



Ferdowsi University of Mashhad

RESEARCH ARTICLE

Marketing in Auditing: Application of the 7P Model

Oktay Yamrali, Hossein Fakhari*, Meysam Shirkhodaie

*Department of Accounting, Faculty of Economics and Administrative Sciences, University of Mazandaran, Babolsar, Iran***How to cite this article:**

Yamrali, O., Fakhari, H., & Shirkhodaie, M. (2024). Marketing in Auditing: Application of the 7P Model. Iranian Journal of Accounting, Auditing and Finance, 8(1), 1-16. doi: 10.22067/ijaaf.2024.44012.1313
https://ijaaf.um.ac.ir/article_44012.html

ARTICLE INFO**Article History**

Received: 2022-08-29

Accepted: 2023-11-25


Published online: 2024-01-01

Keywords:

Marketing Mix, Audit Profession, The Best-Worst Method

Abstract

Effective and efficient marketing is a vital tool for promoting any business. Consequently, establishing criteria for assessing marketing quality remains a contentious topic within marketing studies. Given its significance, the service sector necessitates distinct marketing criteria and dedicated research due to its unique characteristics. This study explores the feasibility of applying the 7P model in the auditing profession as a dimension of marketing quality. In this research, we adopted a mixed-method approach. Initially, we conducted semi-structured interviews with 26 professional experts in 2022 to gather data. The research goal was pursued using content analysis. After the coding stage, aimed at extracting the marketing techniques employed by auditing firms in Iran, data saturation was achieved through 21 additional interviews. Once auditing firms' marketing techniques were identified, eight auditing experts ranked them using the best-worst method. This ranking revealed that the "promotions" element, with a weighting factor of 0.277, secured the top position, while the "location" element occupied the seventh place with a weighting factor of 0.0821. These findings hold valuable implications for policymakers in the auditing profession, enabling them to formulate well-informed marketing strategies for audit firms.

 <https://doi.org/10.22067/ijaaf.2024.44012.1313>



NUMBER OF REFERENCES

28



NUMBER OF FIGURES

3



NUMBER OF TABLES

5

Homepage: <https://ijaaf.um.ac.ir>

E-Issn: 2717-4131

P-Issn: 2588-6142

*Corresponding Author: Hossein Fakhari

Email: h.fakhari@umz.ac.ir

Tel: 09111271577

ORCID: 0000-0003-4192-6582

1. Introduction

The ongoing transformation in contemporary marketing, encompassing digital marketing (Tiago and Veríssimo, 2014), relationship marketing (Esfidani et al., 2018), and social network marketing (Tiago and Veríssimo, 2014; Mudondo, 2021), within both industrial and service sectors, bearing a commercial focus, has yielded significant consequences. This transformation has profoundly impacted the auditing field, which had long lacked a defined approach to marketing, and its code of conduct did not prescribe preferred marketing methods. This emerging trend, combined with intense competition within the auditing market and the ethical constraints placed on professionals, has prompted a critical reevaluation of marketing strategies within the auditing profession. Additionally, the shift from a public interest-oriented approach to a more commercial one, driven by competition in the auditing market, has heightened the need to develop new marketing methods and thoroughly examine the auditing profession. The credibility of the auditing profession, with its core assurance function, is inherently tied to adherence to rules and codes of conduct. Consequently, it is anticipated that marketing techniques within the auditing profession must align with standards grounded in integrity, objectivity, competence, professional care, confidentiality, professional conduct, professional principles, and rules (Arbab Soleimani, 2013). These principles are established based on conventions that form the fundamental basis of professional activities. Effectively implementing marketing strategies in auditing can yield various benefits, including increased market share, enhanced revenue, and improved brand recognition (Nasution, Dirbawanto, and Siregar, 2023). Furthermore, these strategies play a crucial role in cultivating a positive reputation for auditing firms, a key element in gaining the trust and confidence of clients.

While instances of the erosion of ethical standards due to non-compliance with professional conduct norms within the auditing profession have been well-documented at the international level, including notorious cases involving auditors' involvement in the downfall of major corporations like Enron, Tico, Edfi, etc. (Hassas Yeganeh, 2013), which resulted in far-reaching consequences, such as disruptions in auditors' workflows (Ganji and Arab Mazar Yazdi, 2021), a similar situation has emerged in Iran. Following the establishment of the Iranian Association of Certified Accountants (IACPA) in 2010, the competitive landscape of the auditing market underwent significant transformation. This transformation, driven by a substantial increase in the bargaining power of clients (Mehrbanpour, Karami, and Jandaghi Ghomi, 2021), coupled with lapses in adherence to certain principles of the code of conduct within the profession, such as the use of exaggerated advertising (Shuja' Banimahd and Vakilifard, 2017), dishonesty (Maranjuri et al., 2017), the occurrence of opinion shopping (Amiri and Fakhari, 2020; Amiri and Fakhari, 2020), and a failure to commit to the quality of audit reports (Broberg, Umans, and Gerlofstig, 2013), has raised significant concerns among professional members. These concerns are centered around the potential damage to the profession's reputation.

Upon analyzing these factors, it becomes evident that the primary reason behind these violations is the failure to adhere to the code of conduct within the auditing profession, compounded by a lack of sufficient knowledge among staff. Nevertheless, marketing within the audit service industry stands apart due to the distinct characteristics of its nature (professionalism) and function (assurance). It is subject to specific factors and requirements that can yield divergent outcomes. Consequently, it is imperative that marketing within the auditing profession aligns with professional standards while also adhering to international marketing principles. Auditing practitioners should, therefore, take into account the considerations and limitations stipulated in the professional code of conduct when applying marketing concepts and techniques. Furthermore, they should familiarize themselves with the fundamental principles of marketing. Hence, applying new marketing methods tailored to the unique attributes of the auditing profession in Iran is necessary. This includes recognizing that

governmental CPAs provide a significant portion of auditing services for large listed companies. Additionally, the auditing market features specific conditions, including increased competition within the profession in recent years with the entry of professional private auditors (private CPAs), the relatively small size of audit firms, the limited presence of international audit firms (Big 4) in the audit market, and a fundamental shift like the audit function from a public interest approach to a more commercial one.

Hence, addressing this research gap, the current study aims to explore the principles and concepts of the marketing mix to assess the potential application of its components within the auditing profession. Through this examination, the profession can equip auditors to evaluate the suitability of implementing scientific marketing methods in auditing firms. This, in turn, will aid them in selecting and implementing marketing strategies that align with the established code of conduct.

The remainder of the article is dedicated to elaborating on the theoretical framework, exploring the research background, presenting the methodology, discussing the findings, and offering recommendations.

2. Theoretical Framework

Marketing within the auditing profession has garnered considerable attention in recent years. It plays a pivotal role in fostering and sustaining client relationships, setting the auditing firm apart from competitors, and positioning it as an industry leader. Consequently, it is paramount for audit firm managers to strive to adopt the most effective marketing methods. Yet, a pertinent question arises: How can these managers successfully achieve this objective? Addressing this question necessitates understanding the factors that influence marketing, a discussion of which follows.

2.1 Marketing mix and marketing triangle in the service sector

In marketing literature, the marketing mix, as proposed by Sidorkiewicz and Orfin-Tomaszewska (2023), typically encompasses a set of variables that fall within a company's sphere of control and can influence customers' purchasing decisions. Furthermore, effective management can leverage these variables to target specific market segments and formulate an appropriate marketing strategy. Under the current understanding of the marketing mix, often represented as the 7P model, the "product" is defined as the tangible service offering provided. Companies should begin by understanding their target market comprehensively, allowing them to design their offerings accordingly. This necessitates a dual emphasis on service excellence and customer-centric practices (Enerson, Mason, and Corbishley, 2016), ultimately creating customer value (Lin, 2011). Within this element, discussions encompass product diversity, quality, specifications, brand identity, size, packaging, and warranty (Hasan Qalipour and Sharifi, 2014). The "price" element encompasses factors related to the pricing of services. Prices should be set considering competitors and the prevailing economic conditions (Enerson, Mason, and Corbishley, 2016; Lin, 2011). The price reflects the value customers are willing to exchange for a valuable product (Hasan Qalipour and Sharifi, 2014). It is vital for the marketing department to genuinely understand the requirements and constraints of other departments while devising marketing campaigns. The third element, "distribution" or "place," refers to the physical location of the company and its offices (Lin, 2011), in other words, where the product is made available (Hasan Qalipour and Sharifi, 2014).

The "place" element should be strategically positioned to cultivate a positive image in the minds of business owners and be situated in an area accessible to the target market (Granfeldt and Nastasi, 2019). The "promotion" factor encompasses all facets linked to the company's promotion to the target market, involving various means of customer communication (Enerson, Mason, and Corbishley,

2016; Lin, 2011). In essence, "promotion" encapsulates the amalgamation of personal and informal relationships organizations deploy within a specific timeframe, encompassing elements such as advertising, sales promotion, public relations, personal selling, and direct marketing (Hasan Qalipour and Sharifi, 2014). Enerson, Mason, and Corbishley (2016) advocate for the comprehensive communication and implementation of a company's marketing campaigns throughout the organization. In this model, the participation of all employees in marketing programs assumes a pivotal role (Sidorkiewicz and Orfin-Tomaszewska, 2023), exemplified in the service marketing triangle (Figure 2). The term "physical evidence" pertains to all tangible and visible items, including the office design and work environment, which should project a positive image for the company (Granfeldt and Nastasi, 2019). It can be asserted that buyers' assessments and judgments regarding service quality are substantially influenced by the facilities and physical assets of the service provider (Hasan Qalipour and Sharifi, 2014). The sixth component, "People," encompasses all individuals, including customers, employees, and management, and is intertwined with their commitment to delivering honest service to customers (Lin, 2011). This particular element has been explored separately in previous research, for instance, by Ghasemi, Mehrabanpour, and Talebnia (2023).

The "Process" element encompasses all activities related to marketing policies and procedures (Enerson, Mason, and Corbishley, 2016). In essence, it pertains to the efficient organization of processes to minimize both cost and errors, ensuring the consistent and proper quality of service. This component balances services' supply and demand (Hasan Qalipour and Sharifi, 2014). Enerson, Mason, and Corbishley (2016) recommend that a company's technological system be structured to streamline the marketing process. In this context, the primary responsibility for marketing tasks should be entrusted to qualified employees (Baker and Magnini, 2016).



Figure 1. Market mix: P7 (Adapted from Granfeldt and Nastasi, 2019)

While the marketing mix can be a valuable tool for reaching the target market (Mogaji et al., 2021), it's important to acknowledge that its elements vary across different industries. For instance, in contrast to activities associated with manufacturing and selling goods, the expectations of customers at the outset of a service process are often challenging to define, as highlighted in the context of auditing, which is inherently a service-oriented profession (Grönroos, 1998). It's essential to account for these distinctions when considering marketing strategies for auditing services.

One of the fundamental distinctions in service marketing is the absence of a tangible deliverable feature when consuming a service, as noted by Granfeldt and Nastasi (2019). Consequently, a service's preparatory aspects are critical and must be addressed in advance (Grönroos, 1998). Additionally, the logic of service marketing operates from a distinct perspective concerning purpose and the exchange process, as Baker and Magnini (2016) highlighted. In service marketing, the service itself represents the core of the exchange process, and any product involved serves merely as a facilitator within that process (Baker and Magnini, 2016). It is worth noting that customer-perceived

value is predominantly shaped by a company's customer-centric approach and the effective management of resources rather than relying on predefined characteristics (Grönroos, 1998). Furthermore, as Baker and Magnini (2016) emphasized, employees should be considered essential marketing assets since the interaction between customers and employees significantly influences the success of marketing efforts in service-based companies.

While a company may employ full-time marketing and sales personnel, it is essential to note that not all employees within the company serve as marketers and salespeople (Granfeldt and Nastasi, 2019). This is because, in most service-based companies, employees directly engage with customers and can gather valuable information individually (Baker and Magnini, 2016). Within the service marketing triangle framework, the connection between employees and customers is termed "interactive marketing." This concept illustrates that customers and employees operate as collaborative partners in the service production process, as continuous interaction occurs between employees and customers during the service delivery (Baker and Magnini, 2016).



Figure 2. The service marketing triangle (Source: Grenfelt and Nastasi, 2019, quoted by Grönroos, 1998, p. 415).

Furthermore, the service triangle clarifies that in various service processes, a multitude of company employees contribute to creating value for customers. They are directly involved in cross-selling activities, delivery, customer education, service, and maintenance. Essentially, these employees function as part-time marketers, actively participating in the marketing process. It is worth noting that in service-oriented businesses, the number of part-time marketers is often several times greater than that of full-time marketers (Granfeldt and Nastasi, 2019). Full-time marketers within marketing and sales departments have limitations as they cannot maintain continuous, widespread contact with customers at all times and locations (Grönroos, 1998). Hence, it can be argued that internal marketing becomes imperative in service companies. Its role is to train, motivate, and reward employees, ensuring they can deliver high-quality services to customers. This process contributes to continually developing the company's competencies and resource structure (Baker and Magnini, 2016). Consequently, it becomes evident that the enhancement of knowledge and communication among employees of audit firms in applying marketing techniques by professional conduct codes holds significant importance.

2.2 Auditing and marketing mix

There are diverse perspectives on the marketing mix (Sidorkiewicz and Orfin-Tomaszewska, 2023) and its applicability in auditing. O'Donohoe, Diamantopoulos, and Petersen (1991) argue that

promotion is just one of the seven elements in the service marketing mix, and a sole focus on it may lead auditors to overemphasize advertising while neglecting other vital marketing strategies (O'Donohoe, Diamantopoulos, and Petersen, 1991). The elements of product and price within the marketing mix offer considerable flexibility. Pricing strategies are generally open to a wide range of options, with the primary constraint being the acceptance of commissions or contingent fees (Granfeldt and Nastasi, 2019, as cited in O'Donohoe, Diamantopoulos, and Petersen, 1991). In such circumstances, auditors can provide clients with various payment terms, except in cases where this might compromise auditor independence. Additionally, essential pricing techniques within the profession include tailoring discounts based on clients' financial capacity, adopting prestige pricing, and applying influence pricing. As for other marketing mix elements (place, people, physical evidence, and processes) do not face more limitations than those encountered in other industries (Granfeldt and Nastasi, 2019).

2.3 Research background

In recent decades, the role of marketing within the auditing profession has garnered substantial attention from researchers, practitioners, and regulators alike (Sidorkiewicz and Orfin-Tomaszewska, 2023). However, a historical review of marketing within the auditing profession reveals that much of the research has predominantly focused on objective marketing methods such as advertising and the direct request approach. It's worth noting that advertising by accountants faced restrictions and bans in the 19th century, enforced by professional bodies in countries like the UK and the USA. This was due to concerns that advertising could mislead customers and harm the profession's reputation (Hay and Knechel, 2010). In the United States, mounting pressure from both the courts and the government led to the lifting the advertising ban in 1978, followed by removing the ban on direct request in 1979. An intriguing perspective in this context was provided by the International Federation of Accountants (IFAC), established in 1977 to promote international harmonization of accounting rules by offering guidance to professional bodies across different nations. Since 1981, their guidance has underscored that advertising by auditors is not desirable and that direct request contradicts fundamental principles (IFAC Guidance, section 12.1). Nevertheless, IFAC left the decision regarding marketing regulations in the audit field to the discretion of each country, taking into account their legal, social, and economic circumstances (O'Donohoe, Diamantopoulos, and Petersen, 1991), which has led to various regulatory developments among professional bodies. Consequently, Constantin and Anton (2011) delved into the relationship between audit service providers and their clients in their research. Their study revealed that unfair competition among auditors could result in price reductions, inadequate customer education, diminished focus on service quality, a lack of empathy among professional members, inadequate advocacy for the role and significance of auditing by professional organizations, reluctance to engage with customers under financial pressures, and frequent professional scrutiny as the key barriers to establishing enduring relationships between auditors and business owners. To nurture long-term business relationships with business owners, the study emphasized the importance of understanding, fairness, honesty, confidentiality, consistent and transparent communication, mutual trust, and a certain level of customer education (Granfeldt and Nastasi, 2019).

In a separate study, Traynor investigated Pennsylvania auditors' attitudes, perceptions, and practices regarding advertising. His research findings revealed a significant correlation between individuals' age and their inclination to utilize advertisements. Specifically, the study highlighted that personal contact methods and referrals held the highest significance among marketing approaches, while social activities were deemed the least influential. These results suggest that, from a customer's perspective, social activities might not be as crucial for business development as accountants might assume (O'Donohoe, Diamantopoulos, and Petersen, 1991).

In another study by Marts et al., American-certified public accountants' advertising practices were explored. The results indicated that start-up companies tended to employ marketing and advertising methods more extensively than others, with only a few firms adopting long-term marketing plans (O'Donohoe, Diamantopoulos, and Petersen, 1991). Conversely, in the United Kingdom, Diamantopoulos, O'Donohoe, and Lane (1989) conducted a study involving 200 large auditing firms, considering revenue, salaries, and the number of chartered accountants employed. They observed that the prioritized advertising methods included referrals, brochures, seminars, and press releases. Additionally, research revealed that a substantial portion of accounting firms in the United States believed that having a public relations department contributed to their success, with social activities outweighing their use of mass media. Furthermore, companies with a national or international scope exhibited a greater propensity to employ mail advertisements compared to regional or local companies. McLaughlin & O'Kane examined the disparities in public relations practices between users and non-users of public relations agencies' services in a different UK-based study. The findings suggested that auditors who did not utilize the services of public relations agencies tended to rely on customer-oriented literature. Most auditors expected to receive consulting services related to marketing strategy from public relations agencies and allocated minimal financial resources to this endeavor (O'Donohoe, Diamantopoulos & Petersen, 1991). Upon reviewing the literature, it becomes apparent that even though these studies date back several decades, their findings remain relevant and applicable to companies offering professional services.

In Iran, there is a notable scarcity of studies concerning the marketing practices of audit institutions. The sole study in this domain is Maranjory's 2020 research titled "Identification and Ranking of Marketing Strategies in the Auditing Profession." Within this study, a range of marketing strategies were examined, with particular emphasis on price-cutting strategies, diversifying service offerings beyond traditional assurance services, providing comprehensive work resumes, attracting entrepreneurs through influence on board members, establishing connections with parent company managers and holding companies, enticing entrepreneurs through shared interests, facilitated by familiarity or intermediaries, conducting high-quality audits to foster continued collaboration, engaging in meaningful interactions with employers, and periodically rotating formal engagements. These strategies were identified as the most significant in the context of marketing for audit institutions (Maranjory, 2020).

Recognizing the significance of the subject matter and the presence of a research gap, the current research endeavors to explore the feasibility of employing the 7P marketing mix elements as an unconventional marketing model. This exploration centers around investigating the marketing strategies employed by audit firms in Iran.

3. Research Methodology

The current study is an applied research project that has employed a mixed-method approach. A semi-structured interview was utilized as the primary data collection method to initiate this research. The research goal was pursued through content analysis. To unearth the marketing techniques practiced by auditing firms in Iran, 26 professional experts were interviewed in 2022, comprising partners, managers of auditing firms, and individuals with supreme expertise (as delineated in Table 2). Information saturation was achieved through the completion of 21 interviews. Subsequently, the identified techniques were subjected to ranking using the best-worst method (Rezaee, 2015).

The rationale behind selecting these individuals is that, organizationally, the application of marketing methods within audit firms falls under the purview of partners' responsibilities. In the subsequent phase, marketing professors were engaged to evaluate the alignment of the identified

methods with the principles of the 7P marketing mix. This assessment process is elucidated in the subsequent steps of the best-worst method:

3.1 The Best-Worst Method

Following the best-worst method introduced by Rezaei in 2015, the decision maker identifies the best and worst indicators and subsequently conducts pairwise comparisons between each of these two indicators and all other relevant indicators. Subsequently, a maximum-minimum problem is formulated and resolved to ascertain the weights of various indicators. Additionally, this method incorporates a formula for calculating the inconsistency rate and validating the comparisons (Rezaei, 2015).

3.2 Steps of the Best-Worst Method

Step 1: Determine the set of decision-making indicators. In this step, the set of indicators is defined as $[c_1, c_2, \dots, c_n]$, which is needed to make a decision;

Step 2: Determine the best and worst indicators. At this stage, the decision maker defines the best and worst indicators in general, and no comparison is made at this stage;

Step 3: Specify the preference of the best indicator over other indicators with numbers 1 to 9. The preference vector of the best index compared to other indices is displayed as $AB = (a_{B1}, a_{B2}, \dots, a_{Bn})$. In the mentioned vector, a_{BJ} indicates the preference of the best index (B) over index (J), which is $a_{BB} = 1$.

Step 4: Specify the preference of all indicators over the worst indicator with numbers 1 to 9. The preference vector of other indicators compared to the worst indicator is displayed as $AW = (a_{1W}, a_{2W}, \dots, a_{nW})^T$. In the mentioned vector, a_{JW} is the index (J) preference over the worst index (W); it is clear that $a_{WW} = 1$.

Step 5: Find the optimal values of weights $(w_1^*, w_2^*, \dots, w_n^*)$. To determine the optimal weight of each index, the pairs $w_B/w_j = a_{Bj}$ and $w_j/w_w = a_{jw}$ are formed; then, to satisfy these conditions in all j , a solution must be found so that the expressions $|w_B/w_j - a_{Bj}|$ and $|w_j/w_w - a_{jw}|$ maximize for all j s that are minimized. Considering the non-negativeness of the weights and the sum of the weights, the model can be formulated as follows:

model (1)

$$\min \max \{ |w_B/w_j - a_{Bj}|, |w_j/w_w - a_{jw}| \}$$

"s. t. "

$$\sum_j w_j = 1$$

$$w_j \geq 0, \text{ "for all" } j$$

The above model can also be converted into model 2:

model (2)

$$\min \xi$$

"s. t. "

$$|w_B/w_j - a_{Bj}| \leq \xi, \text{ "for all" } j$$

$$|w_j/w_w - a_{jw}| \leq \xi, \text{ "for all" } j$$

$$\sum_j w_j = 1$$

$$w_j \geq 0, \text{ "for all" } j$$

By solving the above model, the optimal values of $(w_1^*, w_2^*, \dots, w_n^*)$ and ξ^* are obtained (Rezaei (2015)).

3.3 Calculation of compatibility rate in the best-worst method

The compatibility rate is calculated using ξ^* . The larger the ξ^* value, the higher the

compatibility rate. Since $aB_j \times a_{jw} = aBW$ and $\{9, \dots \text{ and } 2, 1\} aBW \in$, the maximum value of ξ^* can be obtained. The consistency rate can be calculated using the consistency indices in table (1) and the presented formula.

Table 1. Compatibility indices using the best-worst method

ABW	1	2	3	4	5	6	7	8	9
Compatibility Index	0.000	0.440	1.000	1.630	2.300	3.000	3.730	4.470	5.230
Compatibility Index / ξ^* = Compatibility Rate									

The closer the consistency rate is to zero, the more consistent the results are (Rezaee, 2015).

4. Research Findings and Data

4.1 Demographic findings

Demographic characteristics (Table 2) show that the respondents were 2 women (about 8%) and 24 men (about 92%). 42% of the participants in the present study had a PhD degree, 50% had a master's degree, and 8% had a bachelor's degree. The average professional experience of people is about 24 years (the longest is 50 years and the shortest is 14 years), and the average age of people is about 51 years (the oldest is 70 years and the youngest is 37 years). On average, it took 30 minutes to answer the interview questions (the maximum time is 90 minutes, and the minimum is 5 minutes).

In the initial phase, participants were invited to enumerate the marketing methods employed by audit firms for both client acquisition and client retention. The outcomes of this question are presented in Table No. 3. Notably, no restrictions were imposed on the methods they had used, as this approach facilitated a comprehensive identification of these methods. In the subsequent step, we endeavored to align these methods with the 7P marketing elements, guided by the insights of marketing experts. It is imperative to emphasize that, at this stage, the primary objective was to identify the practical marketing methods employed within audit firms without focusing on their adherence to the professional code of conduct standards. It is crucial to recognize that aligning these methods with the marketing mix elements does not necessarily imply alignment with the professional code of conduct standards. Consequently, it becomes evident that numerous methods employed by audit firms do not conform to the requirements of the code of professional conduct in Iran (Sections 150 and 250). In certain instances, these practices might be considered unprofessional and unethical, not only in the context of the auditing profession but also in other business sectors.

Following the identification of marketing methods employed by audit firms, the subsequent inquiry posed to participants concerned methods aligned with the code of professional conduct suitable for use within the audit market. The outcomes of this phase are summarized in Table No. 4, presenting approved solutions compliant with the Code of Conduct. These solutions are categorized based on the elements of the marketing mix.

Table 2. The overview of the interviewees

Participant	Age/ years	Education	Professional title	Experience/ years	Interview format	Interview Length/Minutes
P1	71	Master Degree	Partner	32	Telephone	15
P2	49	Master Degree	Partner	18	Telephone	20
P3	53	Master Degree	Partner	20	Telephone	13
P4	69	Master Degree	Partner	32	Telephone	15
P5	70	Master Degree	Partner	50	In person	80
P6	37	Ph.D.	Partner	15	In person	62
P7	44	Master Degree	Partner	18	Telephone	90
P8	48	Ph.D.	Partner	15	textual	13
P9	55	Master Degree	Partner	20	Telephone	5
P10	53	Bachelor's Degree	Partner	21	textual	14
P11	39	Ph.D.	Partner	19	In person	42
P12	46	Master Degree	Partner	20	In person	35
P13	38	Ph.D.	Partner	14	In person	36
P14	53	Master Degree	Partner	22	Telephone	12
P15	51	Master Degree	Partner	25	Telephone	15
P16	52	Bachelor's Degree	Partner	31	textual	10
P17	49	Master Degree	Partner	22	textual	13
P18	50	Master Degree	Partner	21	Telephone	18
P19	42	Ph.D.	Partner	17	Telephone	13
P20	64	Master Degree	Partner	36	Telephone	13
P21	55	Ph.D.	Partner	32	In person	64
P22	55	Ph.D.	Partner	33	In person	46
P23	51	Master Degree	Partner	22	Telephone	7
P24	39	Ph.D.	Partner	17	Telephone	9
P25	38	Ph.D.	Partner	18	In person	71
P26	54	Ph.D.	Partner	16	In person	34

According to expert opinions, these findings have illuminated that promotions hold the highest potential for marketing application within audit firms. It is plausible that this preference can be attributed to the inherent nature of the profession, particularly its emphasis on upholding the principle of independence and the inherent characteristics of the promotions element. Among the key sub-components of the promotions element identified in this research, using printed and online brochures, establishing a dedicated public relations unit, public speaking engagements, and participation in scientific and professional conferences are noteworthy. The service element follows closely in significance, characterized by strategies such as expanding the range and quality of services and focusing on branding as its vital component. On the other hand, the remaining elements of the 7P marketing mix, namely processes, physical evidence, and people, were found to possess a relatively lower marketing capacity. In contrast, the elements of price and place did not elicit the endorsement of methods by the experts.

4.2 Reliability and validity

An external diagnostic technique was employed to validate this study's findings. In this approach, expert opinions were sought, and experts were tasked with reviewing the results and providing their assessments. To ensure the reliability of the test, multiple samples of the analyses conducted on the sample were selected, each of which was re-evaluated by the expert panel within a brief and defined time frame. Ultimately, Equation 1 was applied to compute the reliability:

$$\text{Reliability test percentage} = (\text{number of agreements}) / (\text{total number}) * 100\% \quad (1)$$

In this context, two random samples of the analyses conducted by the research team were selected,

and their outcomes were compared with the analyses performed by the expert group (as shown in Table 5). Consequently, by applying Equation 1, it can be determined that the reliability percentage between the analysts amounted to 78.57%. Based on this outcome, it can be asserted that since the reliability percentage among the analysts surpasses 60%, the reliability of the results can be considered confirmed.

Table 3. Description of marketing methods for attracting clients in Iran's auditing market

Subcategories	Frequency	Main Categories	Frequency	Comply With 7P
Presenting resumes to the target companies	5	Submit work experience	5	Promotion
Providing consulting services in the field of law to clients	4	Providing free complementary services	5	Product
Acquiring the competency from the Central Bank	2	Obtaining professional competency	15	Product
Obtaining the quality control rating of auditing firms	9			
Being qualified audit firms of the stock exchange	4			
Training of a good representative	1	providing a loyal force in the market	1	People
Declining quality of audit reports	4			
attention to the employer in attracting new customers	4	Audit shopping	14	
Add or remove a paragraph	4			
Fake documentation	2			
Connection with organizations, institutions and other stakeholders	11			
Connection with the Supreme Council of Certified Public Accountants	1	Communication s	21	Processes
Lobbying to get a job	9			
Destruction of other audit firms	4	Offensive strategy	4	
Hidden hands	4			
Receiving Commission	4	Influence policy	19	Price
Bribery	1			
Price-cutting	14	Cost leadership strategy	14	

Table 4. Suggested methods of marketing and customer attraction within the framework of the code of professional conduct in the auditing market

Technique	Frequency	Comply With 7P
Increasing the type and variety of services	11	
Increasing the quality of services	10	
Emphasis on stakeholders	1	
Speed in work and follow-up	1	
Compliance with the principles of confidentiality and professional honesty	1	
Branding of auditing firms	3	Product
Catching name for the auditing firms	1	
Auditing firms' logo design	2	
-	-	Price
-	-	Place
Word of mouth advertising	2	
Creating an active public relations unit	6	
Presenting the current issue of profession	1	
Designing the theme of the day of profession in scientific profession publications	2	
Speeches at conferences	6	
Usage of printed and online brusher	9	
Sponsorship and participation in scientific and professional conferences	5	
Attention to search engine optimization in Google	1	
Environmental advertising in stadiums	2	
Increasing activity in social networks	2	Promotion
Use of billboards	1	
Advertising on radio and general newspapers	4	
Attractive business card design for audit firms	1	
Observance of politeness in speech and behavior with the employer	3	
Responsiveness and availability	1	People
Suitable and attractive website design	5	
Providing strong management letters	3	Processes
Importance to the decoration of the building and environment	3	
Beautiful signboard design for auditing firms	2	Physical Evidence
Paintings in the office	1	

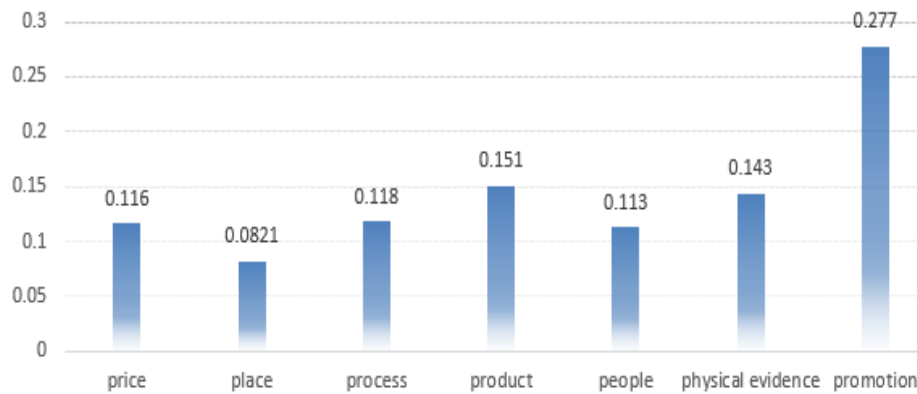


Figure 3. Ranking results using the best and worst method

Table 5. Retest reliability percentage

NO	Research Team	External Expert	Agreements	Retest Reliability Percentage
1	7	7	5	71.43%
2	7	7	6	85.71%
Total	14	14	11	78.57%

5. Conclusion

The current research findings reveal that among the elements of the 7P marketing mix, promotions, products, processes, physical evidence, and employees exhibited the highest likelihood of being employed within the auditing profession, as indicated by their frequency of use.

Price and distribution elements occupy lower categories in terms of frequency of use. It is important to highlight that while all the methods in practice align with one of the elements of the 7P marketing mix, this alignment does not necessarily validate their compliance with the professional code of conduct stipulations.

The findings indicate that auditing firms employ various marketing methods, as presented in Table 2. These methods include sending work experience, price-cutting, and exerting influence while offering commissions. It is worth noting that these findings align with the results of Maranjori's research conducted in 2020, which suggested similar approaches. Furthermore, the results concerning adherence to confidentiality and professional integrity principles concord with the research conducted by Constantin and Anton in 2011. Moreover, establishing a dedicated marketing unit and utilizing marketing specialists correlate with the research findings by Diamantopoulos, O'Donohoe, and Lane (1989) and Maranjuri (2020). Additionally, the emphasis on branding and using a brand name in marketing strategies aligns with the research conducted by O'Donohoe, Diamantopoulos, and Petersen (1991).

The research findings indicate that marketing has not yet emerged as a top priority for auditing firms, largely owing to the mandatory nature of auditing in Iran. However, with the growing number of audit firms and professionals in the field, marketing is anticipated to assume greater importance in the profession shortly. This shift in focus is especially likely when considering the evolving approach of the profession towards commercialism.

The elucidation of the techniques employed in this study highlights that a majority of the marketing methods adopted by auditing firms in Iran are not aligned with the code of professional conduct. This observation suggests that the precarious economic environment faced by auditing firms, stemming

from factors such as economic sanctions and government-mandated pricing of auditing fees, coupled with the absence of significant international audit firms, contributes to the proliferation and endorsement of "inappropriate marketing practices" within Iranian auditing firms.

6. Implications

Based on the current research findings and the significance of elements such as promotions and products, it is recommended that future research endeavors consider conducting partial studies to delve deeper into their subcomponents. For instance, within the subset of the promotions element, a specific focus could be placed on exploring the role and development of a public relations department. This research could aim to establish a model within the context of the auditing profession while adhering to the code of professional conduct. In conclusion, to advance and implement the outcomes of the present research, the following suggestions are put forth for consideration in future research:

- Developing a marketing model in alignment with the professional code of conduct in audit firms
- Exploring effective marketing practices for attracting business owners to select a particular audit firm
- Establishing quantitative metrics for identifying novel marketing strategies tailored to the auditing profession

In this context, a recommendation is extended to practitioners within the auditing profession to:

- In the realm of client relationship management, formulate and put into practice the necessary standards.
- Acknowledging that economic factors influence many methods utilized by auditors, it is imperative for professional practitioners to work towards mitigating these underlying factors by establishing a practical model for fee structures across all categories of audit services, with a particular focus on assurance services.

7. Special thanks and appreciation

I thank all the partners and managing directors of auditing firms for participating in this research.

References

1. Amiri, E. and Fakhari, H. (2020). A Composite Index for Audit Opinion Shopping Based on Discriminant Analysis Technique. *Accounting and Auditing Review*, 27(1), pp. 1-31. <https://doi.org/10.22059/acctgrev.2020.290386.1008287>
2. Amiri, E. and Fakhari, H. (2020). Audit Opinion Shopping and the quality of financial reporting: with the simultaneous equations model approach. *Audit knowledge*, 27(1), pp. 1-31. <https://doi.org/10.22059/acctgrev.2020.290386.1008287>
3. Arbab Soleimani, A. (2013). Professional Code of Conduct for Professional Accountants. *Shahr Yas Publication*, p. 2.
4. Baker, M. A. and Magnini, V. P. (2016). The evolution of services marketing, hospitality marketing and building the constituency model for hospitality marketing. *International Journal of Contemporary Hospitality Management*, 28(8), pp. 1510-1534. <https://doi.org/10.1108/IJCHM-01-2015-0015>.
5. Broberg, P., Umans, T. and Gerlofstig, C. (2013). Balance between auditing and marketing: An explorative Study. *Journal of International Accounting, Auditing and Taxation*, 22(1), pp. 57-70. <https://doi.org/10.1016/j.intaccaudtax.2013.02.001>
6. Constantin C. and Anton, C. (2011). Implications of Relationship Marketing on the Financial Accounting Services Providers Mathematics And Computers In Biology, Conference Paper,

Business And Acoustics, pp. 122-127.

7. Diamantopoulos, A., O'Donohoe, S. and Lane, J. (1989). Advertising by accountants: An empirical study. *Managerial Auditing Journal*, 4(1), pp. 3–10. <https://doi.org/10.1108/EUM0000000001740>
8. Enerson, M., Mason, B. R., and Corbishley, K. M. (2016). Factors that influence the marketing of professional services. *Investment Management and Financial Innovations*, 13(3), pp. 118-130. <http://doi:196.21.61.18/handle/10321/2409>.
9. Esfidani, M. R., Nazari, M., aghaei, M. and Abdolali, H. (2018). Designing a Model for B2B Relationship Marketing in the Parsian Tourism Business Network. *New Marketing Research Journal*, 7(4), pp. 23-40. <https://doi.org/10.22108/nmrj.2017.102899.1171>.
10. Ganji, K., and Arabmazar Yazdi, M. (2021). Identifying the Factors Affecting Professional Turnover Intention among the Auditors. *Iranian Journal of Accounting, Auditing and Finance*, 5(3), pp. 83-106. <https://doi.org/10.22067/ijaaf.2021.40754>
11. Ghasemi, S., Mehrabanpour, M. and Talebnia, G. (2023). Modeling the Consequences of the Auditors' Leaving the Public Accounting Profession: Is There a Brain Drain in Auditing? *Iranian Journal of Accounting, Auditing and Finance*, 7(1), pp. 69-91. <https://doi.org/10.22067/ijaaf.2023.42678.1168>
12. Granfeldt, S., and Nastasi, I. (2019). Relationship marketing for auditors: A qualitative study on how SME auditing firms practice relationship marketing. Thesis, Halmstad University, Halmstad, Sweden
13. Grönroos, C. (1998). Marketing services: the case of a missing product. *Journal of Business & Industrial Marketing*, 13(4/5), pp. 322-338. <https://doi.org/10.1108/08858629810226645>
14. Hasanqolipour, T and Sharifi, K. (2014). Insurance Services Marketing. *Kyomarth Publications*, 1(1), pp. 39-42.
15. Hasaqolipour, T & Sharifi, Q. (2014). Marketing insurance services. SAMT Publications, 1(1), p. 40.
16. Hassas Yeganeh, Y. (2013). The fall of professional ethics and the collapse of Enron. *Auditor*, 27(1), pp. 47-42.
17. Hay, D., and Knechel, W. R. (2010). The effects of advertising and solicitation on audit fees. *Journal of Accounting and Public Policy*, 29(1), pp. 60-81. <https://doi.org/10.1016/j.jaccpubpol.2009.10.001>.
18. Lin, S. M. (2011). Marketing mix (7P) and performance assessment of western fast food industry in Taiwan: An application by associating DEMATEL and ANP. *African Journal of Business Management*, 5(26), pp. 10634-10644. <https://doi.org/10.5897/AJBM11.894>
19. Maranjory, M. (2020). Identifying and Ranking the Marketing Strategies in Auditing Profession. *Accounting and Auditing Review*, 27(1), pp. 114-131. <https://doi.org/10.22059/acctgrev.2020.276175.1008129>
20. Mehrabanpour, M., Karami, G., and Jandaghi Ghomi, M. (2021). SWOT Analysis of the Independent Audit Profession in Iran. *Accounting and Auditing Review*, 28(2), pp. 359-397. <https://doi.org/10.22059/acctgrev.2020.290832.1008290>
21. Mogaji, E., Adeola, O., Hinson, R. E., Nguyen, N. P., Nwoba, A. C. and Soetan, T. O. (2021). Marketing bank services to financially vulnerable customers: evidence from an emerging economy. *International Journal of Bank Marketing*, 39(3), pp. 402-428. <https://doi.org/10.1108/IJBM-07-2020-0379>
22. Mudondo, C. D. (2021). Social media marketing and bank customers' behaviour: conceptualizing a relationship model. *Turkish Journal of Computer and Mathematics*

- Education* (TURCOMAT), 12(2), pp. 1955-1972.
<https://doi.org/10.17762/turcomat.v12i2.1792>
23. Nasution, M. M., Dirbawanto, N. D. and Siregar, O. M. (2023). Analysis of service business growth and marketing strategies used in the digital technology ERA during the COVID-19 pandemic: (Case Study on PT. Sucofindo Medan). *Journal of Humanities, Social Sciences and Business*, 2(2), pp. 525–534. <https://doi.org/10.55047/jhssb.v2i2.569>
24. O'Donohoe, A. Diamantopoulos N. and Petersen. (1991). Marketing Principles and Practice in the Accounting Profession: A Review. *European Journal of Marketing*, 25(6), pp. 37 – 54. <https://doi.org/10.1108/03090569110145402>
25. Rezaee, J. (2015). Best-worst multi-criteria decision-making method, *Omega*, 53(2), pp. 49-57. <https://doi.org/10.1016/j.omega.2014.11.009>
26. Shuja, N., Banimahd, B and Vakilifard, H. (2018). Examining auditors' views on marketing activities. *Financial Accounting and Auditing Research*, 10(38), pp. 31-46.
27. Sidorkiewicz, M., and Orfin-Tomaszewska, K. (2023). Kształtowanie instrumentarium marketingowego obiektów hotelarskich w świetle pandemii COVID-19. Rozważania teoretyczno-analityczne. *Studia Periegetica*, 39(3), pp. 73–94. <https://journals.wsb.poznan.pl/index.php/sp/article/view/359>
28. Tiago, M and Verissimo, J. (2014). Digital marketing and social media: Why bother? *Business Horizons*, 57(6), pp. 703-708. <https://doi.org/10.1016/j.bushor.2014.07.002>.