine.

Table 1. Plan of special marketing research of sectors of the regional legal services' market

Stage of research		The content of the research stage
1. Setting goals ↓	⇒	The main goal is the studying of specific parameters of the regional market of legal services of Chernivtsi city and Chernivtsi region by notary and advocacy sectors
2. Definition of the main tasks ↓	⇒	To realize the goal of research is necessary: to investigate the general features of the regional market of legal services; to explore the the state of competition in the regional market; to determine characteristic features of the advocacy and notary sectors of the regional market; to determine sources of information about members of legal services' market of Chernivtsi region; to explore the the effectiveness of the elements of complex of marketing by professional players practitioners of market; to develop recommendations for the use of research results.
3. Formulation of working hypotheses ↓	⇒	The main working hypothesis: H.1: the full functioning of of the regional market (all the signs and subjects); H.2: competitive state is characterized by high level of tension and mainly price competition methods; H.3: the basic parameters of activity of regional Advocacy are a regional professional experience, the specialization of legal practice, the complexity of the case, the lawyer's reputation (the company); H.4: the basic parameters of activity of the regional notary is (the location of the notary, the price of services, notary reputation, additional services, speed of documentation registration; H.5: recommendation is the main method of advocacy (notary) positioning in the regional market; H.6: customer attitude to law practice, which can be managed by marketing tools.
4. Identifying sources of information ↓	⇒	In our research we use mainly primary marketing information, based on data from a random survey of professional participants of the regional legal services' market of Chernivtsi city and Chernivtsi region.
5. Determining	⇒	The method of collecting primary data - is survey. The main working tool of research

Stage of research		The content of the research stage
the method of obtaining primary data ↓		are specially developed questionnaires (див. Додаток У.1-У.2 /see Add. U1–U2). The questionnaire is carried out during selective research, which is one of the main methods of obtaining reliable information on the consumer. Limiting (given) sampling error is 3%
6. Determining methods of the processing and analysis of information ↓	⇒	The data of questionnaire are analysed using MS Excel and SPSS. During the processing and analysis of primary data applying statistical methods of grouping and classification, and the method of multivariate classification (cluster analysis).
7. Programmable result of research ↓	⇒	As a result of research it should be obtained data about professional groups (segments), which are characterized by different special procedures of providing legal services and identified the factors that determine the effectiveness of marketing tools on regional legal services' market
8. Terms and research period	⇒	The survey is carried out during 14 days on the territory of Chernivtsi and Chernivtsi region. Data is obtained through direct contact with professional lawyers.

Data from several researches show that an increasing part of the population is inclined to see in the law an effective tool to protect their rights and defend their interests. On the other hand, legal nihilism remains fairly stable feature of mass consciousness of citizens. The forms of this phenomenon may be different, but they appear when the interests of citizens (objectively or subjectively) are in conflict with the law. In such situations, most people (in their own statements) consider possible in one or another way to ignore the requirements of laws (Miller M.2000).

III. THE STRUCTURE OF THE LEGAL SERVICES' MARKET OF CHERNIVTSI REGION

Estimates of need of legal assistance are largely due to the presence of experience of appeals to professional lawyers, even they are depend on age, income and level of education of potential consumers. Comparison of structure of regional and national legal services' market shows that the vast majority 75% of customers at the regional level is the population of Chernivtsi city and region (Fig. 2), whereas generally in Ukraine providing legal services to the population amounts to only 8%. The majority of national law firms provide services to ukrainian and foreign legal entities: 44.8% and 42.9% respectively (Usenko O. 2013).

At the regional level the percent of providing legal aid to legal entities is only 13%, although according to the respondents in the nearest future this sector will show a tendency to increase. Providing services in the international cooperation of law firms at the regional level shows an isolated character and does not constitute a significant share.

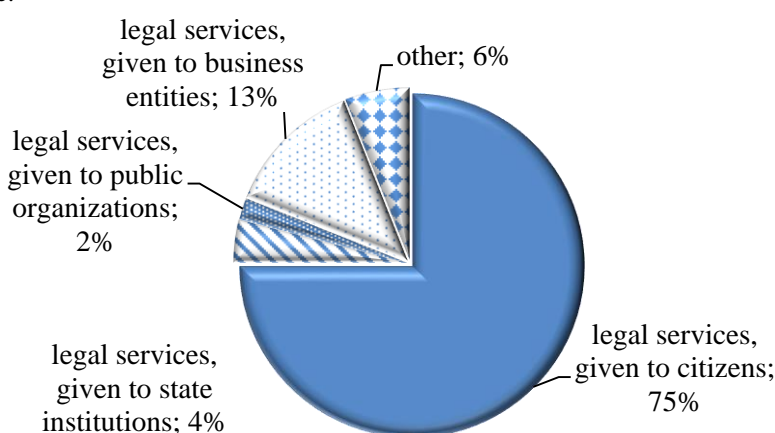


Fig. 2. The structure of legal services' market of Chernivtsi region by major customers (according to respondents), in %

Research of state of notarial sector of regional legal services' market of Chernivtsi region indicates that entrance to the market is very difficult. During the work of notary institutions in the market has created a situation of excess of supply over demand (62% of respondents) (Fig. 3 and 4).

However, 47.6% of respondents believe that entrance to the market of notarial services is quite complex, and 42.9% assessed it partly complicated. In other words the degree of competition in the market can be

characterized as high. This market is characterized with exclusively non-price competition. This is determined primarily by the legislation, that clearly indicated the costs for the implementation of notarial acts and size of duties (Usenko O. 2013).

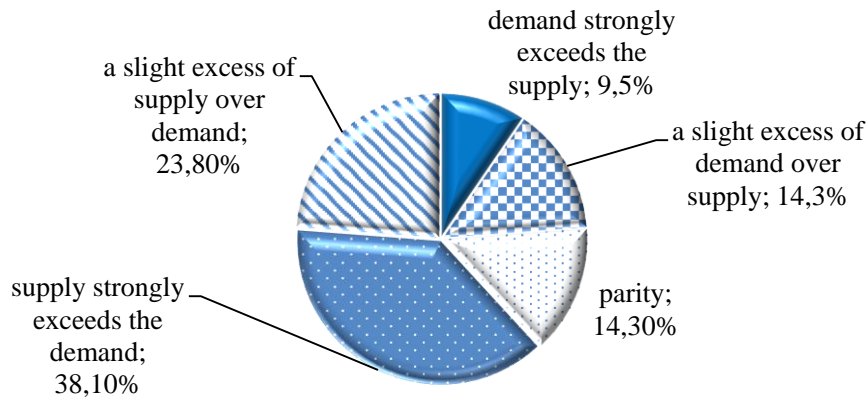


Fig. 3. Characteristics of state of notarial services' sector in the legal services' market of Chernivtsi region

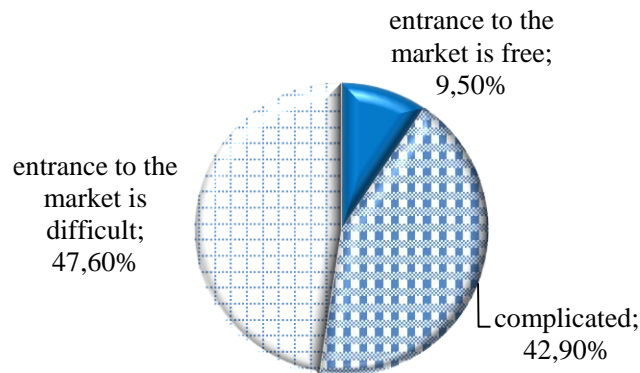


Fig. 4. Diagnosis of possibility for new notary to entry to notarial services' market of Chernivtsi region

Separation of the advocacy sector of the regional market for major customers and specialization determines demand on legal services in Chernivtsi city and region. Thus, the largest proportion of services concerning the protection of interests of individuals and legal entities are given in civil law 77.3%; the percent of providing legal aid from criminal prosecution takes the second place in the structure of specialization of regional legal services' market and gets 40.9%. Enough significant is the share of legal services concerning the protection of interests of individuals and legal entities in administrative matters and services concerning the protection interests of citizens in the area of labor law and social security, it gets 18.2% and 13.6% respectively (Fig. 5).

Key specializations at the national level are the corporate law for 75% law firms at nationwide level; banking and finance law 56.3%; tax law and legal services in the area of real estate, land and building are equally crucial for 46.3% of large law firms (Zabrodskaya K. 2012). While criminal and civil law, that are providing a decisive impact on formation of incomes of regional law firms in the market of Chernivtsi city and region in the structure of specializations of national market have priority only for 15.6% and 9.4% of large law firms respectively (Budnikevich I., Khokhuliak O. 2015).

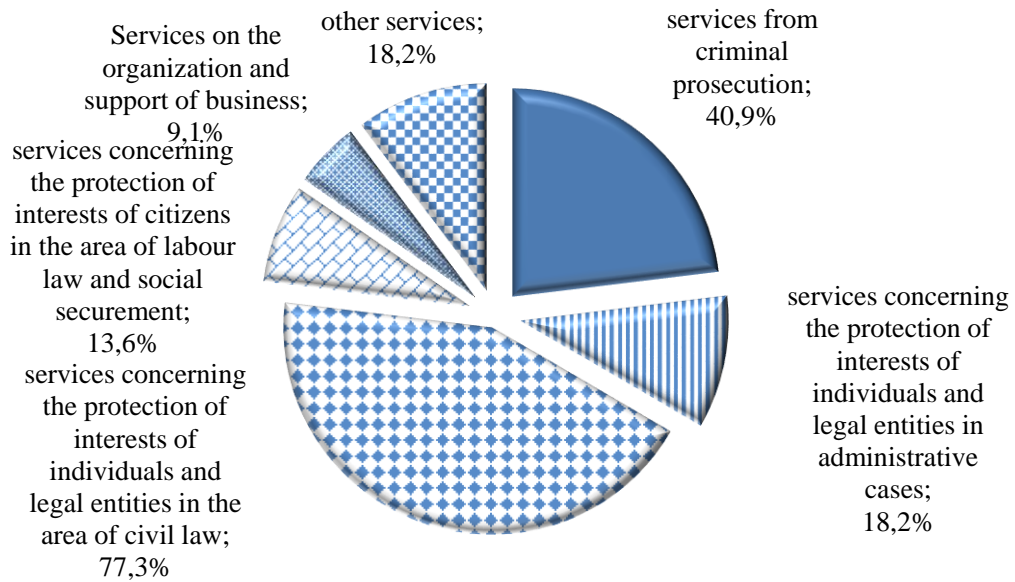


Fig. 5. The structure of specializations of legal services' market of Chernivtsi region (by the answers of respondents), in %

Analyzing the level of competition in the advocacy sector of regional legal services' market, we must note that almost all respondents assessed it as average for all specializations: 66.7% - by criminal law; 52.6% by administrative law; 57.9% by civil law; 46.7% by commercial law and 58.8% by labor law (Fig. 6).

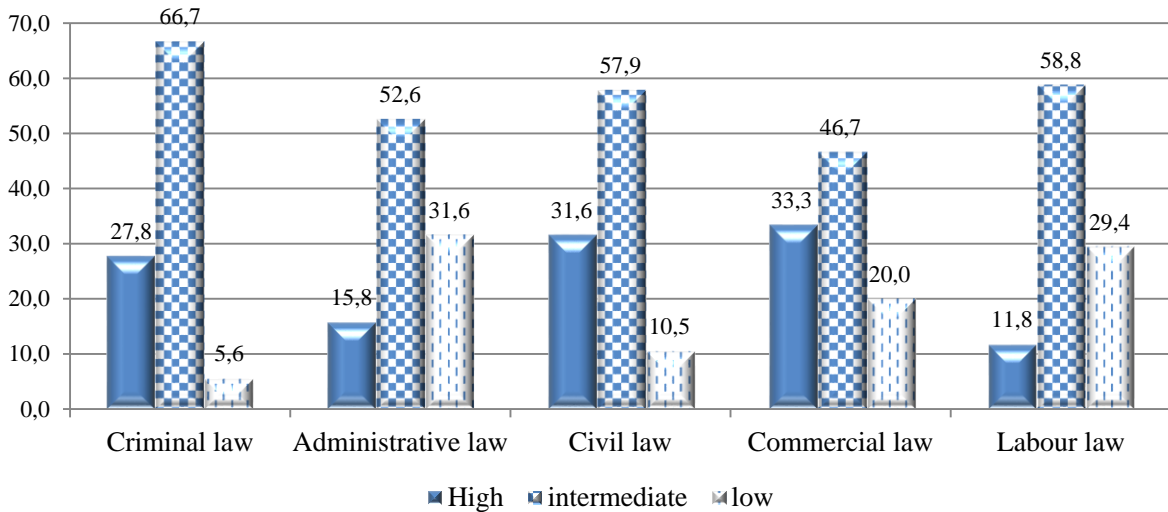


Fig. 6. Assessing the level of competition in the market of advocates' services concerning different specializations

However, analysis of respondents' assessments concerning the kind of competition indicates some differences by specializations. Thus, according to respondents, non-price competition prevailing in the sector of criminal law (58.8% of respondents) and administrative law (55.6% of respondents). The signs of price competition, most respondents noted in the areas of civil law (55.6%); criminal law (57.1%) and labor law (62.5%) (Fig. 7).

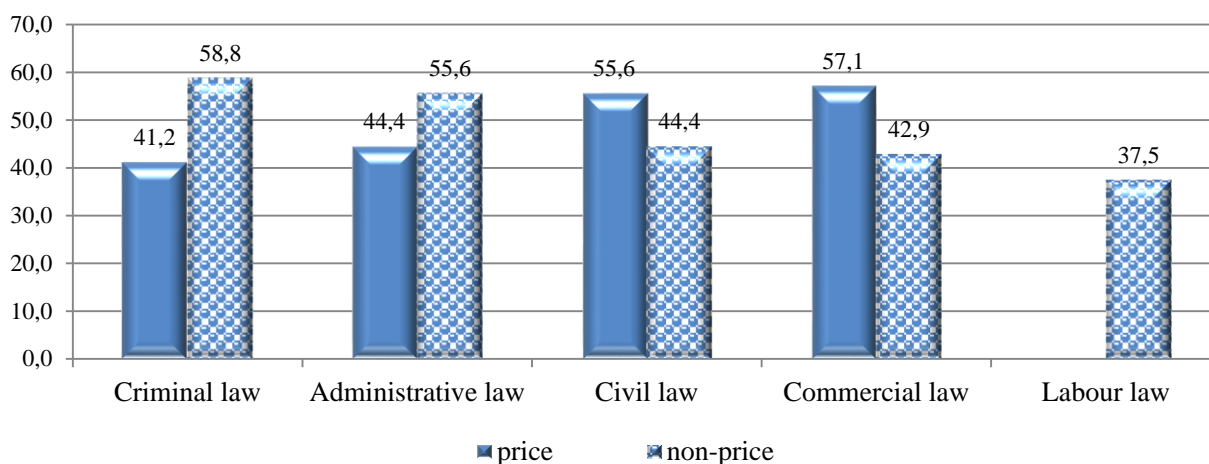


Fig. 7. Evaluation of the kind of competition in the market of advocacy services by different specialties of law

IV. CONCLUSION

Thus, the specificity of functioning of regional legal services' market is determined primarily by the orientation on serving the needs of the population, whereas the nationwide legal services' market demonstrates the orientation on priority of service of business environment. Exactly this key difference defines the features of specializations of regional legal services' market, the priority of use of personal means of communication links with potential customers, the specificity of forming of size of fees and prospects of held cases, the organization of work with real and potential clients. Tendencies of development of the nationwide legal services' market act as a kind of strategic priority for its participants of regional level, indicate the latest potential possibilities of development, demonstrate the mechanisms of implementation of the most promising regional players into the national legal community with greater status.

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