



Top 3 Strategies for Successful Tax Business Marketing

By Charles E. McCabe

When I founded Peoples Income Tax in 1987 as a multi-office tax preparation business, I grew the business rapidly in the early years through TV advertising. But, due to media fragmentation and intense competition from national tax firms, mass media advertising became ineffective and cost-prohibitive. To compete effectively, I then used inexpensive yet effective “guerrilla marketing” tactics and, more recently, Internet marketing. These tried and true marketing strategies described below constitute best practices for any independent tax business to attract and retain clients.

- 1. Networking 101 for Tax Business Owners.** Although it may be difficult as a tax professional to attend networking events during tax season, it is essential for you to do so. As the tax business owner, you are the “face” of your firm and people must get to know you and your firm’s capabilities before they will use your service or make referrals. Below are some ways you can become known as the local “go to person” for tax help.
 - a. Becoming a member of key business organizations in your community such as the Chamber of Commerce and local society business leader groups can pay dividends. However, to realize value, you must be actively engaged in attending networking events and participating in committees.
 - b. Conduct seminars on tax tips and new tax laws for individuals and/or small businesses to create awareness of your expertise and build credibility. Often seminar participants will immediately convert to clients. Conducting joint seminars with a complimentary professional such as a financial planner can increase attendance, especially if their clients are invited. Having the seminar hosted and/or sponsored by a large employer or association can increase attendance and reduce cost.
 - c. Speak on tax topics to targeted business groups that can drive business to your tax firm. You can contact local business groups and offer to be a guest speaker. Groups such as Jaycees, Business Networks International (BNI), Toastmasters, as well as small home business professionals who work for organizations like Mary Kay, Pampered Chef and Stella and Dot, are always seeking speakers for their meetings. You should never turn down the opportunity to be a guest speaker, especially during tax season. You should strive to be known as the first person such groups will call when they are seeking a tax expert. Be sure to have an outline of what you wish to address and why their members will benefit and, if appropriate, a Power Point presentation.
 - d. Become your own PR person. PR can be the most effective strategy to market your business and it costs nothing except your time. One timely article in your local major newspaper could bring you more clients than an entire paid ad campaign. You could also be a guest on your local TV and radio news and consumer affairs programs. Contact the reporters and program directors and make them aware of your expertise and willingness to serve as a resource on income tax topics. Invite them to meet you for coffee or buy them lunch, or introduce yourself at networking events. Taking time to develop relationships with local media representatives can pay big dividends.
 - e. Give back to the community. Being a good company citizen is very good for business. Personally volunteering to serve on non-profit boards and committees and providing the encouragement and time for your employees to do so can really pay off. Your reputation and the image of your company are very important to your success. In the latest [press](#) for Peoples Tax, I talked about the importance

of community service. “We (Peoples Tax) always try to be a good corporate citizen and utilize our resources, especially when we can meet both company goals and social goals at the same time.”

2. Internet Marketing—how your online presence can translate into offline revenue. The internet provides the opportunity for a small business to create a big business image. Many affordable resources are available for you to capitalize on the power of the internet to attract new clients and help to retain existing clients. Below are some internet best practices.

- a. Having a professional website is just as essential as having professional business cards. A great website can be created for a minimal investment by a freelance web developer or a service provided by a tax professional association specifically geared to tax service websites. Building or rebuilding your website in a platform such as WordPress will enable you to make changes yourself without needing programming expertise.
- b. Search Engine Optimization (SEO) is essential to make sure your website will appear on the first page whenever anyone searches for a local tax service in your community. You may need the services of a local freelance SEO expert. Alternatively, you or an administrative assistant could learn to manage your SEO in-house. There are many good “how to” articles available online. Be sure to get recently published articles with the most up-to-date information. You also need to be able to track SEO and Google Analytics is a good tool to use for this purpose.
- c. You might also consider using paid search, i.e., “pay-per-click” (PPC) on Google and other search engines to recruit new clients. Localized Key terms such as “Tax Preparer Richmond, VA” might be priced at low cost since it would not be bid on nationwide. Close monitoring of your PPC results is essential to make sure your campaign is profitable. As with SEO, you could use a freelance expert found through a networking contact that has a similar business platform, or you could do some research online to learn how to manage your own PPC campaign.
- d. Your web site should be more than merely an electronic brochure. Your site should contain valuable Tax information and resources. You can also make your website interactive for your clients by adding features such as online appointment scheduling, tax calculators and a portal for clients to access their tax return information. Such features can be provided for affordable fees by tax industry vendors. You also want to make sure that you have fresh, updated and informational content on your site. Content comes in the form of videos, blogs, podcasts, discussions, info graphics, white papers, webinars and articles. Not only will this showcase your company’s up-to-date tax expert, but fresh content also helps with search engine optimization.
- e. Social media also provides a great opportunity to attract new clients and drive traffic to your website. You should create a professional LinkedIn page for you personally as well as one for your tax firm. You should also consider creating a LinkedIn group that you own and manage as a resource for local taxpayers. You can also create business pages on other social media sites such as Facebook, Twitter and Yahoo. Be sure to adhere to social media etiquette. Social media is a vehicle to create awareness of your expertise by becoming a resource without overtly “selling” your services.

3. Client Recruiting and Retention Efforts—How to grow and keep your client base. Growing your tax business requires both recruiting new client and retaining existing clients. Below are a few “guerrilla marketing” tactics you can use to build your client base.

- a. “Refer-A-Friend” programs have been implemented by many tax businesses to generate significant numbers of new clients. Referral cards can be produced to be handed to clients by you and your tax preparers after completing their returns. For example, the offer could be a \$20 discount to the new client being referred and a \$20 “rebate” to the existing client who makes the

referral. Whether you send cash or a check, the referral payments should be mailed daily (with additional referral cards enclosed) by the day after the new client's return is prepared.

- b. A "Group Tax Program" is a great way to recruit and retain clients. You could contact major employers and membership organizations in your community and offer to provide a "Group Tax Discount" program for their employees or members. Explain that tax preparation is a service that all employees and most association members need and offering this valuable "fringe benefit" costs the organization nothing.

For associations, this arrangement is usually referred to as an "Affinity Program" and the association (or church) might be expecting a small "revenue-share" for the association in addition to the discount being extended to their members. The idea is to make a compelling value-proposition about your services to the organization and let the organization "sell" your services to their employees or members.

- c. Offer to write articles, columns and/or blog posts for local publications. You could write a weekly or monthly column on tax tips and timely income tax topics. You would not need to create all of the content yourself. You could subscribe to tax news articles provided by a tax professional association and/or a tax industry vendor. Again, you will be perceived as the tax expert and the "go to person" for tax information and advice. As a tax expert writer, you will be top of mind when members of your audience have a need for tax preparation services.
- d. Client Retention Efforts are essential to realize the growth you need to succeed. You should know your client retention rate, i.e., the percentage of last year's clients that have returned this year. If you prepared 1,000 returns last year and 850 returned this year, your retention rate is 85%, which means you need 150 new clients before you can show any growth over last year. If you increase your retention rate to 95%, and you add the same 150 new clients, you will realize 10% growth in clients. It is much easier and less costly to retain a prior client than to get a new client. Clients are retained by delivering real value when preparing their returns, and by communicating with them year-round through monthly client newsletters and offering periodic free seminars on tax tips and tax planning. Retaining good tax preparers is also a key factor in retaining clients.

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About the Author

Charles E. ("Chuck") McCabe, a 40+ year veteran tax industry executive, has managed hundreds of tax preparation offices. Chuck earned his B.S. degree in management from Adelphi University and Executive M.B.A. degree from Pace University. He is a national speaker, teacher and author on small business and tax practice management. Chuck is founder & CEO of Peoples Income Tax, Inc. and The Income Tax School, Inc. Additional information may be obtained by contacting Chuck McCabe at 1.800.984.1040 or by emailing cmccabe@TheIncomeTaxSchool.com, or by visiting the ITS website www.TheIncomeTaxSchool.com.

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