

Evaluating the Advertiser-Advertising Agency Relationship.

by

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Thesis Submitted for the Award of

M.B.S.

(Master of Business Studies)

to the

Dublin Business School,

Dublin City University.

August, 1995.

The present thesis is based on the work of Íde Kennedy, Post Graduate Research Student at the College of Marketing and Design, DIT during the period November 1991-January 1994. The research was carried out under the supervision of Dr. Katrina Lawlor, Senior Lecturer, College of Marketing and Design, DIT.

I hereby certify that this material, which I now submit for assessment on the programme of study leading to the award of M.B.S. is entirely my own work and has not been taken from the work of others save and to the extent that such work has been cited and acknowledged within the text of my work.

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Acknowledgements.

For her constant interest, assistance and support, particular appreciation is due to Dr. Katrina Lawlor. I would also like to thank:

Mr. Paul O'Sullivan, Acting Director, COMAD, DIT.

Mr. Darach Turley, COMAD, DIT.

Mr. Fred Hayden of the Association of Advertisers in Ireland and

Mr. Jim Nolan of the Institute of Advertising Practitioners in Ireland for their backing.

All the members of advertising companies and agencies who participated through the various stages of research.

Thanks to my friends and colleagues, Joanne, Clare, Abigail, Kerry, Noel and Joan for listening, criticising and reassuring at the opportune moments.

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Abstract.

The relationship between advertiser and advertising agency has been identified as an input into the advertising process and as a determinant of advertiser satisfaction. This study examines the advertiser-advertising agency relationship, with the purpose of providing a mechanism which both advertisers and agencies can use to evaluate their relationship and which will allow them to improve the quality of that relationship and its contribution to the advertising process.

The contributions of advertising theorists as well as sociologists are considered when examining the relationship. The former raise issues which affect the relationship as it operates while the latter provide a means of establishing relationship elements, structure, dynamics and objectives. A refined definition of the advertiser-agency relationship as an instrumental, performance-oriented relationship was developed and placed within the context of the advertising process. A framework of the advertising process was developed by using this definition of the relationship and its environment.

Since the purpose of the study requires developing a usable evaluation method, the research was undertaken among representatives in ongoing rather than terminated relationships. And, also unlike previous studies, the information was collected from both advertiser and agency representatives of a relationship. The structured qualitative interviews were founded on the model of the advertising process and the working relationship. Elements of the working relationship were identified as openness, trust, similarity and 'getting the work done'. These along with briefing procedures, agency work and evaluation were examined and crosstabulated to establish associations between the relationship elements and the advertising process. The framework of the advertising process is modified and re-presented as an evaluation system which advertiser and agency can use to monitor their current relationship.

Chapter 1.

The Advertiser-Advertising Agency Relationship.

1.1 Introduction.

The advertiser-advertising agency relationship has been identified by practitioners and theorists as a contributory influence during the creation of advertising. The relationship itself exists among company personnel from both organisations and is formed to achieve an advertising task. Although the relationship has effects on advertising production, these effects are frequently described by practitioners in general terms and are not isolated and identified. Theorists, when contributing to the identification of relationship elements, tend to be all-encompassing. This study aims to bridge the gap between practitioner needs and current theoretical contributions. By providing an evaluation technique which identifies the influence of the advertiser-advertising agency relationship and which lends itself to application, the acknowledged contribution of the advertiser-advertising agency relationship can be meaningfully examined by advertisers and advertising agencies in order to improve that relationship and ultimately improve the advertising generated. To this end, the objective of the research is *to provide a mechanism which both advertiser and advertising agency can use to evaluate their relationship and which will allow them to improve that relationship and its contribution to the advertising process.*

Three significant areas of study are considered in the light of this objective:-

- i) the turbulent nature of the advertising industry and the heightened interest in the role and functioning of the advertiser-advertising agency relationship,
- ii) the ongoing examination of the inputs and effects of agency-client

relationship by authors and practitioners,

iii) the mechanisms used/proposed to evaluate advertiser-advertising agency relationships.

Chapter One establishes the long-term value of an advertiser-advertising agency relationship and the determinants of loyalty within a relationship. As a determinant of successful relationships, the selection procedure used by advertisers is considered. As a result of this examination, the demands for 'accountability' and control within a relationship are identified and considered. Finally, various means of proactively managing and sustaining a relationship are suggested.

Chapter Two addresses the role effects of a relationship. While authors have examined the inputs and their effects within a relationship, they have not always examined the relationship's objective(s). Since there is little literature or comment covering the agency-client relationship's role, the broader area of relationship and group theory is accessed and considered in the light of current understanding of the advertiser-advertising agency relationship. The problem areas identified in group and relationship theory are specifically related to the advertiser-agency relationship.

Chapter Three considers existing evaluation and auditing techniques in the business area in order to further develop an evaluation mechanism which will be used by relationship members to improve the relationship. It is from reviews of each of these areas, that a framework of the advertising process is developed. The advertiser-agency relationship spans all stages of this model and may be assessed by how the relationship facilitates the contribution of relationship members to the process and, in turn, the contribution of the process to the achievement of the advertising objectives.

When considering the nature of the relationship, one must realise that the relationship is a conduit for developing a creative advertising appeal which is placed in the (usually) mass media. Participants in the relationship, both agency and client members, work towards achieving an advertising task - one that is normally related in an advertising briefing document. Because of qualitative objectives or those which are difficult to quantify, for example when altering brand image, an accurate interpretation of the brief by agency representatives relies on clear direction, communication and mutual understanding between the parties. To this end, the advertiser and agency strive to foster a relationship where communication and understanding are maximised. Once such a relationship is developed, it is of benefit to both advertiser and agency to maintain the relationship. Financial benefits accrue to advertising agencies who retain profitable clients, and to advertisers who employ agencies developing successful campaigns. 'Switching' or transaction costs affect both advertiser and agency in terms of time spent obtaining a new agency or soliciting a new client, and opportunity costs are incurred when a new advertising agency spends time learning a client's business.

1.2 Long-term Value of Relationship.

To bring a relationship to a point of maximum communication, understanding and trust requires investments by both parties and an appreciation that these investments are strategic. Just as advertising has long-term, brand-building benefits, the time and cost spent by advertiser and agency in developing a relationship benefits communication and understanding over time, and ultimately the development of the advertising product.

However, a difficulty arises when considering the long-term effects of investment in advertising and advertising relationships because of the intangible nature of their benefits. While advertising is essentially an investment, there is no certainty about the nature and duration of benefits accruing from the advertising process (Dhalla, 1978: 88).

While the marketing company evaluates the cost of the advertising itself, it must also consider the costs of switching agency when dissatisfied with the advertising product. There is a belief that long-term commitments are often best as the companies do not incur transaction costs, loss of investment and adverse working environment effects caused by future uncertainties. Newsome (1980: 26) believed that the process of switching and developing a fruitful partnership took up to two years. The switching process will involve the new agency selection process, induction briefings, and the gradual development of rapport and trust with the new agency (Michell, 1987/88: 65). However, there exists a view that account switching and movement is the better course ('to keep agencies on their toes.' Grofton, 1984: 25). In the advertising sense, long-term relationships, when correctly handled, should provide the environment in which the best advertising product can be produced. Through ongoing monitoring and resolution of areas of dissatisfaction, both client and agency can benefit from strengthening and maintaining their relationship.

Maintaining relations has obvious advantages to both parties when working relationships are smooth, the parties can concentrate on the important business of planning winning strategies to reach shared objectives within mutually-agreed-upon budgets. (Richie & Spector, 1990: 17).

However, it may be difficult to convince advertisers of the long-term value of developing the advertiser-advertising agency relationship when the long-term value of the advertising itself is not always accepted or understood.

The fact that advertising may have effects other than short-term or volume is too often overlooked, because such effects are complex and hard to quantify. A wider view may need to be taken; when advertising is evaluated, it is important that the job is done properly. (Reid & Rotfeld, 1975/76: 26).

One method of assessing long-term effects of advertising is to undertake a brand audit, which lists ways in which the brand differs from other branded or unbranded products. Inclusion of the advertiser-agency relationship in such audits, or separate audits of the relationship assist in

the demonstration of long-term relationship benefits that result from an investment in the relationship. But, even gaining support and resources for advertising brand-building activities is difficult (Aaker, 1991: 14-15). The agency-client relationship needs to be viewed as a long-term input into the advertising which itself has long-term effects. The investment both agency and advertiser make in this relationship is one part of the overall investment that is made in advertising.

1.3 Advertiser-Advertising Agency Relations: A Path to Success.

Although it is difficult to directly assess the investment clients make in advertising because of the largely intangible nature of advertising, a case must be made for investment in the advertiser-advertising agency relationship. While sales increases are a direct short-term outcome of advertising, it is more difficult to gauge the long-term influence of the advertising itself, or the benefits of using a particular agency. Weilbacher (1981) states that in order to maximise the probability of developing commercially effective advertising, the agency management should create a comfortable and thriving working atmosphere.

Although it is contracted to an outside agency, advertising is an integral part of the marketing activity of the clients' business. As advertising recommendations are reviewed and approved, modified, or rejected by the client, and the finally accepted plans are subsequently implemented, a close working relationship between client and agency is generally required (Weilbacher, 1981). This interaction takes place primarily between the product or brand manager and account executive representing the agency. During briefing, selection, and implementation, personnel and management in both organisations are involved as each operates their internal decision making procedures. The relationship not only affects agency personnel but also advertiser personnel. While satisfied clients will continue using an agency, it can also be stated that agency personnel who are satisfied with the relationship provide a better service. Bowring and Pryke (1986: 347) believe that the "particular beliefs of the small

number of people who actually run an advertising agency have a great influence on the way advertising is developed." The approach taken by the advertiser with the agency may directly affect the advertising process and product.

Working relations between agency and client will facilitate production of good creative work. Relationship quality can be described as the calibre of interactions between the salesperson and the customer which determines the probability of continued interchange in the future (Crosby, Evans and Cowles, 1990). It is felt that developing and maintaining trust and satisfaction between parties ensures the best opportunity to achieve a relationship of high quality. This opportunity is converted to behaviour (commitment to a relationship) by the level of perceived similarity and expertise in the relationship (Crosby, Evans and Cowles, 1990; Crosby and Stephens, 1987). A relationship that satisfies both parties can be called a successful relationship, and the type of relationship where advertiser and agency are satisfied and loyal to each other is the most durable.

1.3.1 Relationship Loyalty.

However, relationship loyalty tends to be viewed from only one dimension in the literature, that of advertiser loyalty to an agency, expressed and measured by the length of time an advertiser retains an advertising agency. One view of relationship loyalty that is multi-dimensional is a lifecycle theory proposed by Wackman, Salmon and Salmon (1986/87) which they feel can be used to describe stages of agency-client relations, but Michell (1987/88: 61), who views loyalty from the advertiser perspective, has suggested that this theory cannot be applied to all relationships. While certain relationships go through an introduction, development, maturity and decline phases (Wackman, Salmon and Salmon, 1986/87: 22), other relationships may never reach the growth stage, or in the case of clients who loyally keep their account with one agency, never reach the decline stage. By using U.K. data, Michell (1987/88) has been able to identify segments of loyalty among advertising

companies who retain their account with an agency for very long periods. It was discovered that larger accounts tend to be more loyal, as are accounts within 'fast moving consumer goods' sectors. These accounts seem not to go through a life cycle as suggested by Wackman, Salmon and Salmon (1986/87), and seem to favour agencies that are also large. Michell (1988c: 43) suggests that "a very strong link exists between the size of the client, the size of the account, the size of the agency, and the degree of account loyalty: the bigger the client and account and the bigger the agency, the higher the likelihood of the account being maintained." Dik Warren Twedt (1964: 84) similarly found that loyal companies were characterised by higher average net sales and a higher net current-earnings rate than those companies that switched agencies during the same period.

In terms of relationship description, one may quantifiably state the length of time an advertiser has used an agency or attempt to place that relationship on a lifecycle curve. These methods are not directly comparable since a long relationship may have gone through an entire lifecycle more than once because of a 'repitch' following a decline in the relationship resulting in the same agency winning back the account. These methods view the relationship from the exterior, and make no attempt to measure loyalty by considering the efforts expended by parties to maintain the relationship and the investment made in developing it.

1.4 Agency Selection Factors.

The first step in forming a relationship is the investment of time and resources in screening and selection procedures used by advertiser and agency. However, while undertaking such a process indicates a commitment to the future relationship, advertisers and agencies may not consider maintenance of the relationship beyond this initial evaluation. Nonetheless, it is suggested that one way to ensure a relationship is maintained and the parties remain loyal is to ensure a proper selection process is used (Wackman, Salmon and Salmon, 1986/87: 27). Advertiser associations (Association of Advertisers in Ireland and Incorporated

Society of British Advertisers) provide agency selection guidelines to their members, as well as assisting them and offering advice on how to deal with their agencies. The Marketing Communications Research Centre suggest the following points to consider when initially selecting and using an agency: (Kennedy and Corkindale, 1976: 90-91).

1. The size of the company and the limitation this might place on the number of personnel who can be employed in the area of marketing and advertising.
2. Top management attitudes to the role which marketing and advertising should play in the company.
3. The experience of personnel in the marketing and advertising departments.
4. The provision of supportive functions, in particular research, for those lacking the marketing and advertising decisions.
5. The previous practice of the company.
6. Historic relationships with particular agencies.
7. Formally stated policies on how agencies should be employed by the company or informal preference by top management which has much the same effect.
8. The interaction of individuals in both the company and the agency, over and above any formally stated policy.

While it may be easy to discover, for example, the size of the agency and its historic record, it may be much more difficult to find out eg. the informal preferences of top management. Even when an agency is selected using these a set of selection criteria, one must realise that the relationship develops and changes. These selection criteria may not guarantee that an account will not be 'switched' (moved to another agency by the advertiser) in the future. Neither advertiser or agency can accurately predict the changes that may occur in either of their organisations when entering the relationship.

However, it appears that clients tend to select agencies that mirror themselves. Larger, 'fast moving consumer goods' accounts remain with large agencies and new, smaller accounts tend to use medium and smaller agencies, which is reflected by the advertisers' subsequent loyalty to their selected agencies. This appears to support Sanders' (1992: 22) theory purporting that relationships among alike members are the most enduring. Cagley (1986: 41) has noted the size factor when they reported on agency selection factors cited by advertisers, and have shown that larger advertisers do tend to prefer larger agencies. Explanations for these

preferences included; stability, cost consciousness, and range of services (Cagley and Roberts, 1984; Hotz, Ryans Jr. and Shanklin, 1982). Although these pairings are compatible, they may not be complementary (Evans, 1988). A large agency may not always best serve a large account, especially if the agency has other large accounts and account servicing and creative resources are stretched. And, the level of failure for new, smaller accounts is higher than the established accounts even though they may receive a disproportionately high level of management attention (Michell, 1987/88: 64).

When an advertising company undertakes a selection process for a new advertising agency, it indicates the expectations they hold. An advertiser who desires very creative art work shortlists and considers advertising agencies noted for their creative work, while an advertiser who is looking for efficiencies in media buying will be attracted to agencies who excel in media purchasing and discounting. Wethey (1991: 25) believes that by the time the client and the pitching agency meet, the agency should know exactly what the client is looking for. However, an advertiser and agency may not clearly communicate their needs and their expectations. Differences in agency and client perceptions of each others expectations may hinder their relationship. The toll involved in agency switches may be reduced if agencies and advertisers understood what each were looking for in the relationship. Cagley (1986), analysing 25 attributes believed to determine agency selection, discovered that while agencies and clients did agree on the majority of the attributes, they differed on the factor structures that were generated from these attributes. However, one criterion, 'the people factor' was affirmed as being the most important attribute for both agency and advertiser. As an essential part of the relationship since it includes both abilities and personality (Barnett, 1991: 24), the 'people factor' arises again as a consideration when sustaining the relationship (section 1.7.2).

The selection process does have an effect on the relationship, especially at

the initial stages since the advertiser has selected the agency which they feel will satisfy their needs in terms of capabilities and the personnel that will be working on the account. However, this is only the beginning of the relationship and not necessarily an ongoing influence on the relationship. As the needs of the advertiser change, they are communicated to the agency through the medium of the relationship that exists between advertiser and agency personnel. The relationship does not exist only at one point in time but is continuous, although the messages communicated through the relationship change. Because the relationship is continuous, it needs to be monitored over time in order to evaluate and maintain its effectiveness, and prevent a relationship decline which results in the account being offered to the agency marketplace once more.

1.5 Dissatisfaction and Agency Change.

Relationships are terminated primarily because one of the relationship members expresses a dissatisfaction with the relationship. In the advertising market, it is the advertiser who typically uses the power to terminate a relationship. One other cause of agency change is international realignment of advertising agencies by an international client. Such a change is frequently beyond the control of the advertising agency or national branches of the international company.

1.5.1 Causes of Dissatisfaction.

Doyle, Corstjens and Michell (1980), in their initial and much replicated study, sought to uncover the reasons underlying agency change. They suggested five main reasons for account switches, which include both performance differences and, as suggested by Cagley (1986), interpersonal differences. The areas of concern identified are; changes in client policy, changes in agency policy, changes in client management, changes in agency management, and dissatisfaction with agency performance. Changes in management of the account, since they involve personnel changes may result with new relationships being formed by relationship personnel which are not as satisfactory as previous relationships, on an

interpersonal basis. Michell, Cataquet and Hague (1992) have replicated the Doyle, Corstjens and Michell (1980) study in order to establish 'causes of disaffection.' Dissatisfaction with agency performance which was ranked first in the 1980 study and in a subsequent study by Michell (1987/88).

However, it may be inaccurate to isolate individual variables and present them as identified performance and policy factors since they have been affected by variables from the 'client-agency personality conflict' factor and the 'people' variable. When looking on the study of Doyle, Corstjens and Michell (1980) and Wackman, Salmon and Salmon (1986/87: 21) assert that three of the five reasons provided were "clearly related to dissatisfaction with work performed by the agency in creating ads and managing the accounts."

Wackman, Salmon and Salmon (1986/87) suggest not only a regular or frequent reviewing mechanism (initiated by the agency preferably), but also a greater emphasis on improving the initial selection of agency by the client. A perspective which they propose is that of a relationship life-cycle. It is believed that one should first be aware of the cycle stage and then "look for those factors that lead to satisfaction with the relationship at different stages" (Wackman, Salmon and Salmon, 1986/87: 22). They proceed to suggest four core factors; the work product, the work pattern, organisational factors, and relationship factors. It was concluded that work product factors are most important in the pre-relationship phase, with emphasis on strengths in creative knowledge and experience in the client's market. Work pattern factors played no role at this stage, and relationship factors were secondary. When the relationship reached the development and maintenance stages, relationship and work pattern factors became more important. Of course, work product is still important, but work pattern and relationship factors were regarded as more important when a company was assessing the weaknesses of its agency. Verbeke (1988/89: 20) looked at relationships in the Netherlands using the

Wackman method, but highlighted methodological problems in their study. One of those problems was the lack of an operational definition of stages in the relationship life cycle. Determining where in the cycle the relationship currently lies is the first step in attempting to use the concept of a relationship life-cycle. If one can't identify where one stage ends and another begins, it follows that the life-cycle theory cannot be easily implemented by practitioners.

Provisions of services supplementary to the core creative and media functions may also be a determinant of satisfaction. Marketing/advertising research has been cited, by clients, as one of the least satisfactory components of agency services (Gagnard & Swartz, 1989: 36). The actual organisation of both parties and their methods of communication and decision making have been highlighted by Johnson and Lacznia (1989: 46) as causes of conflict/co-operation, and ultimately determinants of satisfaction and effective advertising. They also suggest vigilance to prevent causes of dissatisfaction manifesting into reasons for switching agency. Johnson and Lacznia echo Cagley (1986: 46) when they suggest that by identifying the roots of dissatisfaction one may offer a basis to clients and agencies which can be used to develop "a systematic program for the elimination and control of such disruptive factors in their relationship." Since dissatisfaction, from whatever cause, will result in 'stifled creativity' and unsatisfactory and ineffective advertising, it may be inferred that all potential causes of dissatisfaction will affect the perceptions of agency performance. And ultimately it is performance factors which have been ranked as being most the most important within the relationship (Doyle, Corstjens and Michell, 1980; Michell, 1986/87; Michell, Cataquet and Hague, 1992).

Although performance appears to be the key satisfaction determinant, one must consider the effect of the relationship on performance as well as the relationship as a satisfaction determinant in its own right. When looking at client satisfaction studies, Halstead (1990: 89) points to relationship

factors as being a key determinant of satisfaction. Results from the research which Crosby, Evans and Cowles carried out in 1990 indicate also that continued sales opportunities are a privilege earned through attention to the perceived quality of the customer-salesperson relationship rather than through previous sales successes. It is the quality of the relationship rather than the work record that ensures that the relationship is maintained. Erosion and disillusionment are kept at bay by renewed efforts by both parties to re-invent and review the relationship. Grinberg (1969/70) feels that the separation or termination is often the result not of objective facts but of the quality of the message communicated to the consumer/service buyer. The Campaign Report (1991: 11) notes differences in opinions among agencies and clients when asked to cite reasons for account switches. While agreeing on some causes ('no fresh input from the agency' and 'account conflict at agency'), there is a general disparity in views. There are also differences in agency and client perceptions of creativity (Michell, 1984: 20), thus influencing expectation levels and satisfaction (Parasuraman, Zeithaml & Berry, 1985: 44-45).

In the case of the agency-client relationship, to exercise tight controls is all the more necessary. This relationship is not easily delineated and the results which flow from it are not measurable in absolute terms.... In all the stages during the elaboration of campaigns, coherence with the objectives should be laid down. Then control must be maintained on the cost of services, on deadlines, on following the planning, on the quality of production, the quality of the message in its final form; finally the closest possible controls should allow for an evaluation of the effect of the campaign on the consumer, and should be used to improve the present campaign or prepare the next one. (Grinberg, 1969/70: 34).

Reasons for breakups do not just arise from dissatisfaction. Just as international advertiser realignments may result in agency reshuffles, the appointment of a new marketing executive and mergers or acquisitions result in an agency change. External factors like the 'new broom' are difficult to combat and regarded as 'almost unavoidable' (Martindale, 1984: 42). Avoidable causes of dissatisfaction however, can be tackled by agency and client to prevent unnecessary and costly account switches.

1.5.2 The Role of Creativity within the Relationship.

When specifically addressing creativity as a performance criterion, one finds the advertiser and advertising agency have different priorities. Michell, in his 1984 study, found that the clients perceive the creative process itself and the creative philosophy as more important factors, while agencies stressed the importance of creative environment and personalities. And as such, Michell (1984: 10) states that successful relations appear to depend more on compatibility in line with own 'self-image' and with 'healthy exchange' resulting from professional domain consensus among the parties. These different perceptions may lead to conflict as suggested by Grinberg (1969/70), and a deterioration in the relationship which affects communication and the work that is produced by the agency. Dissatisfaction and relationship termination may arise not only because of poor performance, but also because of different perceptions of what constitutes the creative process and different perceptions of the importance of elements in a creative process.

1.5.3 Account Switching.

It appears, therefore, that account switching may arise from a number of internal relationship and performance factors which may be combated by the advertiser and the agency. Rather than accepting that the account switching decision is exogenous and unexplainable, which is a view which is commonly held by U.S. advertising agencies (and some advertisers), the advertiser and agency may actively manage their relationship to prevent the entrance of dissatisfaction and conflicting perceptions. Instead of accepting that the causes of the switch are believed to be beyond the scope of the agency and cannot be anticipated, the parties to the relationship may seek to isolate potential problem areas and monitor them as well as reviewing the relationship on an ongoing basis. A number of studies have identified reasons offered by advertiser and agencies for account switches which may be used in a review.

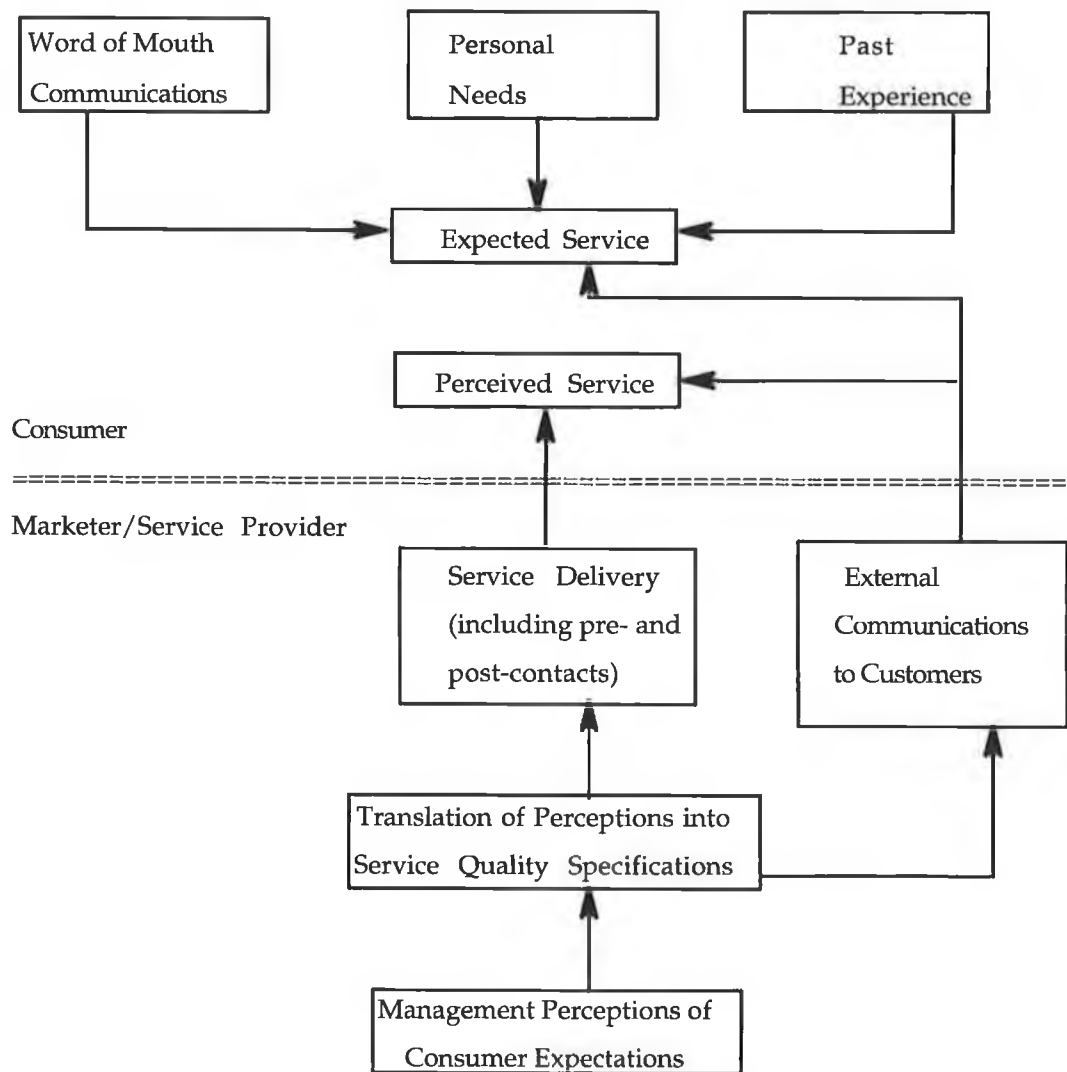


Figure 1.1 Service Quality Model.

A. Parasuraman, Leonard L. Berry, and Valarie A. Zeithaml (1985) "A Conceptual Model of Service Quality and Its Implications for Future Research," *Journal of Marketing* Vol. 49 (Fall): p. 44.

Doyle, Corstjens and Michell sought to explain breakups in terms of; changes in client policy, changes in agency policy, changes in client management, changes in agency management, and dissatisfaction with agency performance. They also embraced the Pasurmanan, Zeithaml and Berry (1985: 44) service quality model (Figure 1.1) which attributes dissatisfaction with differences between expected and perceived performance. The results of the research showed that advertisers saw unsatisfactory performance (especially poor creative work) as a main reason for switching. However, on the other side of the relationship, agencies tended not to have clear views, and listed outside factors, erratic client behaviour, and personnel as factors contributing to the dissolution. One point which is remarkable is the agencies' lack of self-criticism. This may be explained somewhat by a desire to maintain a positive working environment, and an atmosphere conducive to producing good creative concepts. Grofton (1984) also looked at the reasons which underlie account moves. He cites creativity and personal chemistry as the important factors in the sensitive relationship between agency and client. But, fulfilling creative performance needs does not ensure an agency retaining an account. Grofton lists some high-profile account switches which generated interest because of the seemingly perfect relationships which had existed. The clients were regarded as demanding high levels of creativity, and their former agencies had campaigns which were acclaimed for their creative content. Although the advertisers' creative needs were satisfied, the agencies did not meet other client expectations. Grofton's survey revealed that the ability of an agency to understand the client's marketing problem and to get the staff of both organisations working towards the same goal, emerged as one of the most important issues.

These studies look at failed relationships and examine causes attributed to the failure after the relationship has been terminated. However, maintenance takes place during existing relationships and should ensure that problems that may result in termination do not arise. Using a checklist of problems which are attributed, *post-facto*, to failed

relationships is not the preventative measure that is required to maintain a relationship. Martindale (1984) feels that stresses in the relationship take a long time to develop, and that the actual split occurs when both parties have gone beyond a point where reconciliation and repair may be effected. A deteriorating relationship can only be halted or temporarily improved when tackling the symptoms of the problem. To rejuvenate and restore the relationship requires participation by both parties in isolating the 'true cause' and acting to reduce or remove the source of disturbance or conflict. The lack of desire shown by agencies to review the causes of account losses and monitor current relationships is concerning. For them, a causal examination of terminated relationships would ensure an identification of relationship issues that can be used when monitoring existing relationships and which can be applied in a preventative manner to retain profitable accounts.

1.5.4 Effects of Account Switching.

Michell (1984, 1986/87, 1988a, 1988b, 1988c) and with Hague (1990) has published a number of studies in the area of account switching. He looks at the account losses from the agency standpoint, stating that the "loss of a number of highly visible accounts can have a knock-on effect on other advertisers." Doyle, Corstjens and Michell (1980: 22) feel that the retention of current accounts is one of the key issues for an advertising agency. An agency is vulnerable within the agency-client relationship because they are dependent on the advertising budget, because of their low net profit margins, and the potentially disastrous effects of account losses, especially of large or core accounts. The client will also suffer as "a failed relationship involves substantial cost and time in new agency selection and induction, followed by the gradual development of rapport with the new agency personnel" (Michell, 1988c: 42). However, most companies do recognise the benefits that result from a long-standing relationship and they also recognise that the appointment of a new agency involves a learning period which disrupts the advertising programme, generally one of the most important and expensive elements in the marketing mix.

Dublinsky and Ingram (1984), Pels (1992), and Wills (1992) have all suggested that existing and potential clients should be assessed and managed by the agency on a profit-potential basis. This approach ensures that agency resources and time is devoted to those accounts that will develop and remain with the agency; their investment in the client is tempered by the potential of that account.

1.5.5 Patterns of Account Switching.

Advertising agencies may be more or less vulnerable to clients terminating the relationship and moving the account. Although, Wackman, Salmon and Salmon (1986/87: 21) report that there is a general trend towards a more rapid turnover of agencies by clients, there also appears to be specific sectors which have higher turnover of accounts. When analysing trends in account movement, Michell (1988d) has suggested similar findings. It appears that client's loyalty is declining, new accounts are particularly volatile, and loyalty varies by product category with FMCGs and products in more mature markets being more loyal. This final trend may be explained by the greater experience those companies have in the advertising and promotional arena and their greater knowledge of the advertising process. The size of the agency may also influence the degree of account switching, with bigger agencies more likely to maintain accounts. There is also an element of polarisation, where large accounts are more likely to use larger agencies and vice-versa. Again, it is the larger accounts, in the larger agencies which are more loyal. Michell and Hague (1990) discusses five reasons for agency movements. The first is client-size. Michell (1988b: 36) showed that "the maintenance level among all clients increased in direct relation to the size of the agency." He felt that there were clear indications of differing levels of account durability accorded to differing types of agencies by differing types of clients. Account size and agency size are also regarded as important, with the top fifty advertisers having 'substantially' more durable relationships than other clients by account size. A third reason was that of product factors; Michell reiterates points he has made before (1987/88: 64)

when he states that there is "a tendency for FMCG accounts, and similar accounts in more mature markets, to be more loyal to their agencies." The emergence of independent media buying and creative services signalled clients increased search for value. Michell feels that these clients may be categorised into two groups; those that are attracted by the image and the novelty of the concept, and those that seek cost savings. The final reason, that of agency policy changes, occurs when an agency changes its structure, acquires accounts which are threatening to existing clients, or resigns the account. Resignation may be caused by profitability reasons or by disagreement over objectives.

Agencies who have a core of smaller accounts, and especially those accounts who are not in 'FMCG' or similar sectors may be the least loyal and most vulnerable to account moves. Building and displaying loyalty through commitment to the advertiser-agency relationship is one strategy that may be utilised by advertising agencies to prevent account moves. The agency may also note their vulnerable areas and elect to reduce their weaknesses.

1.6 Balance of Control within the Advertising Process.

When there is dissatisfaction within a relationship, both advertiser and agency have the power to cease the relationship. However, as an advertising agency is financially dependent on their clients, they rarely seek to terminate the relationship. The advertiser most frequently chooses to end a relationship since they may be willing to absorb the costs of transferring their business to another agency. The advertiser may use their greater willingness or ability to cease the relationship to impose their control within the relationship. This is not their only form of power or control, however, in that the advertiser commonly delimits the boundaries of the advertising task and has decision-making authority. The agency is not powerless since they provide the service and have control over its production and delivery. One cannot say that all relationships typically follow a certain control structure, since over the

range of tasks undertaken within a relationship, the balance of control (especially decision-making ability) varies between relationships.

1.6.1 Tasks and the Agency-Client Relationship.

The tasks undertaken by the advertising agency on behalf of the advertiser range from idea generation, creative development and execution, media planning and execution, to advertising and media evaluation. The degree of input each member provides may change at different stages of the advertising process. Typically, however, clients will have a greater input at the initial briefing stages when they communicate their marketing plans to the agency. The agency will then use this input and the advertising strategy is formed, leading to advertising development and decision-making. Michell (1988d) has developed four typologies which may describe the tasks undertaken and the level of input provided by advertiser and agency during development of a creative campaign within the agency. These are:

- i. Client and Dominant Partner within Agency,
- ii. Client and Semi-Dominant Partner within Agency,
- iii. Client and Semi-Partnership within Agency,
- iv. Client and Equal Partners within Agency.

The degree of client control and agency input varies between these typologies. In case (i), the client is involved only at the beginning and end of the creative process and interacts only with the account manager. It is the client who develops the marketing strategy, but he/she then withdraws and only enters the process again when jointly making creative decisions with the agency team. The semi-dominant client (case ii) allows for more agency input from the account manager and agency research manager at the marketing strategy stage, but retires also until the last stage when decisions are made on creative work. A semi-partnership exists when the client has an involvement throughout the campaign development, and the agency creative manager also inputs at the marketing strategy stage. Case (iv) - equal partners - is categorised by

shared information, agency and advertiser having equal status, and greater direct contact between client and creative team. Although the advertiser may lose a dominant controlling position at this stage, communication between advertiser and agency improves.

Communication of advertiser objectives and understanding may be promoted when the advertiser has direct contact with the creative team. A reduction in misunderstanding and mis-relayed information from the account manager to creative team ensures more accurate interpretation of advertiser needs. The advertiser briefs the creative personnel more clearly, and the creative personnel more clearly interpret and implement the advertising plan.

1.6.2 The 'Accountability' Factor.

Cost control is an objective of all advertisers, but is influenced by agency spending and billing practices. The effectiveness of advertiser budgeting is affected not only by expenditure on creative development, production costs, and media but also by agency purchasing and cost efficiencies. Toor (1991: 10), while advocating an 'à la carte' approach to advertising, reports that 'survey after survey' of marketing directors indicate that "their main gripe about agencies is cost and cost control." The control of an advertising budget does require that the advertiser entrusts the agency, to some extent, with their advertising budget. However, advertisers are taking more control of their advertising budgets by requesting full and detailed breakdowns of their expenditure, and questioning any item that cannot be measured against advertising returns (Adams and Henderson Blair, 1992).

The agencies have responded in differing ways to this drive for accountability. DDB Needham (Eisenhart, 1990) announced their 'guaranteed results' plan in 1990, but others have resisted measures like 'payment by results,' where the advertiser pays the agency only on achievement of specified objectives. The objectives need to be advertising

specific, since other factors intervene in the market place. Payment methods like 'payment by results' and 'guaranteed results' means that the agency is not paid for labour hours spent on a campaign which was unsuccessful, but this lack of success may be because of poor client input rather than the efforts of the agency. In a 'payments by results' system, the onus lies with the agency to maintain the relationship and ensure that the client contributes fully.

Advertisers are concerned not only with the amounts they are charged for advertising, but are also concerned with the manner in which fees are charged. Marrian (1967) highlighted this area of remuneration over twenty five years ago, and it is still concerning both practitioners and observers (Seggev, 1992). Marrian found that there was very little uniformity of treatment of clients between agencies and that there are some considerable discrepancies in the imposition of additional fees (rather than included with the commission) between clients of the same agency. Formalisation and standard pricing were not generally acceptable at the time the survey was undertaken. The lack of development in this area is reflected by the relevance her conclusions have on the current state of remuneration.

With mistrust on the client side stemming from agency labour turnover, account movements, the lack of selection and evaluative criteria, and the difficulties implicit in the acceptance of advice from agencies regarding appropriation levels, and fear on the agency side that their role will cease to be recognised as having importance if the commission system is ended, formalisation is something that both sides would appear to prefer to leave unexplored. (Marrian, 1967: 6).

1.6.3 Cost Accountability v's Evaluation of Investment.

Advertisers remain unsatisfied with the way they are charged for advertising work and to counter their dissatisfaction, sought to internalise advertising tasks and subcontract advertising work when cost efficient. But, a view of advertising expenditure as an immediate cost is not a satisfactory assessment of expenditure which has long-term benefits.

Nelson (1971) questioned whether the trend to greater advertiser control in marketing services was a passing recessionary phenomenon. He cites the increasing use of promotion consultants, media specialists, and the emerging trends towards international advertising as a "new syndrome of client control of marketing communications" (Nelson, 1971: 29). A great change was predicted for the advertising industry, with less reliance on full service agencies and greater use of consultancies and creative independents, who would be subcontracted on a piece-meal basis. However, twenty years later those full service agencies are still in existence, albeit alongside media broking firms, creative workshops, and sales promotional specialists. The stability and long-term benefits of using a full service agency are lauded by their professional associations who emphasise the range and scope of services they can provide.

Successful collaboration has been found to be the key to creativity and effective advertising. Salz (1988) highlights the difficulties that may occur when creative, account management and client groups work together with disparate views. While creative and account people within the agency may bring attitudes which can hinder a successful collaboration, she feels that the "most potentially destructive attitudes are brought by advertisers since they have control of the advertising budget" (Salz, 1988: 9). An over zealous cost-consciousness may debilitate the development of creative ideas and result in spending more time and money on resolving an advertising problem.

1.6.4 Balance within the Relationship.

It appears that primary factors affecting the balance within the relationship are control and domination by relationship members expressed by clients through their assigning work to an agency, specifying work direction, payment and their demands for different billing methods. Chevalier and Catry (1976) feel that agency-client relationships are unbalanced, as the advertising budget usually represents a higher percentage of the agency turnover than of the advertiser turnover, and because of the advertiser's

ability to modify this budget whenever they wish. Balance in the relationship is also affected by the personnel involved and their abilities.

Since an agency is an advertising specialist in their development of creative work and media purchasing, the specialised abilities of the agency redress the balance equation. Where the advertiser contracts media buying specialists and advertising production houses separately, the power of the advertising providers is split and the control reverts to the hands of a dominant client. However, the advertiser now has to manage not just one relationship but a number of relationships. Weilbacher (1984) identified problem areas in advertiser-agency relationships as including; inexperienced product managers, client decision-making methods and levels, and agencies who lack patience, perspective, and the detailed experience with the products of the advertiser. These problems may be multiplied when dealing with more than one outside agency, requiring the advertiser to develop a philosophy of relationship management. With the growth of importance of services marketing, there has been a renewed focus on management of the advertising agency-client relationship. Beltramini and Pitta (1991) feel that managing the relationship requires an understanding of the types of advertising tasks and the roles played by decision-makers. It is believed that this information is vital to effectively establish and maintain relationships with decision-makers who are important (directly or indirectly) to the advertising process. The relationship is interactive and collaborative, and not just contractual. Requiring that an advertising contract be fulfilled by an advertising agency does not ensure that the best advertising is produced.

1.7 Sustaining the Relationship.

The primary objective of the advertiser/agency relationship is to develop advertising. The quality of creative work delivered while being affected by the relationship, is crucial also in maintaining a relationship (Verbeke, 1988/89: 22). Performance in the other core services of media planning and buying also affect the maintenance of the relationship, and

dissatisfaction with media buying has led advertising companies to employ media independents to undertake media purchasing on their behalf.

Any bond that exists between client and agency can be seriously undermined when one party falls short of the other's expectations. It is suggested that the first months of a relationship require much more effort from both parties in an interpersonal sense (Ritchie and Spector, 1990). During this period the trust between the parties is established and reinforced, through open communication and planning. It is the people within the organisations who have the relationships (Wasiak, 1987) and it is the 'people factor' which is frequently cited as an area of weakness as the relationship develops (Wackman, Salmon and Salmon, 1986/87). To sustain the relationship, the agency must meet or amend the expectations advertisers hold in terms of creative and media performance, account handling, and advertising costs. Agencies may also have to alter their expectations, and have grown to realise that controlling costs retains business, as does improved client contact (Campaign Report, 1991).

Causes cited for relationship breakups by clients tend to be dissatisfaction with agency performance in advertiserment generation and account management. Agencies may tend to protect morale within their organisations by not undertaking appraisals, and externalising the causes of account switching (Wackman, Salmon and Salmon, 1986/87: 21). But, by not examining previous and existing relationships, the agency is choosing to ignore their clients' needs. Wethey (1991: 25) has suggested that the early 1980's saw a shift in emphasis from "husbanding client business to indiscriminant chasing of new business." He believes that it was this factor that led to an "unprecedented number of account moves in 1989 and 1990," in the U.K. A marketing orientation needs to be encouraged, with agencies investing effort in maintaining existing relationships (Wackman, Salmon and Salmon, 1986/87: 28). Methods of prevention suggested by Wackman, Salmon and Salmon (1986/87) include

account audits and vigilance.

1.7.1 Servicing the Relationship: Servicing the Client.

Exchange of professional, business, and financial services involves long-term commitment and a continual stream of interaction between buyer and seller, which in part reflect the inherent risk and complexity of the services. Services literature highlights the increased value of service providers in scenarios where there is little emphasis on physical products. Conversely applying industrial marketing models to describe relationship selling is less useful, but ongoing services provided by the industrial seller are often a major component of the exchange. Crosby, Evans and Cowles (1990) point to how a buyer-seller relationship can be improved and perpetuated when it is properly managed from both agency and advertiser perspectives (though the service provider is often the best relationship manager). Reed, Binks and Ennew (1991) state that the central task of any market-oriented firm is to ensure that its product provides a mix of attributes that is consistent with the preferences of its customers. One method of measuring quality of service is to compare clients' expectations with their perception of service provision/performance. A service provider can benefit because areas of strength and weakness will be highlighted if the comparisons are undertaken across specified characteristics. Reed, Binks and Ennew (1991) suggest that one should elicit ordinal data on consumers' preferences for the characteristics of a service and on their perception of the quality of the characteristics embodied in the provision of a given supplier to provide attainment, supply, and demand indices. Kaynak, Mitchell and Cavusgil (1981) feels that it is essential that the advertiser and the advertising agency share responsibility and work in close collaboration to maintain the production of high quality information. This information helps in the formation of both a campaign and a marketing plan, fulfilling the purpose of employing an advertising agency.

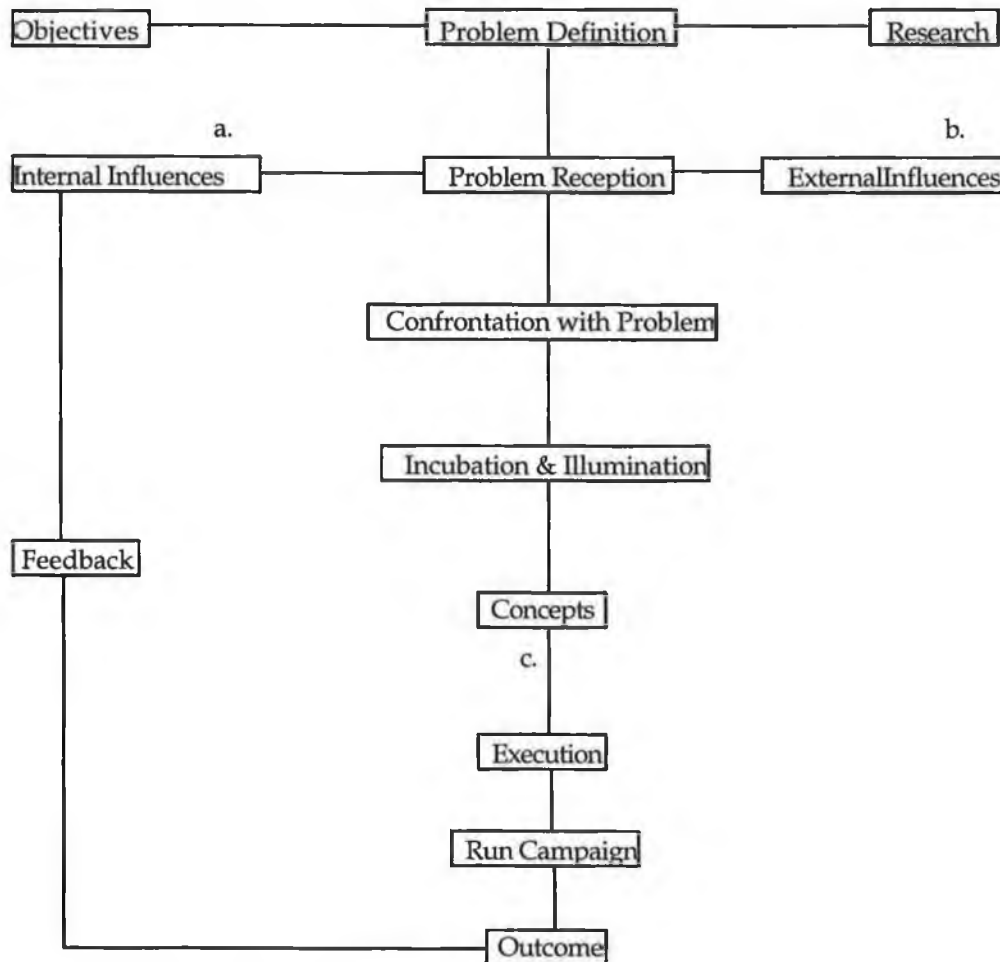
1.7.2 The 'People' Factor.

One factor which arose when considering selection and is frequently cited as a relationship element is the personal element/dynamic between individuals. Cagley's research in 1986 rated a 'people factor' as an important criterion in an evaluation of advertising, and therefore in sustaining a relationship. Because of the subjective methods individuals use to evaluate 'compatibility', 'synergism', management and capabilities, he, likewise, suggests that agencies develop a "listing of criteria, weighting of these attributes, and a tailoring to specific clients on this basis" (Cagley, 1986: 44). This should ensure that the perception of client needs and the reality of agency provision to the needs will coincide and thus prevent potential disharmony, conflict and ultimately a break-down of the relationship between advertiser and agency. Beltramini and Pitta (1991) feel that the relationship will benefit from an systematic appraisal of relationship management in at least four ways. A greater flow of communication in both ways should enhance the quality of advertising. The second benefit is that of the enhanced acceptance of the agency and its advertising by role players within the client firm. Thirdly, the agency can gain valuable insights into the true nature of the client firm. Finally, "the actions of the agency in responding to concerns of the client buying centre can lead to an overall positive evaluation of the agency and a reluctance to change agency" (Beltramini and Pitta, 1991: 158).

1.7.3 Managing Creativity.

What distinguishes an advertising agency from any other service business is that one of its core functions is creative. Managing the creative process in advertising is a concern for both agency management and the advertiser.

Van der Bergh (1983) has conceptualised this creative process as a stream of activities from 'problem definition' to 'outcome' (Figure 1.2), and has specifically recognised the effects of client evaluation on the advertising process. The process does not exist in isolation but is influenced by the agency environment and by the client specifications and satisfaction.



- a. Talent; past experience; psychological state.
- b. Agency philosophy; co-workers; budget, time and media constraints.
- c. Pre-testing and evaluation by agency management and client.

Figure 1.2 The Creative Process in Advertising.

Brude Van der Burgh (1983), "Take this 10-Lesson Course on Managing Creatives Creatively," *Marketing News* (18 March): pp. 22-28.

Blasko and Mokwa (1988), sought to further the understanding and management of creativity by examining the area of conflict and paradox in advertising. They feel that creativity is a process which involves paradox in the form of limits, anomalies and conflict. Advertising development is limited by briefing and budget restrictions. When managing creativity, Fletcher (1990) identifies a conflict between the standards employed by

both agency and client. Fletcher feels that creative people are much more influenced by their own, inner standards than by those of the society or profession to which they belong. Failing to appreciate these differences leads to mismanagement and poor results. Conflict is also deemed to exist in client-agency and intra-agency relationships and it is felt that the ability to effectively handle tension and contradictions is most important throughout the generation of a campaign.

1.7.4 Relationship Quality.

The quality of the advertising will be affected directly by the agency-client relationship and indirectly, through the effects the relationship has on perceptions of quality and performance. Gummesson (1990) advises service providers to closely monitor the quality of the service product itself and the quality of the service process. He describes a quality management scenario that is very similar to the relationship that exists between agency and client.

The quality of the service is often greatly enhanced if the service is produced in close and constructive interaction between a knowledgeable customer and the service provider. The contact is sometimes extremely intense and intimate and includes risk for the customer, such as in an investment decision. The shared experience can cement long lasting relationships and be totally decisive for future purchase and referrals to other customers. (Gummesson, 1990: 41).

Relationship management from the client perspective involves understanding the agency, their agency people, and the advertising development process. The advertiser needs to have those skills which can then turn this understanding into superior work. Salz (1988) believes that an agency must be intimately involved in the clients' business. As they are continuing business partners, they need to develop a continuing working relationship.

The relationship between an advertising agency and a client company can help or hinder the development of an effective campaign. This relationship will be more or less close, depending on whether the agency does the creative execution of a campaign and nothing else, or whether it is involved in developing the marketing strategy and from this the advertising strategy and its implementation. The success of the relationship will depend greatly on the personalities and

Salz (1988) contributes two reasons explaining unequal treatment of clients by agencies. (1) Some clients are not good at managing their agencies and don't communicate well, and (2) agency profits may determine the extent to which an agency devotes its time and resources to a client. Even where a small account is allocated a disproportionately small amount of agency time, they need to ensure that this is used effectively and efficiently. It is suggested that compatibility of size is an important determinant when selection an agency, as a small account will not receive enough attention in a large agency and a large account will not be serviced fully in a small agency. Salz (1988: 9) quotes a Booz Allen Hamilton study undertaken in 1965. This study shows that:

the relative effectiveness among product managers in leading others and getting action stems from their personal capabilities, not from their position as such. Product managers who have established themselves as individuals, ... who help others get their jobs done - who are repeatedly connected with good results - soon find that they have tacit authority. Emphasis is on their capabilities, and chemistry of, and between personnel in advertiser company and agency." "Relationship management involves a concerted effort to understand the needs and decision-making structure of the client company, and to create effective communication strategies which reach decision-makers within the client firm.

In the account-switching related research undertaken by Q-Search (1983), advertiser respondents tended to stress the need for an advertising agency to have an understanding of the product and the product benefits. They had clear-cut ideas about the distribution of responsibilities between the agency and the company. The study stated that "the majority of the respondents were interested in establishing and maintaining long-term relationships with their agencies and considered changing their agency only if the relationship had broken down irrevocably" (Q-Search, 1983: 28). An opportunity for members to monitor and improve previously unevaluated relationships is signalled through member's reluctance to terminate their relationship. However, an ongoing evaluation and maintenance process is preferable to reactionary attempts to salvage a broken-down relationship.

1.8 Evaluation and Preventative Maintenance.

Achieving the client's advertising goals requires good co-ordination and effective communication between the advertising agency and its client. And ensuring co-ordination and communication requires appraisal to identify areas of potential dysfunction in the relationship and gives direction for corrective action. Developing and maintaining a good relationship is a strategic factor in successful advertising, and is of prime concern to both advertiser and agency. It is felt that, rather than good or bad agencies, there are good and bad relationships between advertisers and advertising agencies and that these relationships condition the advertising value. Both make a medium-to-long-term investment in each other when entering a business relationship and this needs to be managed by both parties to maintain and strengthen the relationship. It is not sufficient to consider only the creative and media work, but also the relationship that exists between personnel in advertiser and agency organisations. Studies undertaken in Canada and Sweden found that advertisers evaluate the management capabilities of agency personnel as well as service and creative abilities (Kaynak & Mitchell 1980; Kaynak, Mitchell & Cavusgil, 1981). Wasiak (1987: 24) feels that determining agency and client satisfaction with the creative product is measurable and that an agency can raise a clients satisfaction level by providing 'top quality' creative products and strong agency-client relationships.

In order to maintain a successful relationship, advertisers and agencies can use 'early warning' signals, monitoring, evaluation and auditing methods to ensure the relationship retains the elements necessary for communication and understanding between relationship members.

An advertising agency must not only monitor its own staff, but also consider the client personnel with whom they interact. The client organisation is typically made up of individuals in pursuit of unique sub-goals. Many of these individuals may have responsibility and decision-making power for the advertising but have not been involved with the

generation of the advertising. Thus, only some advertising personnel will know the scope and quality of the advertising effort and there exists a potential for mis-evaluation by managers who are not involved. Beltramini and Pitta (1991) suggest that the agency look initially at the underlying dimension of the agency-client relationship and then develop appropriate communication strategies for each dimension. The benefits accruing include a two-way flow of communication which should enhance the quality of advertising. Communicating with a larger variety of role players within the client firm should enhance acceptance of the agency and its advertising. The relationship management process conveys a potentially valuable insight into the true nature of the client firm. The actions of the agency in responding to concerns of the client buying centre can lead to an overall positive evaluation of the agency and a reluctance to change agencies.

For an agency, knowing the attributes commonly employed by potential clients and their relative importance should allow agencies to more precisely tailor their efforts toward providing the services that clients want and need.
(Cagley & Roberts, 1984: 30).

Six strategies are suggested by Wackman, Salmon and Salmon (1986/87) which could protect and strengthen existing relationships:

1. Vigilance to signals of vulnerability.
2. Regular review sessions.
3. Tactical adaptation to client organisational change.
4. Whole-hearted commitment to new strategies.
5. Account audits.
6. Post mortems.

Evaluating and monitoring relationship management is not an easy task. By formalising the relationship, a more systematic method of evaluation may be used, but free-flowing communication and mutual understanding may be lost. Marrian (1967) conducted a relationship study which sought to identify the nature of the interests of organisations and of individuals

charged with the maintenance of contact between them in the production of advertising material. She also wished to examine factors which modified the performance of one or both parties to the association in achieving their advertising tasks. The formalised agreement would "serve to protect the parties concerned in the association." Such an agreement would establish "demarcations of responsibility and provide a clear reference point in the case of conflict" (Marrian, 1967: 3).

A properly quantifiable account movement study is suggested by Marrian, which would identify where the first signs of disillusionment or dissatisfaction occur. Doyle, Corstjens and Michell (1980) proposed a number of vulnerability signals, but Martingale (1984) feels that there is no single vulnerable point in the relationship. He suggests the different 'lifestyles' employed by agency and client are one source of unease, others are differing levels of cost-consciousness, chemistry between personnel, continuity of service, standard of ancillary services, reporting structures, and the appointment of new standards or objectives by the client or a client appointee. However, the majority of researchers do feel that steps can be taken by advertisers and by agencies to improve and strengthen their relationship, and ultimately the advertising that is produced.

1.9 Summary.

As a input into the advertising process, the advertiser-advertising agency relationship must be viewed as both as contributing to and affecting advertising development, and as such is a strategic advertising concern. Contributors to the area of agency-client research display concern at the relationship's lack of recognition and relationship members short-term perspective. Advertisers and agencies are urged to acknowledge the contribution of the advertiser-agency relationship to the advertising process and the value of developing and sustaining a relationship.

An initial step is understanding the nature of the relationship and the phases through which members pass. Rather than defining a relationship

in terms of length of time, a relationship lifecycle is suggested as a evaluation tool for participants. When looking at the inception of an relationship, one must consider how the relationship is formed. In the advertiser-agency relationship, the selection procedure is the starting point from which advertisers can proactively manage the relationship. In terms of a relationship lifecycle, the selection process is pre-cycle but a foundation block. Mutual monitoring of the relationship as it moves through the lifecycle is key to preventing relationship breakdown.

Breakdown is signified by account switches when the client offers the advertising business to other agencies. Causes cited by contributors to this area are typically those identified in studies of relationships after the relationship breakdown. One cannot identify whether the causes cited were the true reasons for breakdown or merely symptoms, or manifestations of unfulfilled maintenance requirements.

As the party most likely to be at the receiving end of a termination notice, the agency's dependent role within the relationship is further compounded by a lack of recognition that the relationship can be controlled by both parties through monitoring and evaluation. Greater vigilance by the agency and client and greater recognition of the relationship as a satisfaction determinant benefits both parties. In the subsequent chapters the relationship is dissected and its constituent parts are evaluated as means of attaining the relationship objective, and mechanisms to evaluate the relationship are appraised.

Chapter 2.

Relationships within and between Groups.

2.1 Introduction.

Understanding the merit of developing and maintaining a relationship is only the first step in ensuring a successful relationship. Advertising theorists have identified balance and control factors which may be monitored within an advertiser-advertising agency relationship, however relationship theory itself has not been utilised in order to further understanding of relationship objectives, member participation and satisfaction. One may look at two main areas of theory to gain insights of how a relationship operates, how problems arise within the relationship, and how they may be prevented and resolved. This chapter focuses on areas of relationship theory and group theory, in order to describe the way members of advertiser and agency organisations work together. Through defining and classifying relationship and group types, the advertiser-advertising agency relationship may be positioned and defined. The dimensions used by relationship and group theorists to categorise relationships and groups are also applied to the advertiser-agency relationship, to examine whether advertising scholars have exhausted the range of factors influencing the relationship. Elements of relationships and groups are named and classified and potential problem areas are identified. Advertising studies tend to look for the results and effects of a relationship, while relationship studies also look at the dynamics of a relationship. Since information exchange necessitates interaction and is as such essential for the advertiser-advertising agency relationship, the communication methods and patterns which underlie the relationship and the group of individuals involved in the relationship are also examined.

2.2 Definition and Formation of Relationships and Groups.

Relationships are defined and identified in many ways. If one defines a relationship as interaction to obtain a goal, then types of relationships are identified on the basis of their objectives or the type of interaction that occurs. Social psychologists and sociologists who write in this area of relationship theory agree that relationships are formed by self-interested parties to achieve some task (Roloff, 1981; Bennis, Berlew, Schein and Steele, 1973; Millar and Rogers, 1976; Giffin and Patton, 1976). Assigned members from advertiser and agency organisation come together and form a relationship whose objective is to solve an advertising problem. Group theorists, like Mullins (1989: 369), state also that a group consists of a number of people who have a common objective or task. Further, group members are believed to have an awareness of their group identity and have a minimum set of agreed values and norms which regulates their relatively exclusive mutual interaction. Not all members within advertiser and agency organisations are party to the advertiser-advertising agency relationship, and the contacts relationship members make are with the team of individuals assigned to the advertising task.

Therefore, to examine a relationship involves looking at the interests of the parties, the costs of their involvement in the relationship, the rewards gained from the relationship, and the ultimate objective of the relationship. Examining a group also involves the task, and includes perceptions of cohesiveness, shared values and assigned roles.

Groups may be designated as primary, secondary or reference, by their type of behaviour, by the group and members' motivations and by the roles individuals occupy and play within the group. Roles enacted within groups are important, in that there is an expected pattern of behaviour associated with certain group positions which facilitates understanding and establishes relationships between group members, for example the group leader and designated experts in particular areas of competence. In terms of the advertiser-agency relationship, the client's role may be that of

a decision-maker and evaluator while the agency's role is that of creative and media specialist. The roles of advertiser and agency personnel are determined by factors such as; the task they have been assigned to undertake, their own positions within their organisation's hierarchy and their values (Mullins: 384-5).

Relationships are also defined by their type of behaviour and the task which they are formed to achieve (Bennis, Berlew, Schein and Steele, 1973: 495-518) and thus classified into the following four categories:

Type A, a relationship is formed for the purpose of being self-fulfilling (expressive-emotional);

Type B, a relationship exists in order to establish 'reality' of, i) self or ii) a situation (confirmatory);

Type C, a relationship is formed for the purpose of change or influence (influence-change);

Type D, a relationship is formed in order to achieve some goal or task (instrumental).

Table 2.1 Relationship Categories.

Relationships do not necessarily fit snugly into any one of these four categories, but may instead be a mixture of any of these relationship types. The advertiser-advertising agency relationship, as a business relationship, is an instrumental relationship with an objective of developing and placing advertising that achieves some sales or communications objective. However the relationship between the representative of the advertiser and agency organisations may also be operate on 'expressive-emotional' and 'confirmatory' levels, in that the relationship members become friendly or confirm their beliefs about the marketplace.

Instrumental relationship theory arises from a recognition that work is not only undertaken by individuals but involves groups of people and relationships between them (Bennis, Berlew, Schein and Steele, 1973).

Any relationship that is formed where an individual is unable to undertake a work task alone, provides a service, where one avoids costs or gains the benefits of competition, or where one party holds power over another and wishes to accomplish specified goals through the other is an instrumental relationship. Bennis, Berlew, Schein and Steele (1973: 376-79) classify instrumental relationships as either being co-operative or competitive, and friendly or antagonistic (Figure 2.1). In friendly, co-operative relationships, the members have positive feelings toward one another, and offer and receive assistance while working towards a common goal. Members have positive personal orientation towards each other but have competing goals in friendly, competitive relationships, for example buyer and vendor. Antagonistic relationships occur when there is personal dislike among the participants regardless of whether they are co-operating or competing on achieving some goal. An agency relationship (co-operative in the sense that there is a shared objective and competitive in the sense that agent and buyer may have conflicting profitability objectives) may be defined as taking place when 'a principal party depends on another party (the agent) to undertake some action on the principal's behalf' (Bergen, Dutta and Walker, Jr., 1992: 1).

Orientation to Other Party	Orientation to Contributions	
	Co-operative	Competitive
Friendly	a. friendly co-operative	c. friendly competition
Antagonistic	d. antagonistic co-operative	b. friendly competition

Figure 2.1 Relationship Orientation.

Warren G. Bennis, David E. Berlew, Edgar H. Schein and Fred I. Steele (eds.) (1973) *Interpersonal Dynamics*. 3rd. ed.; Illinois: The Dorsey Press. p. 376.

That relationship members react to the behaviour of the other members forms part of the Social Exchange school of relationship theory (Homans, 1958, 1974; Blau, 1964; Foa and Foa, 1972). This theory involves transference of resources (love, status, services, goods, information and money) motivated by self-interests (whether malevolent/competitive or benevolent/co-operative). Social Exchange theory is similar to Equity theory in that some of these resources are valued and considered rewards or benefits and the loss or denial of rewards is considered a cost (Walster, Berscheid and Walster, 1976). Parties measure a relationship by evaluating the degree of success it provides in gaining rewards. The interactants consider the outcomes of the relationship against the standards anticipated and the potential rewards gained from entering a new relationship (Thibaut and Kelley, 1959). An advertiser evaluates the advertising generated on his/her behalf by the advertising agency as well as evaluating the agency itself, and the agency evaluates the advertiser and the profitability of the account.

Relationships may then be terminated and new relationships formed to achieve the desired objective (be it emotional-expressive, confirmatory, influence-change or instrumental). For example, an advertiser may terminate the relationship if the advertising work does not satisfactorily achieve its objective and an agency may terminate an unprofitable relationship. In addition, when a relationship is initially non-rewarding or becomes non-rewarding, the parties to the relationship will cause further deterioration in the relationship by withdrawing and not communicating the problems (Homans, 1974). Advertiser dissatisfaction in the relationship is perpetuated through the advertiser personnel withdrawing from the relationship. On the other hand, practices of performance evaluation and relationship monitoring ensure more involvement in the relationship when parties become dissatisfied.

2.2.1 Describing the Relationship through Communication.

Interpersonal communication between relationship members is used for

decision-making and problem-solving functions. This communication, in terms of channels used, its persuasive abilities and its use in defining a relationship is an important aspect of interpersonal relationships (Morton, Alexander and Altman, 1976: 105). It also forms part of the relationship's interactive behaviour which facilitates accomplishment of a group task (Ribeaux and Poppleton, 1978: 266). As communication parites share information, they move towards making discriminating rather than generalised predictions of the others behaviour and the relationship escalates (Roloff, 1976: 173-4). Since relationship represents mutual agreement between people to interact in order to maximise rewards, interpersonal communication is the process which is used by participants to provide each other with resources and negotiate exchanges (Roloff, 1981).

Similarly, message exchange and communication are also used by Millar and Rogers (1976) to define a relationship. Relationships are 'bestowed, sustained, and transformed through communicative behaviours.' But, as well as communication conveying task information, communicative behaviour can indicate the relationship type. Social relationships (involving social exchange of interpersonal information) are based on trust, gratitude and personal obligation and the value of such rewards is affected by status of the party who bestows them. Economic relationships (such as the advertiser-agency relationship) tend to be more impersonal, but are still interpersonal, and more open to bargaining though it would be inaccurate to say they are not also affected by trust, gratitude and personal obligation (Roloff, 1981).

The creative relationship is given particular attention by researchers and theorists as the output of this relationship is believed to be more influenced by the relationship itself. It may be described as 'one whose main expected product is some new, unusual, original combination of elements that is found to be useful by some groups at some time' (Bennis, Berlew, Schein and Steele, 1973: 385). Stein (1953) and Blake (1959) point

out that the facilitating aspects of a relationship (including input and interaction between parties) may have a marked effect on the creative output of the relationship. Where the relationship is instrumental or economic, information exchange assists the accomplishment of the relationship task. Members of the advertiser-advertising agency relationship send and receive information concerning the advertising task. However, as the advertiser-agency relationship consists of individuals, it is also personal; the parties may also exchange personal or social information. Personal understanding between members of the relationship as well as trust, facilitate the accomplishment of creative tasks. The expressive and social nature of the relationship assists in the fulfilment of its instrumental objectives.

2.3 Elements of Groups and Relationships.

The elements of a relationship or a group which are identified are influenced by the manner in which the relationship or group has been defined. For example, when looking at a relationship defined in terms of task or objective, elements of that relationship are deemed to be task and non-task. These elements exist within the relationship environment, but the relationship is also affected by its external environment.

2.3.1 Relationship Elements.

Task issues and maintenance issues in relationships are raised by Bennis, Berlew, Schein and Steele (1973). Task issues are deemed more important in goal-oriented relationships (business relationships) rather than relationships formed for relational value (social relationships), and include; the goals to be set for the relationship, how influence and control are to be distributed for decision-making, which strategies are to be used, how operations are carried out, and feedback on past performance. These overlap with the elements of power, reward, communication and roles which are identified by Argyle and Henderson (1981: 257) as being central to relationship studies. Maintenance issues are more related to the 'socio-emotional' state of the relationship and may include; how the members

feel about each other, how close they are to each other, how hostility is handled in the relationship and how evaluations of one another are handled. The elements an advertiser-advertising agency relationship, which is instrumental, are more task-oriented. Task elements related to the advertiser-agency relationship include; formation and communication of advertising plans, advertising objectives, task assignment and performance, and evaluation of performance. Maintenance elements may include; personal liking among relationship members and the manner in which evaluations are undertaken.

Millar and Rogers (1976) state that message exchanges (behaviour) within relationships have i) content (task-oriented) and ii) relational (maintenance-oriented) characteristics. Message exchanges have relational characteristics in that the way the parties interact forms rules of interdependence that defines the relationship, the more unique these rules of interdependence the more interpersonal the relationship. But, relationships are affected not only by interaction and communication, but also by their structure (conditions) and the competences of relationship members (Bennis, Berlew, Schein and Steele, 1973: 12). Structural characteristics, the value-system, goal structure and personal abilities are cited as inputs affecting relationship output. The organisation of agency and client companies, their goals and values as well as the personal abilities of advertiser and agency relationship members can be named as inputs into a relationship process.

The three main themes identified by Millar and Rogers (1976) in relationships are; control, trust and intimacy. The party in control of a relationship has the right to 'direct, delimit and define' the actions within the relationship. The more one party asserts control and the other party submits to that control, the more dominant that party is said to be. An advertiser who specifies an advertising brief and advertising content, and who sets the budget is in a position of dominance. However, it also occurs that a willingly submissive party to a relationship may control the

relationship. Although the advertiser may dominate the relationship, the advertising agency has the creative and media expertise and controls these functions. When the direction of control from both parties in a relationship is diametrically opposite, the relationship is complementary. For example, the advertiser controls the advertiser brief and interpretation of the advertising brief but submits to agency creative and media control and the agency submits to the advertiser briefing but asserts creative and media control. Morton, Alexander and Altman (1976) have identified mutuality of control as an issue to be addressed by relationship evaluators. Symmetrical control occurs when the direction of control from both parties is the same, when both are trying to control the other from a dominant position the relationship is competitive. The pattern of control can further be classified as being stable or unstable (determined by consistency of control assertion and acceptance) and rigid or flexible (determined by frequency of assertion and acceptance). Turow's (1977: 89) study of the publishing industry highlights stability in organisation operations as necessary, and states that the relationship with the client is the primary factor in shaping the operations and activities between organisations.

Trust is a factor which is highlighted frequently as an element of relationships (Michell, 1986/87: 31; Michell, Cataque and Hague, 1992: 42; Crosby, Evans and Cowles, 1990: 70). Millar and Rogers (1976: 93) define relational trust as existing when one party perceives they have the ability to predict congruent behaviour by the other party. Moorman, Deshpandé and Zaltman (1993: 81) state that trust is found to affect the perceived quality of relationship member interactions and the level of involvement and commitment to a relationship. Trust is affected by; characteristics of the user, interpersonal relationship, organisation, department and project. The more experienced and capable the participants, the higher the degree of trust in the relationship. The importance of the project or task in hand also affects trust since it affects the vulnerability of those undertaking the task and those commissioning the task. The vulnerability of one party to

another's actions, their dependence on another party to receive rewards and their confidence are deemed to affect that party's trust in another. A relationship member may attempt to reduce vulnerability by constraining the actions of the other party in order to ensure the desired behaviour. Turow (1977) also found that 'solvency dependency' is a motivating force for companies to initiate activities to reinforce relationship. Relating this to the advertiser-agency relationship, it appears that advertiser and agency perceptions of each others abilities, their perceptions of the importance of the advertising task, the participants interdependence in terms of task accomplishment and financial rewards, as well as the nature of personal interaction are factors which influence trust within the relationship.

Intimacy is the third factor identified and is defined in more subjective terms than Argyle and Henderson's (1985) definition, comprising of openness and disclosure. Millar and Rogers (1976) express intimacy in terms of 'attachment', which they define as the degree to which a party uses another as a source of self-confirmation (one of the reasons for forming a relationship as identified by Bennis, Berlew, Schein and Steele (1973)), and the affective evaluation of the self-confirmation (analysis of relationship outcome, or the goal). Attachment among members of an advertiser-advertising agency relationship may arise from mutual confirmation of advertising objectives and tasks (agreeing a brief), and mutual and positive evaluation of advertising results.

2.3.2 Group Elements.

Some of the issues identified by Homans (1974) in group behaviour are also addressed by relationship theorists. Equilibrium and control are proposed as two important elements of group behaviour. Both of these elements are described in a manner very similar to their treatment in relationships. When the behaviour of group members is constant, the group is said to be in equilibrium since one can predict the potential behaviour and reactions of the members. Control in the group revolves around members, who may occupy certain implicit or explicit roles,

having the power to bestow resources or rewards to others.

Kowitz and Knutson (1980) identify three types of needs which are essential for groups to perform. These are; information needs, procedural needs and interpersonal needs. If one considers that groups are formed to achieve some task, these three needs must be fulfilled in order to attain the objective or goal of group formation. Similarly, Feldman and Arnold (1985: 263-78) identify organisational and interpersonal factors which affect the success and effectiveness of work groups. Organisational factors include rewards and objectives, availability of task-relevant consultation and clarity of task requirements and constraints. The interpersonal factors identified are; co-ordination and commitment, knowledge evaluation and sharing, and development and implementation of performance strategies. Iacobucci and Hopkins (1992: 12-13) consider members' expectations, goal compatibility, outcomes, satisfaction, trust and conflict when looking at group interaction. A group of advertiser and agency personnel that has a decision-making task needs information concerning the options available and the consequences of each of these options, needs to have a process by which group members can make and communicate their expectations and evaluations, and group members need to co-operate with each other and participate when undertaking the advertising task.

2.4 Potential Problem Areas.

Problems arise when elements deemed necessary in the group/relationship are missing, when the group/relationship members are disappointed, when there is deceit within the group/relationship (disappointment may be caused by the deceit of another relationship member or by self-deceit, referred to by Bennis, Berlew, Schein and Steele (1973) as 'collusive transformation') or when the participants are in conflict.

Relational or group difficulties arise when goals are not set for the relationship, when decision-making patterns are not clear or are

challenged by the interactants, when there is a poor flow of information between the parties, and when there are interpersonal differences. Problems are not just isolated in organisational, procedural and interpersonal areas, but an interpersonal problem may lead to a procedural problem, or an organisational problem may lead to a interpersonal problem (Kowitz & Knutson, 1980). Major problems within a task-oriented group are; poor information, attempting solutions before defining the problem, inadequate progress toward achievement of goals, unsatisfactory co-ordination of member activity and failure to maintain member interest (Kowitz and Knutson, 1976: 474). Informational and procedural problems are more easily identified (Appendix A), but interpersonal problems are more difficult to isolate. Setting and evaluating advertising objectives, the nature of the decision-making style used by advertiser and agency, the amount and content of information relayed between organisations as well as interpersonal relationships between organisation members all influence the advertiser-advertising agency relationship. While the advertiser and agency may design procedural mechanisms and ensure communication flow, it is more difficult to identify and resolve interpersonal differences between relationship members. The most common practice is to re-assign the personnel. However, problems with procedures may manifest themselves through interpersonal difficulties and an advertiser or agency assigning new personnel to the relationship does not resolve problems that originate in unsatisfied procedural or informational needs. Bennis, Berlew, Schein and Steele (1973) look at how task (mainly procedural and informational) issues affect maintenance (mostly informational and interpersonal) issues by looking at the effect of the following five areas:

- i) Power distribution is a problem source both when it is equally dispersed and when unequally dispersed. A party may feel ambivalent about equal distribution if they had formed expectations of equal power distribution from their previous relationships or may resent equal power distribution if they expected to be in a more powerful position (their satisfaction is

tempered by the expectations they have before they enter into the relationship). Agency members who previously worked with clients developing marketing strategy may encounter a new client who does not want agency involvement in strategy development. The client resents the agency input, but the agency acted on expectations formed from former relationships. The question of expectations held by advertiser and agency relates back to an agency selection process. Unequal distribution of power may lead to hostility from the party with less power towards the party with greater power, or it may result in the party with less power being less committed to the relationship. This becomes a problem if an equation between a more committed advertising agency and more satisfactory advertising work is established

ii) Decision-making and procedures to arrive at decisions affect participant's evaluations of one another, feelings about the other, feelings and perceptions of themselves and how they might behave if they were in the other's position. The manner in which the advertiser and agency perceive the other parties decision-making procedures and abilities affects their satisfaction with the relationship. Dissatisfaction, leading to one party withdrawing interest or involvement results, again, in an overall decline in the relationship.

iii) Interaction and contact while undertaking a task leads to the parties having a greater amount of information about each other (cultural, social or psychological (Roloff, 1981) and tends to increase the participant's feelings for one another. Affection and attachment have been identified as elements within a relationship which affect satisfaction. Interpersonal understanding may further influence the advertiser-agency relationship in that it facilitates the development and delivery of creative ideas.

iv) Giving and receiving assistance when undertaking a task may affect one's sense of self-esteem, the status conferred on another (reflected through their actual and perceived role and respect bestowed upon them)

and one's desire to continue a relationship. Co-operation and task support in an advertiser-advertising agency relationship have relationship as well as task out-comes (Bennett, 1989).

v) As one perceives a relationship member as being trustworthy in undertaking and accomplishing a particular task, one's perceptions of that member's trustworthiness in other areas of the relationship may be affected. Personal trust between members of an advertiser-advertising agency relationship can transfer to trust in each others task and decision-making abilities. Just as trust may facilitate communication and interaction, distrust is identified by Giffin and Patton (1976) as one of the barriers to interpersonal communication. Distrust leading to defensive behaviour is believed to be caused when one party perceives hidden motives, attitudes of superiority, dogmatism, a lack of concern or detachment, or evaluative expressions. While evaluation and relationship maintenance strive to tackle relationship problems and develop improved systems, the actual process of evaluation may generate distrust. Undertaking an evaluation without communicating its motives can cause suspicion and result in a defensive climate.

The importance of problems within relationships are affected by the nature of the relationship task. Although interpersonal problems are highlighted in the literature, the more important problems for instrumental relationships are goal related and involve work organisation and procedures. However, feelings of trust and power distribution are difficult to manage within organisations but nonetheless do affect task accomplishment by relationship members. For the advertiser and agency members of an instrumental relationship, the immediate focus of an evaluation lies with organisation and procedural functions that assist task accomplishment but this focus does not exclude interpersonal elements which are an input into both task attainment and maintaining a relationship. When considering a long-term relationship, the importance of maintenance issues are established alongside the continuous

importance of task issues.

2.5 Good and Bad Relationships.

Bennis, Berlew, Schein and Steele (1973: 496-503) regard bad relationships as those that fall below norms or expectations for relationship output. Criteria for good relationships (depending on relationship type) include mutual satisfaction, confirmation, consensus, achieving desired change, productivity and creativity. Outcomes (which are more subjective) of good relationships include 'solidarity', integrated identity, self-actualisation, consensus about reality, growth, termination, internalisation, competence and output (Figure 2.2).

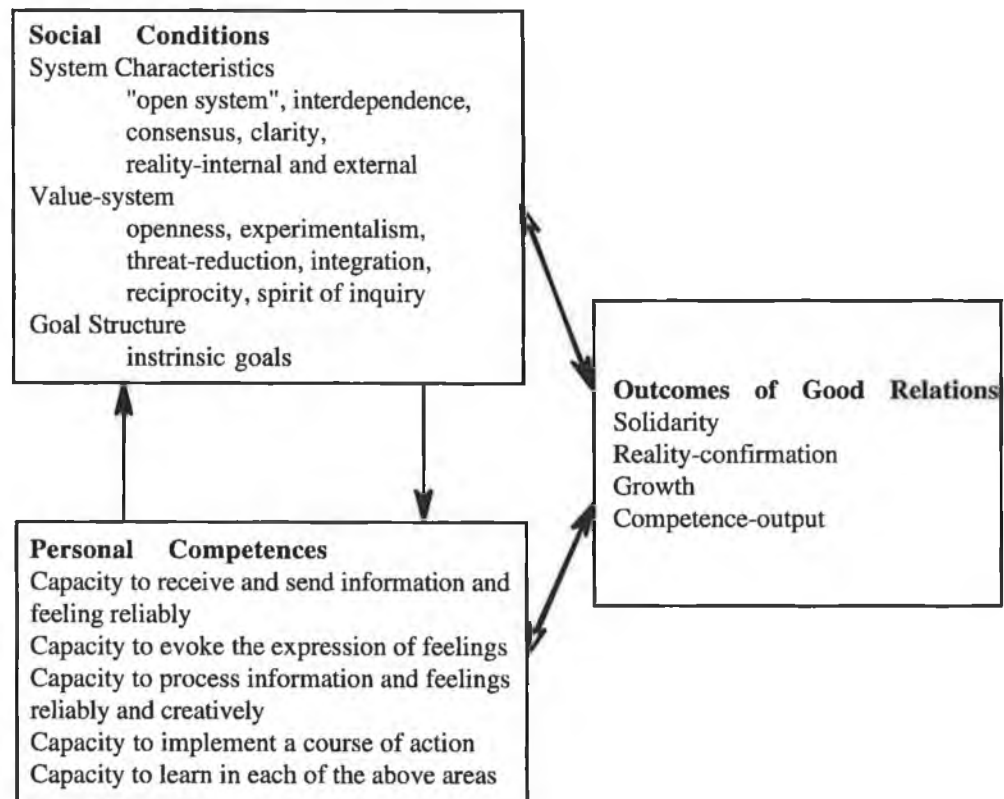


Figure 2.2 Inputs and Outcomes of Good Relationships.

Warren G. Bennis, David E. Berlew, Edgar H. Schein and Fred I. Steele (eds.) (1973) *Interpersonal Dynamics*. 3rd. ed.; Illinois: The Dorsey Press. p. 498.

These outcomes are related to the objective of the relationship formation, in that an instrumental relationship which is formed to achieve a goal has

as its outcome the accomplishment of the goal. However, an instrumental relationship which is formed to undertake some task may generate other outcomes in achieving its task, for example solidarity and self-actualisation. For example, an advertiser-agency relationship, formed to achieve advertising objectives, results in advertiser and client improving work practices, their growth or profitability, or friendships between relationship members.

A good relationship is believed to have (i) an open system, with a balanced influence structure, as much consensus decision-making as saliency and competence permits, a communication structure that maximises clarity and reality-testing mechanisms, (ii) matching values and goals, and (iii) personal competences (Bennis, Berlew, Schein and Steele, 1973: 507-18). An open system facilitates communication between relationship members and the balanced influence structure allows members to participate freely. While consensus decision-making is suggested as the best approach, Bennis, Berlew, Schein and Steele do concede that it is not always best when a decision is not relevant to relationship members or they may not have enough information to participate in the decision-making process. Achieving consensus within an advertiser-advertising agency relationship may not be feasible because of the number of personnel involved at both sides of the relationship and because of the time and cost spend to reach consensus.

In a good relationship, the members receive the correct task information on which they work or make decisions. The agency receives accurate information in the advertising brief relating to the target market, budget and company objectives. Evaluation and check systems are implemented in good relationships and used to measure the attainment of common goals. In addition, the members of the relationship are capable of undertaking the specified task. Morton, Alexander and Altman (1976: 119) believe that good relationships are those that are formed between individuals who share a mutual definition of the relationship, who share

control and influence.

Analysing an advertising problem creatively is an essential task within an advertising-agency relationship. Information and opinion giving is not just a one-way process from the advertiser, but also includes the agency providing the client with information and opinions. The client evaluates the effectiveness of advertising campaigns, the overall relationship and the input of the relationship into advertising achievement. The structure and organisation of companies as well as interpersonal factors like respect and co-operation facilitate the information flow and task accomplishment.

Not only does the relationship affect the quality of the task or objective outcome, but it is regarded by Crosby and Stephens (1987: 404) as a quality surrogate. Relationship members may have higher perceptions of task performance ('halo effect') when they are satisfied or enjoy their interactions with their interactants. This same point is made by Solomon, Surprenant, Czepiel and Gutman (1985: 100) in the customer service market when they state that customer satisfaction and repeat patronage may be determined solely by the quality of the personal encounter. The relationship is both an element within overall evaluation and satisfaction, and an effect on the satisfaction with other elements.

2.6 Improving Relationships.

Any of the parties to a relationship may be motivated to change the relationship in order to increase the outcomes (rewards or resources) or decrease the costs of their behaviour. Participants may evaluate the relationship against some standard they have for the relationship (expectations) and against a standard level for alternatives (the potential rewards gained from entering into a new relationship) (Thibaut and Kelley, 1959). Samovar and King (1981: 464) hold that the only way to improve behaviour is to compare actual behaviour with desired behaviour and strive toward that ideal standard. An advertiser who has set advertising objectives does have a standard against which to evaluate

control and influence.

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advertising delivery. Similarly, an advertiser who is aware of relationship and agency performance expectations uses these as a standard for evaluation.

When looking at dissatisfaction with relationship and relationship output, one may look at the structure of relationship and participant input to task and maintenance functions. While Horstein, Bunker, Burke, Gindes and Lewicki (1971) suggest that a third party observes the relationship and makes suggestions for improvement, Bennis, Berlew, Schein and Steele (1973: 384) state that one should not take the responsibility of the relationship away from relationship members and suggest that the practitioners themselves should be trained to make evaluations. The advertiser and agency monitor and assess their relationship based on their expectations and knowledge of relationship achievements.

2.7 Summary.

Relationships are formed when self-interested parties come together to invest their resources, share values, develop and enact roles in order to achieve a goal. Advertiser and advertising agency personnel form a relationship to achieve an advertising task, investing information, time, money and their respective skills and talents. While resources, e.g. information may be transferred to satisfy member's interests, these resources may be withdrawn and the relationship terminated if its objectives and expectations are not satisfied. Importantly, an unfulfilling relationship may lead to member withdrawal and complete relationship breakdown. In the case of the advertiser-advertising agency relationship, client dissatisfaction may result in poor information flow to the agency who is then attempting to meet an advertising objective which has not been clearly specified by the client. As a preventative measure, agency monitoring and evaluation of the relationship would identify the initial source of dissatisfaction and direct the participant's resolution plan. Understanding that the manner in which information as a resource is

transferred is interpersonal and relies on both trust and understanding is important for evaluators. Facilitating information about relationship members satisfies relationship maintenance objectives/intimacy needs rather than directly fulfilling task objectives.

Group behaviour, in a similar manner to relationship behaviour, is signified by balance and control elements in that control dictates role assignment and subsequent behaviour. Group needs also comprise facilitating personal information as well as information pertaining to procedural/organisational needs.

Relationship and group theorists indicate that failure to satisfy a groups needs (maintenance, procedural and task-related), imprecise relationship objectives and failure to accomplish objectives are highlighted as causes for relationship/group dissatisfaction, with monitoring of communication and evaluation of task accomplishment suggested as a means to improve group/relationship behaviour and accomplish relationship tasks. During the next section of the study evaluation/monitoring methods suggested by advertiser-advertising agency theorists are considered in the light of current understanding of the nature of the advertiser-advertising agency relationship and the contributions of relationship and group theorists.

Chapter 3.

Auditing and Evaluation.

3.1 Introduction.

The practice of evaluating ones' decisions and operations has always occurred side by side with decision-making and program planning (Klay, 1991). However, the methods of evaluation seem to change. One may evaluate objective attainment (operations auditing), objective setting (management auditing) and the efficiency of setting and achieving objectives. Performance evaluation (which is usually conducted by an internal examiner) is most commonly concerned with how well objectives are achieved, perhaps also including the efficiency of a group/programme in attaining the goals, but rarely including an evaluation of goal setting (which would require an external auditor). Rutman (1984: 10) describes a programme evaluation as entailing the use of "scientific methods to measure the implementation and outcomes of programs for decision-making purposes," where a programme is "an intervention or set of activities mounted to achieve external objectives, that is, solve an identified problem." The most common evaluation businesses may undertake is a financial audit. While the information garnered from such an audit relates to the financial stability of the organisation, the auditors may also provide subjective opinions of the operation of the company in terms of efficiency and effectiveness. Indeed, such an expansion of auditing activity is encouraged (Pratt, 1982; Cook and Winkle, 1980; Kent, Sherer and Turley, 1985) and led to the development of management audits or management efficiency audits and operations audits among others. Proponents of subjective auditing or evaluation measures, who are aware of the difficulties in undertaking and implementing such methods as they arise from auditing schools, endorse meta-evaluations, or an evaluation of the auditing method. Before considering implementing an evaluation or auditing method to establish the effectiveness or

efficiency of an organisation, programme or decision-making, one first considers whether the evaluation method is feasible and provides the desired information.

3.2 The Marketing Audit.

Evaluations of marketing are not phenomenon with which practitioners are unfamiliar. The notion of systematically evaluating the marketing process within an organisation was first developed in the 1950's. This concept requires that the activities within an organisation are examined in detail by an independent assessor. Such evaluations are not meant to be negative, or operate as a disincentive to marketing implementation. Rather, they should encourage improved practice and implementation of marketing principles.

Similarly, the use of evaluation techniques in establishing and evaluating the nature of the relationship that exists between advertiser and advertising agency should be regarded as an aid to improved practice and performance. Of course, the evaluation structure itself is very important. The issues being covered must be those that are truly of greatest concern, not only for agency and advertiser management, but also for the individuals involved in the day-to-day relationship. The assessor should convey the benefits of such assessment methods to the individuals directly involved in servicing and maintaining these working relationships. Like the relationship itself, undertaking an evaluation requires both communication and trust among participants (Judd, 1990: 24-25).

While an audit is an evaluation technique, Davis (1990) differentiates between evaluation programmes and performance audits. The choice of technique will be determined by the information needs and perspectives of the organisation undertaking the evaluation since the two approaches have different foci. The greatest difference between the two approaches lies in the variables being examined. Audits tend to focus more on 'management control' variables such as plans, procedures and

monitoring, while evaluation programmes tend to focus on the more general (or sociological) issues like implementation of work programmes and their impact within the organisation. For this reason an audit may be give more timely information, though it is not as all-encompassing as a programme evaluation and may not uncover deep rooted causes of problems. Interestingly, references to auditing and evaluations in marketing and service literature do not distinguish between these approaches. But, an examiner cannot evaluate a process by only auditing its performance. Evaluation of the advertiser-advertising agency relationship includes its inputs, the process and its outputs. Performance outputs, while being an important element within an instrumental relationship are not the only elements to consider when evaluating the relationship.

Although Kotler (1977) has named his evaluation framework a 'marketing audit', it is more accurate to call it a marketing evaluation since it identifies and diagnoses problems within a company's marketing function rather than auditing marketing output. Marketing and service practitioners use the term 'audit' when evaluating and monitoring marketing although their methodologies include evaluative aspects. Kotler, Gregor and Rodgers (1977), Kotler (1977), Capella and Sekely (1978), Mokwa (1986), and Quelch, Farris and Olver (1987) have all contributed to 'marketing audit' literature. Most agree on the fundamental objective and organisation required for 'marketing audits', but differ in the type of measurement tool used. Kotler, Gregor and Rodgers (1977) suggests that a 'marketing audit' has four main elements: 1. A broad (or comprehensive) focus, 2. an independent evaluator, 3. a systematic approach, and 4. the audit is undertaken periodically. Using these characteristics, the following definition of a 'marketing audit' is posited:

A marketing audit is a comprehensive, systematic, independent, and periodic examination of a company's - or business unit's - marketing environment, objectives, strategies, and activities with a view of determining problem areas and opportunities and recommending a plan of action to improve the company's marketing performance. (Kotler, Gregor and Rodgers, 1977: 27).

This evaluation method is broken down into a number of component parts. Each of these may be an evaluation entity in itself or may be combined to give a total comprehensive evaluation of the entire organisation. The components are identified as; the marketing environment, the marketing strategy, the marketing organisation, the marketing systems, marketing productivity, and the marketing function. Since undertaking an evaluation is both costly and time consuming, one must recognise that evaluations are performed when significant benefits accrue to the organisation. The benefits of evaluating an advertiser-agency relationship or a marketing system include improved communication, work practices, and performance.

While a performance audit looks only at outputs, without looking at source or cause, evaluation methods are undertaken to determine the source of dissatisfaction and provide an organisation with an understanding of the process delivering the outputs. Examining technical processes are significantly easier than examining and understanding marketing activities which include non-tangible or observable elements. The advertiser-advertising agency relationship as an input and facilitator to the advertising generation process does not operate as a mechanical message-sending process, but as a system of interpersonal communication and information flow between people. The relationship between the individual representing a service provider and consumers has been identified in areas of service literature which include personal interaction as evaluation elements.

3.3 The Service Audit

Berry, Conant and Parasuraman (1991: 255) considered the available literature on 'marketing audits' and then developed and tested "a marketing audit framework designed specifically for service organisations to reap the full benefits of marketing auditing." The evaluation of service provision is dependent on the expectations and perceptions of service users (Grönroos, 1984). Methods for measuring and tracking perceptions

of service quality, which were developed for service providers, include the area of person-to-person encounter (Parasuraman, Zeithaml and Berry, 1988). This is of particular interest within the advertiser-advertising agency relationship. Solomon, Suprenant, Czepiel and Gutman (1985: 100) believe that 'the service encounter' is especially important as it influences the client's perception of the service provided. The tangible core of the service offering is an important element but it is suggested by Solomon, Suprenant, Czepiel and Gutman (1985: 100) that 'repeat patronage' may be largely influenced by the quality of the person-to-person interactions. Within the advertiser-advertising agency relationship, there may be perceived roles which participants (from both organisations) are expected to enact. Failure to act in the expected manner leads to negative perceptions of the quality of the service encounter, for example, the brand/product manager (representing the advertiser) is expected to provide certain details to the agency when commissioning an advertising account, and the account handler (representing the advertising agency) is expected to use this information in a confidential manner.

Because of the existence of expectations, and behaviour confirming the expectations, certain provider/consumer characteristics and perceptions will be built up over time. Communication and acceptance of these perceptions eventually condition the expectations of parties to the encounter and thus affect their satisfaction (Parasuraman, Zeithaml and Berry, 1988). These expectations will also influence the job satisfaction individual members in organisations feel about their own performance and the way they view the performance of others (Greene and Organ, 1973). If the members of the dyadic encounter are acting in a prescribed manner, there should also be less tension between the members as they interact. Reduced tension should result in improved performance. First time encounters are extremely important in this context, as they will give form to the expectation relating to future behaviour. There may exist a script which both parties may use, that is, a learned sequence of causal behaviours, containing information about one's own expected behaviour,

the expected complementary behaviour of others and which would reflect the individual's learned (or imagined) conception of the initial service experience. It is only when there is a deviation from this script that the participating individuals feel compelled to examine their behaviours. This script may emerge from the experiences advertiser and agencies had in previous relationships, but is also influenced by industry norms. The relationship between advertiser and agency is monitored by associations representing agency and client and these provide guidelines for relationship practice (Appendix B).

However, each relationship is unique and perceptions and expectations vary. When assessing service quality in consumer settings, Parasuraman, Zeithaml and Berry (1988: 13) state that, unlike product quality, service quality is "an abstract and elusive construct". They suggest that service offerings are influenced by subjective premises and differ from objective product offerings because of their intangibility, heterogeneity and inseparability of production and consumption. When there are no physical and objective attributes to consider, it becomes much more difficult to evaluate the service offering. One way to consider the quality of the service offering is to examine the roles the individuals play, which have been influenced by the past and present expectations of the relationship members. When the role players fulfill their expected behaviours, then the members of the relationship could be regarded as being satisfied. The quality of a consumer service is measured in terms of the level of satisfaction achieved by the consumer by first defining service quality and then identifying dimensions which encompass the domain of service quality. Initial dimensions identified by Parasuraman, Zeithaml and Berry (1988: 17) are; tangibles, reliability, responsiveness, communication, credibility, security, competence, courtesy, understanding/knowing the customer, and access. The one hundred plus items found to represent these dimensions were reduced through a process of factor analysis and collecting expectation data from the service users to develop the SERVQUAL instrument. This consists of twenty-two items covering five dimensions,

which measure overall service quality and the importance of the various dimensions (Table 3.1).

Tangibles:	Physical facilities, equipment, and appearance of personnel.
Reliability:	Ability to perform the promised service dependably and accurately.
Responsiveness:	Willingness to help customers and provide prompt service.
Assurance:	Knowledge and courtesy of employees and their ability to inspire trust and confidence.
Empathy:	Caring, individualised attention the firm provides its customers.

Table 3.1 Dimensions of SERVQUAL.

Tangible elements of the advertiser-agency relationship are measurable creative and media work, agency facilities and client's task objectives and information. A clients' and agency's past record and the abilities of their personnel can be used to determine dimensions of reliability, responsiveness, assurance and empathy. However, it is more difficult to determine absolute measurements of non-tangible dimensions. Parasuraman, Zeithaml and Berry (1988: 30-31) also highlight that measurement instruments like SERVQUAL cannot give an accurate evaluation when the service organisation is not orientated toward improving the service. For example a service firm in its desire to provide a high quality service may through administrative red tape be hindering the delivery of that service within the organisation. Such procedural problems have previously been identified in agency-client relationships (Wackman, Salmon and Salmon, 1986/87) and the lack of their inclusion displays one of the weaknesses of the SERVQUAL measure. The connection between expectation and evaluation of performance is more immediate between a consumer and a service provider than between an advertiser and agency. A consumer who is both decider, buyer and evaluator has consistent expectations. Client expectations influence choice

of agency, and the SERVQUAL method uses these to evaluate performance. However the expectations of selectors in a client's organisation are not necessarily the expectations of evaluators within the organisation.

In the case of the advertiser-agency relationship, self-imposed guidelines and standards will dictate the nature of the relationship to some extent. By drawing up a contract at the beginning of the relationship the parties clearly signify areas of responsibility, payment terms and ownership of creative material. While such a contract will explicitly delineate certain aspects of the relationship, its very existence may also influence the nature of the relationship indirectly, that is, parties to a relationship that have clearly identified roles and terms will have a greater understanding of each others expectations, greater security, and a clearer definition of the role they have to play within the relationship.

3.4 Costs of Undertaking an Evaluation.

Developing and using a measure of service quality has implications not only in the provision of consumer services, but also in the generation and provision of business services. Just as an advertiser evaluates the advertiser-advertising agency relationship and its effects on advertising generation and performance, the agency monitors and invests in the relationship maintenance. Professional service providers will be able to improve their service offerings by understanding how the quality of service is perceived by their customers. The agency-client relationship consists of a string of service interactions and thus the agency has the opportunity of identifying the expected service levels for each stage of the interaction. However, the willingness of the agency to meet these expectations is tempered by the costs of such servicing levels, and their awareness of a client budget.

Dubinsky and Ingram (1989: 34) have suggested a portfolio approach which can be used to classify current customers according to their existing and

potential profit contribution. There are four profit contribution categories which a firm may use to identify its customers (Figure 3.1).

		<i>Present Profit Contribution</i>	
		Low	High
<i>Potential Profit Contribution</i>	High	Underdeveloped Accounts	Desirable Accounts
	Low	Undesirable Accounts	Developed Accounts

Figure 3.1 Customer Portfolio

Alan J. Dubinsky and Thomas N. Ingram (1984) "A Portfolio Approach to Account Profitability," *Industrial Marketing Management*. Vol. 13: p. 34.

3.4.1 Participating in an Evaluation.

Maintaining existing, profitable clients must remain a key objective for advertising agencies. As a maintenance strategy, evaluation of the relationship has much to recommend: the clients can improve the service offerings provided by advertising agencies through giving clear indications of their preferences and servicing levels they require (Reed, Binks and Ennew, 1991); advertising agencies can improve advertiser understanding of the advertising process with the agency and how the client through the relationship affects this process.

Such an exercise refocuses clients and agencies and allows parties in long-term relationships to reassess both the objective of the relationship and the nature of that relationship. Both agency and client gain a realisation of the costs of servicing a relationship. In order to 'get-ahead', an agency may seek to absorb some of the costs of servicing their accounts. They may justify these actions by maintaining that retention of their clients depends on such actions, and they are still profitable. This may be possible when the account is a very large one, and the commission or fee that the agency

receives from servicing that account is still large enough in absolute terms to make that account profitable for the agency. However, such actions erode their profit base, jeopardising development of new accounts and thus their future profitability (Dublinsky and Ingram, 1984).

3.4.2 Evaluating Personal Relationships.

Servicing may incorporate many different facets, including the physical product, the organisation structure, the work pattern and the relationship (Wackman, Salmon and Salmon, 1986/87), and may involve interactions between many individuals from both the client firm and from the advertising agency. However, the main contact between the two organisations is generally in the form of account executive-product/brand manager interactions. These individuals will represent their respective organisations during the generation of a campaign and will be in constant communication. Halstead (1990: 89) feels that it is these individuals who are most responsible "for developing and maintaining the relationship on a daily basis." Indeed Wackman, Salmon and Salmon (1986/87), Cagley (1986), and Doyle, Corstjens and Michell (1980) have all identified interpersonal relationships between staff members as being important. Their studies have identified personal relationships, a 'people factor', and 'personality conflicts' as underlying reasons for dissatisfactions with relationships. However, the elements of personal relationships and determinants of relationship satisfaction are not established.

The key relationship between advertiser and agency organisation is the relationship between client representation and agency account executive. One of the greatest problems in assessing the interpersonal relationship between account executive and client contact is in actually determining the component parts of a 'good' relationship. Halstead (1990: 90) has identified sixteen variables from twenty-one studies, all of which have been used to define 'good' agency-client relationships. A conceptual and theoretical model of the client-account executive relationship is proposed to facilitate understanding of the 'communication variables' which may

lead to relationship satisfaction and development (Figure 3.2).

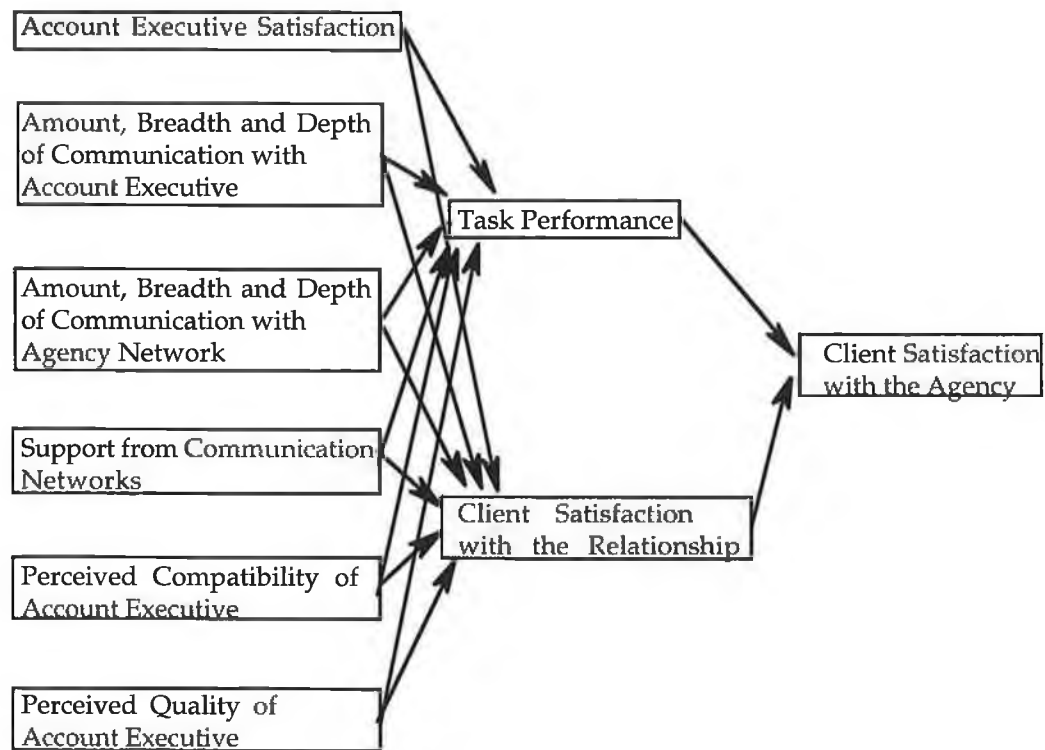


Figure 3.2 A Conceptual Model of the Agency -Advertiser Relationship

Diane Halstead (1990) "A Conceptual Model of Successful Advertiser-Agency Relationships," *Marketing Theory and Applications*. Vol. 1: p. 90.

Elements such as satisfaction and perceived performance are implicit in Halstead's model, although there is no provision for relationship expectations. Task performance and client satisfaction are determined by client satisfaction with account executive, communication, and compatibility. Account executive satisfaction and client communication are said to influence task performance, but task performance, relationship satisfaction and client satisfaction with agency are related only to the account executive-client dyad and not connected to creative and media functions within the agency. As an instrumental relationship, any model of the advertiser-advertising agency interaction (even the account executive-client dyad) must include task elements with performance.

Nonetheless, this model may have implications for the development of

client-agency evaluations. Maintaining satisfaction requires continuous monitoring of the agency-client relationship and the account executive-client contact dyad is an important element of this relationship. One does not ignore the interpersonal elements of the agency-client relationship, and focus only on task performance.

While in Halstead's (1990: 92) model (Figure 3.2) both task and relationship satisfaction contribute to a client's satisfaction with their agency, these factors do not exist in isolation, but rather affect each other. Beltramini and Pitta (1991) have suggested that satisfaction can be improved by proactive management of relationship dimensions beyond the account executive-product manager dyad.

There is an increasing need for advertising agencies to know more about how business is conducted within client firms. Such information is vital to effectively establish and maintain relationships with decision-makers who are important to the client's business, but may not be directly connected with the advertising process.
(Beltramini and Pitta, 1991: 152).

The dimensions identified are advertising tasks and decision making roles. Three different tasks are identified; new buy, modified re-buy, and straight re-buy (Beltramini and Pitta, 1991: 157). The decision making roles are also borrowed from existing marketing literature, and are; user, buyer, influencer, decider, and gatekeeper. From these bases, an organisation may manage the communication strategies they use when dealing with client firms. The organisation needs to prioritise the individuals within the client organisation that make decisions, and ensure that they are in direct contact with important role players. An overview of potential roles, tasks and communication between relationship members recognises the existence of multi-faceted relationship beyond that of single dyads between client contact and account executive. While Beltramini and Pitta (1991) do not elaborate on benefits and satisfaction derived from managing communication, Halstead (1990) does recognise that satisfaction within relationship dyad is affected by communication as well as perceived compatibility and task performance.

3.5 Frameworks for Evaluation.

Unfortunately, frameworks of the advertiser-advertising agency relationship are neither tested nor used by practitioners to plan communication and ensure relationship satisfaction. Furthermore, it is rarely proactive management of relationships that highlight difficulties within relationships, but rather post-mortems on demised relationships. Michell (1988c) and Michell and Hague (1990) have examined the reasons cited by advertiser and agency when their working relationship is terminated (mostly by the advertiser). Causes of relationship termination are then used to develop an 'audit' of advertiser-advertising agency relationships. However, the information is gathered from demised relationships and using an relationship evaluation method generated from decayed relationships may be less useful than understanding the relationship in hand. Stress points and areas of dissatisfaction within existing relationships may not be identified if relying solely on studies of terminated relationships since the relationship is functional and current. The problems that occur while maintaining a relationship may develop into those that are cited as causes for termination, but may also be sublimated and are not uncovered when examining a demised relationship. Practitioners do not only evaluate relationship to prevent an account change, but to improve the existing relationship and advertising performance. Nonetheless, the dimensions underlying satisfaction with an advertiser-agency relationship, as uncovered from these reactive studies, are broadly similar. Michell (1986/87), when developing an evaluation technique, presented the most comprehensive range of dimensions and factors. Thirty five factors were identified after personally interviewing advertisers and agencies which were then used as a basis for a mail questionnaire which was forwarded to advertisers who were identified as having changed advertising agency over a twelve month period; 1983-84 (US respondents) and 1976-77 (UK respondents). The questionnaire was not forwarded to the advertising agencies who had been party to the relationship and looks only at reasons advertisers cited for the breakups. However, the 'audit' which was developed considers

evaluation from both advertiser and agency perspective with for example, differing elements within client inter- and intra-functional behaviours and agency inter- and intra-functional behaviours. Indeed, the range and scope of this audit is so comprehensive that one would anticipate difficulty in undertaking such an audit in an once-off situation, much less as a periodic undertaking. The five classes of variables that Michell suggests are displayed in Table 3.2.

Environmental	Broad external environmental forces Environment as a collection of interacting organisations The environment as a social system Specific environmental variables
Interorganisational	Objectives Communications Coordination Open style of organisation Authority and credibility
Interpersonal	Compatibility Integrating Flexibility
Intra/Inter-Functional	Cohesion Supervision Peer approval
Individual	Leadership Personal responsibility

Table 3.2 Audit Elements.

Each of these classes is broken down into sub-categories, and each of these sub-categories is comprised of a number of many factors. For example, within the environmental class, the first sub-category is that of broad external environmental forces in the market; this will include growth in the sector, the stage the product/account has reached in the product life cycle and the development of new technologies. By reducing the number of factors included in the audit, the assessor (be it the agency, advertiser, or an independent assessor) may restrict the likelihood of discovering the true causes of dissatisfaction. But, on the other hand, it may be said that

an agency is more likely to undertake an audit of smaller proportions.

The key to designing a usable evaluation is in identifying the willingness of industry members in implementing such an inspection (Patton, 1988). The cost, effort and time involved in undertaking an evaluation of Michell's proportions may be prohibitive (certainly on a regular basis) and the benefits gained from undertaking the evaluation will surely be tempered by the cost of obtaining the information. The 'audit' may lose certain interesting elements if reduced, but, by carefully selecting the elements that remain, the assessor may still achieve the objectives of undertaking such an 'audit', that is, to identify areas of potential and existing conflict, in order to resolve them, improve the relationship, increase the satisfaction of both parties, and ultimately provide an improved service which should ensure longer and more harmonious relationships.

Wackman, Salmon and Salmon (1986/87: 24) suggest that the factors influencing the agency-client relationship are, work product, work pattern, organisational factors, and relationship factors (Figure 3.3). These factors were arrived at after interviewing matched pairs of clients and agencies who had terminated their relationship. Wackman, Salmon and Salmon (1986/86: 21-22) identify the two main methods of ensuring relationships were maintained. These are: (i) improved initial selection of the agency, and (ii) regular reviews of existing relationships. While an advertiser may improve the choice and selection of advertising agency, this does not necessarily mean that the relationship will produce satisfactory results all through the life of that relationship. As the relationship develops, it may change considerably, and the parties to the relationship will need to ensure that their relationship is changing in the manner they would like. When reviewing the relationship, the parties are forced into reestablishing the objectives of the relationship and then gauge their satisfaction/dissatisfaction against performance benchmarks. A relationship that one party feels has gone off course may automatically be

improved through communication of the redefined objectives of the relationship, or through resetting the initial contract the relationship was based upon. If it is found that the problems within the relationship do not stem from these sources, either the agency, the advertiser, or independent assessor may then progress with a full evaluation.

The Wackman, Salmon and Salmon (1986/87) model (Figure 3.3) explicitly includes people related issues, and notes that there is a reciprocal relationship between performance related issues and people related issues. The work product, work pattern and organisational factors all affect the relationship. Relationship elements in turn have an effect on work and organisation elements.

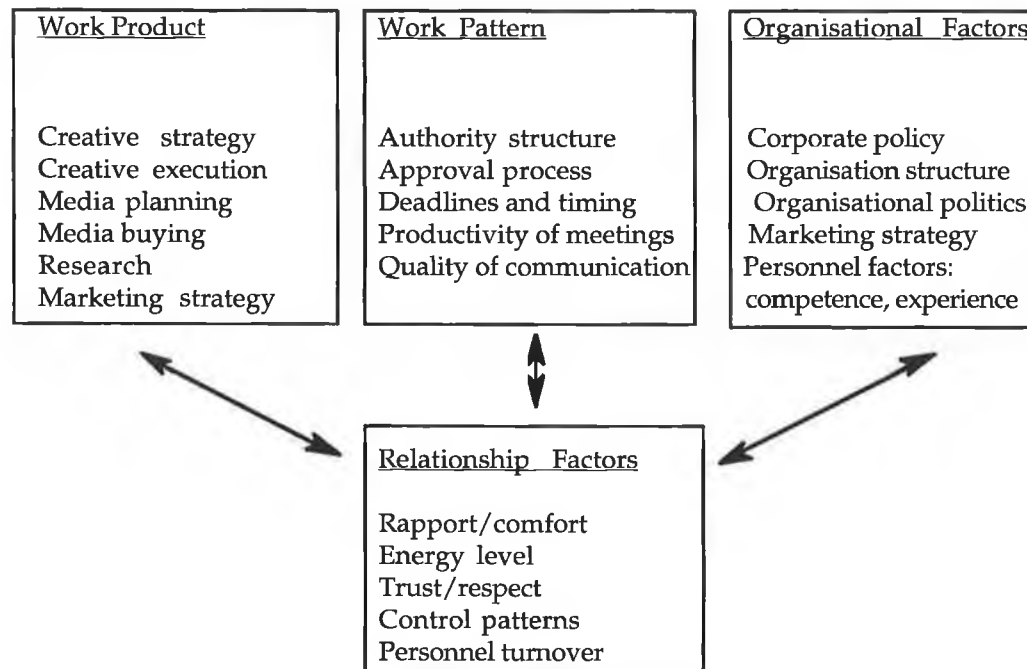


Figure 3.3 Elements of Agency-Client Relationships.

Daniel B. Wackman, Charles T. Salmon and Caryn C. Salmon (1986/87) "Developing and Advertising Agency-Client Relationship," *Journal of Advertising Research*. Vol. 26 No. 6: p. 24.

The 'people issues' have been highlighted in this model, as indeed they have been in much of the previous research, but when one considers the nature of the advertiser-advertising agency relationship one must bear in mind that it is a business relationship which is formed in order to

undertake some task. The importance of relationship/maintenance factors such as trust and respect are amplified by their effect on work/task factors. Since elements of agency-client relationships are inter-related, one must realise that problems reported in relationships may be only a symptom and not the true cause of dysfunction or termination. When one examines terminated relationships, causes cited for the break-up are available but the source of dissatisfaction may not be uncovered. In addition, the lengths to which the parties to the relationship went in order to prevent the break-up are not known, or indeed if the advertiser disclosed their concerns with the agency prior to an account review and agency change. A knowledge of existing relationships and the dynamics that underlie relationship organisation, procedures, functions and management offers more to the evaluator than reliance on reported reasons for expired relationships.

An evaluation framework that considers relationship satisfaction against expectations, specification, ability and competences of personnel, the work process and relationship environment may be adapted by evaluators of existing relationships to incorporate the facets of each unique relationship. While theorists have posited evaluation frameworks, these are not empirically tested or are incomplete. A functional, instrumental relationship requires an evaluation mirroring relationship priorities (for example task accomplishment, objectives and expectations of relationship members) but including the resources allocated to the relationship and its environment. While Ryan and Colley (1967) suggest an evaluation of the advertiser-agency relationship which is primarily task-oriented, they only address agency performance and not advertiser input into the relationship. An 'audit' of six performance areas is suggested as a form of preventative maintenance, within each it is proposed that no more than five or so variables are assessed. These areas are; creativity, media, marketing, collateral services, account management, and overall agency performance.

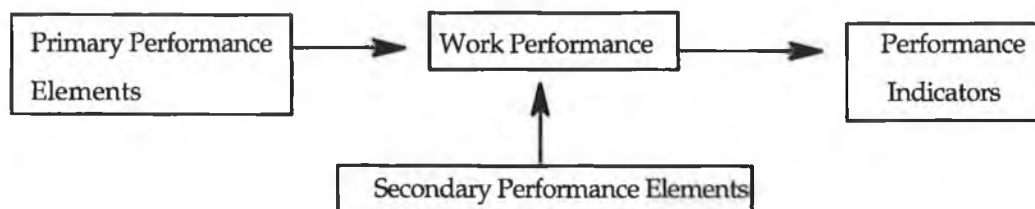


Figure 3.4 Performance Measurement.

Roger Bennett (1989) "Auditing Performance - An Alternative Approach," *Management Decision* Vol. 27 No. 4: p. 41.

Primary Performance Elements	Orientation to work Capacity to work Supports for work Rewards for work Relevance of the tasks
Secondary Performance Elements	Appropriate managerial style Particular goals Organisational context Technology External environment
Performance Indicators	Output Profit Dividends Growth Customer satisfaction Employee turnover

Table 3.3 Performance Factors.

It is also suggested that the evaluator has environmental and organisation knowledge which affects agency capability and may affect future performance. The proposed audit is utility-oriented in that it is geared towards identifying areas where the agency can be improved rather than identifying what is right and wrong with the relationship. However, an agency may be performing poorly because advertisers are not providing a clear brief, or it may be perceived as performing poorly when advertisers have performance expectations exceeding the reality of their budgets. Bennett's (1989) performance auditing structure does include work support as well as output in his framework. The areas identified are performance elements (primary and secondary) and performance

indicators. The primary and secondary performance elements generate overall work performance which in turn provides the performance indicators (Table 3.3 and Figure 3.4). However, it is very much a framework and each area of the framework needs to be elaborated to facilitate its implementation. The identified performance elements are rated in order of importance and in terms of whether they are or are not problematic, and the performance indicators are subjected to a satisfaction rating.

Considering performance elements in isolation is also problematic. The performance measures used by advertising agencies and advertisers can be too narrow. Doyle (1991) stated that advertising agencies oversimplify the concept of performance and that measures of performance used by shareholders, advertiser management and the advertising agency to evaluate advertising may conflict. Concerns such as company dividends, capital growth, continuity of business as well as consideration of the community, minority groups and employees are included in a very broad framework of immediate and external environment. The scope of Doyle's (1991) framework is much broader in the macro-environment than Michell's audit but does not specify and detail considerations within the micro-environment of the relationship. The Ryan and Colley (1967), and Bennet (1989) evaluations do tend towards performance measures directly concerning relationship output, with the Wackman, Salmon and Salmon (1986/87) model and Michell's (1986/87) audit also encompassing maintenance aspects of the relationship which are not highlighted when looking purely at performance. But within the micro-environment of the relationship, one must bear in mind that undertaking a task and task accomplishment affects maintenance of the relationship just as maintenance affects task accomplishment. Preventing maintenance deterioration and dissatisfaction with performance requires relationship management (Halstead, 1990; Beltramini and Pitta, 1991). It is the ongoing relationship that is managed, in current conditions and within specific and unique advertiser and agency organisations and competitive and

business environments.

The importance of the link between the relationship, client satisfaction and performance is considered less and less by researchers. While Ryan and Colley's (1967) early study explicitly looks at satisfaction and performance in terms of agency services and account management, subsequent studies by Doyle, Corstjens and Michell (1980) and Michell (1986/87) do not emphasise performance. It is Wackman, Salmon and Salmon (1986/87) who again look at relationship management as a means of improving performance and sustaining the relationship. Satisfaction is attributed not only to agency work but also to the relationship, the organisations, and the work pattern. Further, satisfaction and performance in each area is affected by satisfaction and performance in others. The Wackman, Salmon and Salmon (1986/87) study progresses from the Ryan and Colley (1967) study when they expand the concept of satisfaction and performance beyond agency services and account management to look at procedural elements. However, Wackman, Salmon and Salmon (1986/87) approach the relationship from only one perspective, that of the advertising agency. They look only at the effects of agency performance and not at advertiser input to the advertising process. Again, the link between the relationship and performance and satisfaction is misrepresented by not considering how the advertiser affects performance.

3.6 Summary.

While there exists a myriad of evaluating and auditing methods available to strategist and decision-maker, the area of the advertiser-advertising agency relationship is not well served.

The relationship may be examined within the context of a marketing audit. Although this does not specifically address relationship concerns, it may provide the context within which to consider further findings. Evaluators make an interesting distinction when they differentiate

between audits and evaluations, with the latter regarded as more diagnostic. The service 'audit' examined is causal and relevant in that 'repeat patronage' is a key consideration. While the advertiser-advertising agency relationship may not comfortably be regarded as a string of transactions, it is close approximation of the relationship's nature. Expectations governing evaluation of a service encounter may also be extended to the advertiser-advertising agency relationship, as may the investments made by both parties to satisfy relationship requirements. The benefits accruing to advertiser and agency when investing/participating in an evaluation are multiple: the advertising production process is improved through greater understanding, improved participation and co-operation among members to jointly achieve the desired performance objective.

Those evaluation techniques developed specifically for the advertiser-advertising agency relationship are flawed in that there are based on termination causes cited by ex-members of decayed relationships, and as a result tend to be reactive. The more detailed evaluation techniques would require too great a commitment from practitioners to undertake fully, and the frameworks are not sufficiently relationship specific. While the Wackman, Salmon and Salmon model best answers advertiser-advertising agency issues and task and maintenance concerns, it has not included the advertiser concerns and inputs.

Chapter 4.

Methodology.

4.1 Introduction.

Developing 'good quality advertising' is an objective of both advertiser and agency, and it is felt that the atmosphere most conducive to developing 'good quality advertising' is one where advertiser and agency have developed a successful relationship, specifically a successful working relationship. As the definition of the advertiser-agency relationship is developed, it is re-classified according to the objective for its formation. The existence of the relationship as a means of task fulfillment leads to a re-definition of the advertiser-advertising agency relationship as an instrumental working relationship with both task and non-task elements, but where its primary goal is the fulfillment of task objectives.

A problem then facing both advertiser and agency is one of a poor working relationship, and its effects on the production of good quality advertising. Screening methods employed by an advertiser when selecting an advertising agency do take relationship elements into account, but are not means of maintaining or improving existing relationships. An advertiser can 'switch' the advertising account to a newly screened and selected agency when unsatisfied with the relationship. However, the cost of 'switching' agencies, in terms of financial cost, time and effort, is so great that it may be easier to develop and improve existing relationships. This is the premise upon which the current research is based.

One may define a relationship in many ways, not least as being social, interpersonal or instrumental. The relationship existing between advertiser and agency is the one under study, and it is largely a business and instrumental relationship. However, since the relationship is not

just between two organisations (or their representatives) but also among individuals, the relationship is also personal. The relationship that exists between advertiser and agency is a working relationship and is both instrumental and social. It is functional and would not exist if there were not a task to undertake, but the working relationship also contains interpersonal elements. The study examines working relationships in order to measure how they affect and are affected by the advertising process, with the objective of developing an evaluation method that may be used by advertiser and agency to strengthen and improve their relationships (and consequently the advertising produced).

4.2 Objective of Research.

Working relationships need to be monitored and evaluated in order to be maintained or improved. The objective of the research is *to provide a mechanism which both advertisers and agencies can use to evaluate their working relationships and which will allow them to improve the quality of that relationship and its contribution to the advertising process.*

To satisfy this objective one must look at the working relationship within the advertising process. By identifying the elements of a working relationship and noting how they affect the advertising work that is being undertaken, one may establish how an existing working relationship may affect the quality of work that is being produced. By looking at how the working relationship develops and what affects the working relationship, one may suggest whether certain practices improve or disimprove working relationships. And finally by looking at how an agency's performance is evaluated, one can establish whether advertisers or agencies recognise the working relationship and its effects upon the advertising work that is produced.

Arising from this primary objective are a number of sub-objectives which assist in developing the evaluation method. The sub-objectives are;

(i) *to establish the roles of working relationships within the advertising*

process,

(ii) to examine and evaluate existing working relationships,

(iii) to develop a usable method for practitioners to evaluate their relationships.

4.3 Research Design.

Having identified the research problem and stated the research objectives one may now turn to designing a research structure which will satisfy those objectives. The information needs of this research can be satisfied partly through looking at secondary sources but also by undertaking primary research.

4.3.1 Secondary Research.

When looking at existing studies in the realm of advertiser-advertising agency relationships one finds that the authors suggest factors which affect the relationship, but test none of these factors (Michell, 1986/87; Wackman, Salmon and Salmon, 1986/87). The studies are not validated and therefore the factors which are suggested must be scrutinised before being accepted as input for the current research.

A second element to consider is that the studies themselves were largely undertaken among ex-pairings of agency and client who were no longer working together. The potential distortion by respondents when reporting the causes of break-up is a cause for concern. Parties may falsely attribute cessation of the relationship, when it is over, to factors which do not play a part in the decision to move the account or the dissatisfaction with the relationship. However, the greatest concern is the focus and nature of studies undertaken when the relationship is over. It may be more beneficial to look at existing advertiser-advertising agency relationships when both parties strive to ensure the continuation of a relationship rather than examine terminated relationships where neither party has any compunction to prevent or remedy a relational rift.

These studies have only looked at the agency-client relationship retrospectively, instead of; seeking suggestions for improvement, examining how agencies resolve conflict, and manage and maintain their relationships. Since any improvements and development within the relationship must be undertaken when both parties are still working together, this is the starting point of this study. By examining the relationship as it exists, one can understand the difficulties as they arise and also the possible methods of resolving these difficulties. It is through the resolution of problems and positive reinforcement of relationships that a relationship can be maintained or improved. By examining existing relationships one will uncover the problems that actually hinder the development of good advertising and not factors which may be justified or rationalised after the event. Through examining problems as they arise within the relationship, and drawing on the experiences of both parties within this and other relationships, one can uncover the most common areas of concern. One may also look at the actions that either or both of the parties undertake to resolve problems and from this suggest steps that may be taken to prevent rifts, or the development of problems within the relationship.

This study is not solely concerned with examining the relationship in a reactive manner but also concerned with examining existing relationships to develop a continuous method of improving and maintaining relationship. Although the nature of the existing study and the nature of previous studies differ, existing studies can be used as a source of secondary information after being verified by parties to existing relationships. Michell's (1986/87) performance audit is a system of examining numerous factors all of which are deemed to affect the agency/client relationship. While this may be so, such an auditing technique would be impractical because of the effort required to undertake a review of such an extent. The audit considers many different areas and factors without prioritising those elements that are most likely to influence the relationship. In an existing relationship the parties

prioritise concerns within the relationship as a matter of course because of time constraints.

4.3.2 Developing a Usable Evaluation Method.

Implementation of the evaluation method is an integral part of the primary research objective. Researchers, when developing evaluation or auditing techniques, concern themselves with the accuracy, validity, and reliability of the technique but must also consider the potential use or implementation of the proposed evaluation technique (Klay, 1991). By not incorporating implementation concerns researchers fail in their responsibility to develop evaluation methods. If the system cannot be used, it cannot be an evaluation technique and fails to satisfy an important element of the research objective, that is, developing a evaluation mechanism that parties can use.

An awareness that without managers and their programmes or processes there would be little or no demand for the existence of evaluators must influence the evaluation methodology suggested. Instead of fitting the methodology to the task requirements, evaluators should develop unique evaluation instruments to suit the problem. This problem situation must be viewed in the context of internal political systems and other potential barriers to implementation. A utility-focused type of evaluation is one that is strongly argued for by Weiss (1988), Wholey (1991) and Chelimsky (1987), with Chelimsky defining evaluations as "the application of systematic research methods to the assessment of program design, implementation and effectiveness" (Sonnichsen, 1989: 287).

Developing evaluation methods that cannot be utilised by the practitioners will not assist the improvement of relationships, and researchers should be aware of how, or if, their evaluation methods will, or can, be used. However, by incorporating implementation factors the result may be an evaluation system that lacks a scientific methodology or rigour. The goal of developing a usable and adaptable evaluation method

should not counteract the goal of developing a reliable evaluation method. An objective method is one which, when undertaken, will signal the same findings to different evaluators.

4.3.3 Factors from Previous Studies.

The literature revealed a comprehensive set of factors, all of which are expected to affect or influence the agency-client relationship. Alongside these factors were guidelines in selecting agencies (reflecting advertiser expectations) and factors which correlated with loyalty between advertiser and agency. Many of these factors can be measured objectively but others are very much subjective in nature and require more qualitative research methods to measure. Another source of information are studies suggesting causes of dissatisfaction among agency and clients. These factors were amalgamated and considered under various headings. Some authors had already sub-divided factors of interest into categories, for example, Doyle, Corstjens & Michell (1980), Wackman, Salmon & Salmon (1986/87).

A problem that exists with many of these studies is that researchers/authors have sought to look at the whole spectrum of the advertiser-advertising agency relationship. They have included such a width of factors that to consider all of them when evaluating the relationship would be very difficult. However, the studies do provide comprehensive lists of factors which are hypothesised to affect the agency-client relationship. These factors are collated and the new list is reduced to more manageable proportions by two means; i) elimination of synonyms and factors identical in meaning, and ii) through asking industry members to identify the factors which they feel affect the advertiser-agency relationship. Elements which are identified from the literature form six key factors: creative output, media planning and buying, marketing/ advertising strategy, advertising effects, the working relationship and the work process (Appendix C).

4.4 Primary Research: Step I.

The objective of the first step in the primary research is to verify and rate factors reported in the literature, and establish the nature of the relationship. A series of semi-structured interviews were undertaken with four advertisers and account executives from advertising agencies. These interviews, rather than having a rigid structure are composed of research themes and questioning along those themes. Respondents are allowed freedom in answering because it is through open responses that one can begin to access information that is valuable or insightful. To use a restricted questionnaire type structure would force respondents to answer only those questions that are directed at them, and not give them the opportunity to expand their replies across topics.

The respondents were asked to describe their relationships, the influences on the relationship, the effects of the relationship on the advertising process, and how they manage and evaluate the relationship. All interviews were tape-recorded and later transcribed. During questioning, particular attention is placed on the effects the advertiser-advertising agency relationship has on creative output, media planning and buying, marketing and advertising planning, advertising effects, the work process and the elements that constitute the working relationship (Appendix D).

From these initial interviews, it appeared that the entire area of agency-client relationships is one of increasing interest to both agencies, clients and their representative organisations. In a climate of tightening advertising budgets, 'accountability' has become increasingly important for advertisers, that is the agency must clearly account for advertising costs (current and planned), rather than the advertiser and agency justifying expenditure in advertising. Although 'accountability' may help focus and direct advertising strategies by relating 'costs' to 'benefits', it appears that agency interviewees feel that it is being used as a threat within a relationship. The 'accountability' factor is one that may affect the relationship, and is a factor that needs to be examined in this research.

The relationship is not viewed as being 'all-important' by respondents, but rather is viewed as 'only' a channel used when developing advertising. It is the effects of the relationship on work that are the most important. While practitioners prefer to have harmonious relationships with the advertiser or agency, it is only when the relationship dysfunctions (that is, no longer works as a medium during the advertising process) that its health is examined. *"We don't really evaluate the relationship we have with our client, but if there is any problem or complaint with our work of the account executive we will sit down with them (the client) and try and sort it out."* The focus of interest is performance and satisfaction, and while the research reflects this focus it does so in a holistic sense. Rather than looking at performance per se, the research associates the relationship with performance throughout the advertising process. The research objective was redefined to specifically address 'working relationships' underlining the utility focus of the relationship and its contributory role in the advertising process.

4.4.1 Primary Research: Step II.

Representatives of both agency and advertiser (Institute of Advertising Practitioners in Ireland and Advertisers Association of Ireland respectively) are approached next in order to give their views on the advertiser-agency relationship, the 'accountability' factor, and potential use of relationship evaluation (Appendix E). Meeting with and developing contacts with agency and client representative bodies is a crucial element within the research process. As well as gathering information from their views and experiences of advertiser-advertising agency relationships, the support of these institutions improves the response rate from advertisers and from agencies.

The concerns raised by clients and agency members were verified by their representative bodies and were felt to be of concern to most industry members which the organisations represented. Importantly, these associations agreed to endorse the research among their members.

4.4.2 Primary Research: Step III.

Having established the nature and importance of the relationship that exists between agency and advertiser, the next step is to speak with members of that relationship. Again a non-rigid interview structure is used, with research themes (Appendix F). Paired interviews with account executives and marketing managers are used to explore how members had dealt with problem areas, how they feel they can improve the relationship, what elements of the relationship they feel are important. By interviewing paired executives and managers, one can compare their responses to the same question and their manner of dealing with problems. This third step in the primary research has secondary objectives. One of these is the examination of differences between paired executives and managers speaking individually or in a joint interview. Another secondary objective is to investigate a phenomenon that arose during the first wave of primary research, that is, how the relationship differs at different levels within both organisations. The structure of the third step of primary research was as follows;

- (i) 'paired' individual interview with account executive and brand manager,
- (ii) 'paired' individual interview with agency director and marketing manager/director,
- (iii) 'paired' joint interview with account executive and brand manager.

The value of interviewing account executives and brand managers jointly is that of examining their interaction and manner of dealing with one another. Since these are the individuals from both organisations that deal most commonly together within the relationship, examining their interaction is a means to obtain an insight of the workings of their relationship and the advertiser-advertising agency relationship.

A fourth scenario of a 'paired' joint interview with account director and marketing manager/director was also considered, but rejected. The

account director and marketing manager/director are not working at the 'coalface' and are not handling the daily management of the relationship. They operate in different spheres and on an individual basis. Because of the nature of this fourth interview type, one would expect to experience difficulty in securing a joint interview with senior management from both organisations.

The objective of the research is to develop a proactive means of improving the relationship, and one that will be implemented. To do so, one may need to individually interview account executives, brand managers, account directors, marketing managers/directors (as they work to greater and lesser extent within the agency-client relationship) and jointly interview account executives and brand managers (as they work together on a daily basis) but not necessarily account directors and marketing managers/directors (since they manage plans and strategies but do not actively implement them).

Having completed interviews encompassing the three structures, it is decided that the interview procedure which best fulfills the research needs is; (i) a series of 'paired' individual interviews with account executives and brand managers. These are the individuals who form the hub of the relationship, are in constant contact, and who work most with members from the other organisation. Individual, separate interviews are chosen to ensure full disclosure and because of the difficulties encountered when scheduling joint interviews.

The results of these interviews give insights into the type of problems that arise and also how these problems are overcome or absorbed into the relationship. *'Once it is a mistake, twice it's a fault, it shouldn't happen a third time.'* The expectations of both parties become apparent also, for example, the agency respondent expects a detailed and unambiguous brief and the client expects the agency to follow the briefing instructions. Problems arise when the agency feel they are not being properly briefed or

when the client feel the agency is not following the briefing instructions. These interviews also provide information of how dissatisfaction with agency is communicated by the client; the first step may be for a brand manager to adopt a more formal manner when communicating with the agency with the ultimate step of the brand manager asking his/her marketing manager or director to intervene and speak with the agency director. The relationship between the marketing director and agency director differs in that the details of the day-to-day communication between the account executive and brand manager do not impinge and the relationship is not as involved throughout the advertising process as that of the account executive/director and the brand/marketing manager.

4.5 Outcome of Primary Research Steps I-III: A Framework of the Advertising Process.

At this stage, eleven interviews with twelve agency and advertiser practitioners have been undertaken. It is information derived from these preliminary interviews, and the information gathered during secondary research, that is used to develop a framework of the entire advertising process (Figure 4.1).

The elements within this process are identified as are the role and components of the working relationship. This framework forms the basis for the final stages of the research which concentrates on the working relationship. The advertising process is conceptualised from the delivery of the brief by the advertiser to the agency, through to post-evaluation of the campaign and of the agency itself. Between these stages the agency is required to deliver the creative product, and plan and buy media according to client specifications, or the developed advertising strategy. The working relationship between advertiser and agency affects each stage of the advertising process. It will influence the type of brief used, the amount of information provided and is influenced by the briefing approach of both client and agency. The relationship also affects and is affected by the 'core' elements of the advertising process, that is the

creative conception and development of campaigns and media planning and buying. A positive relationship, where there is openness, trust, competence, and similarity in perspective, will facilitate the generation of a 'good' advertising product while a negative relationship may hinder the creative process and the media strategy. Creative and media work undertaken will in turn affect the relationship in that achievement, ability, and respect will improve the quality of the relationship.

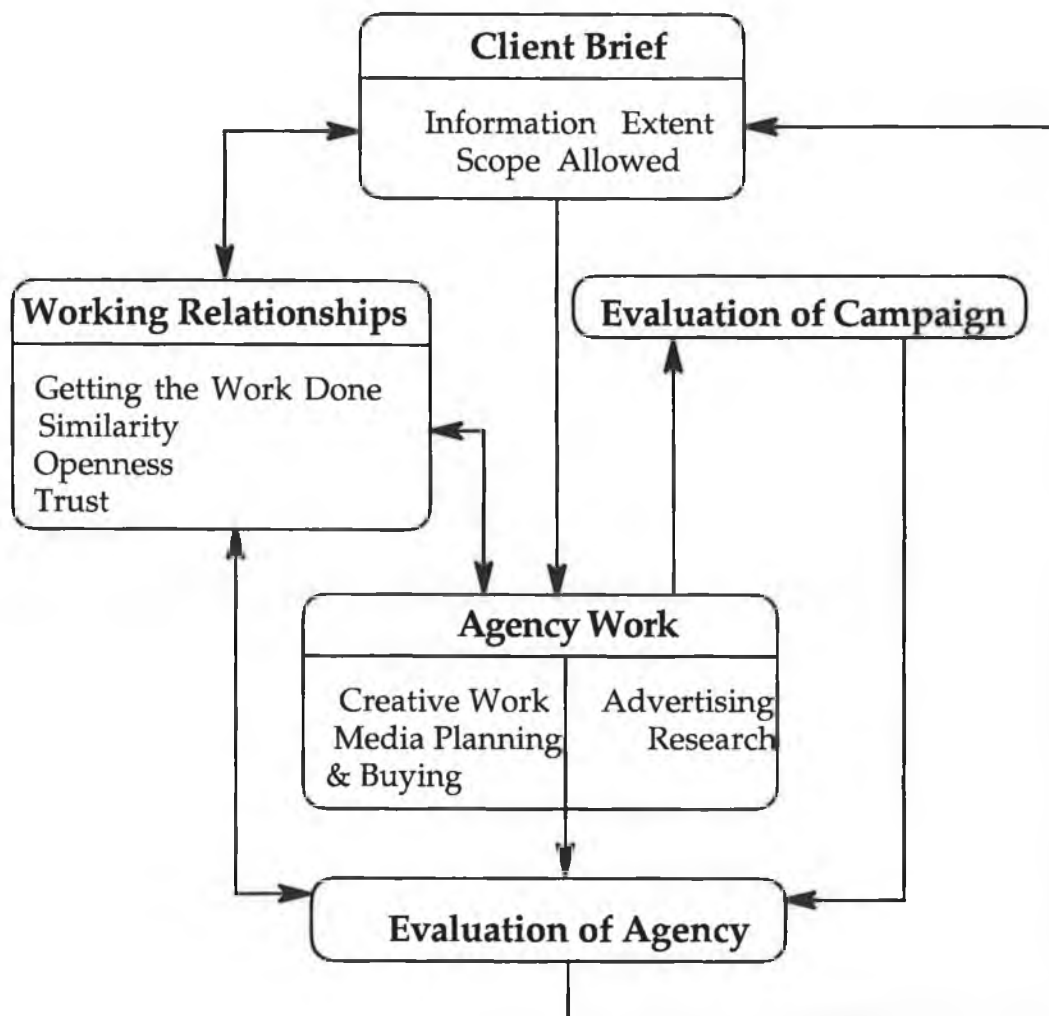


Figure 4.1 A Framework of the Advertising Process.

Four elements clearly emerged from preliminary interviews as representing the working relationship perceived by practitioners. Variations of these elements have been identified in previous studies, but

they emerged from Step I, II and III interviews in the following form; 'getting the work done' (Wackman, Salmon and Salmon, 1986/87; Doyle, Corstjens and Michell, 1980; Michell, 1986/87), similarity (Cagley, 1986; Halstead, 1990), openness and communication (Ritchie and Spector, 1990; Morton, Alexander and Altman, 1976; Ribeaux and Poppleton, 1978), and trust (Moorman, Zaltman and Deshpandé, 1992; Michell, 1986/87). The associations linking these elements with briefing, agency work and evaluation are tested in the final stage of the primary research.

The working relationship is viewed not only as an entity in itself, but also in the way it affects the other elements within the framework of advertising generation. Therefore, it is essential to consider the working relationship, its impact upon other areas and note how it is affected by the other elements, to assist in maintaining and improving the agency-advertiser association. The working relationship is the thread which joins the various elements of the advertising process and as such is an intrinsic element. Naturally the success/failure of advertising campaigns to achieve their objectives is an important factor when evaluating agencies, but the concern of this study is the evaluation of the working relationship and not an evaluation of the creative and media product. The relationship affects the evaluation of the agency indirectly, in that it has an input into the creative and media elements of the agency and into the briefing process which then affects creating and placing advertising. The creative/media product, which is developed from the brief, is affected by the relationship directly and indirectly and is evaluated through undertaking advertising research and measuring achievements against goals. This campaign evaluation will affect the overall evaluation of the agency, as well as the type of working relationship the advertiser and agency will have in the future.

4.6 Primary Research: Step IV - Examining and Evaluating Existing Relationships.

The final stage of the primary research involves examining and

evaluating existing working relationships in order to test the framework. The research instrument that is used is again the personal interview, undertaken with 'paired' individuals from advertising agencies and advertising companies with each interview tape-recorded and transcribed. By undertaking personal interviews one can ensure that it is individuals who are part of the advertiser-agency relationship are being questioned. The personal interview is also a better medium for retrieving answers to open-ended questions, since questions can be rephrased and represented to the individual as well as allowing a researcher to ask the respondents to elaborate on their replies.

4.6.1 Primary Research: Step IV - Respondent Selection/Sampling.

The participants in the last stage of the primary research are representatives of advertiser and agency organisation who work in an agency-client relationship together. The unit of interest in the research is the advertiser-advertising agency relationship, and the interviews are undertaken among individuals who are involved in the advertiser-agency relationship and who work with each other while planning and developing advertising.

When contacting the advertiser companies, the specification for the respondent is that individual who works with the agency representatives on the 'account'. The initial client contact is by mail to the marketing manager or director (Appendix G, p. 1). This letter explains the purpose of the research and subsequent telephone conversations result in identification of the individual who is most involved in the advertiser-agency relationship. The level of involvement is determined by the degree of contact with the agency and the degree of decision-making power held. Once these individuals are identified, they are requested by mail to participate in the research.

As the advertiser is contacted and the advertiser interviews are being undertaken, the list of corresponding advertising agencies is drawn up.

The account directors or managing directors of these advertising agencies are contacted and the account executives or directors working on specified client accounts are identified (Appendix G, p. 2). These account directors and account executives are then contacted and the research interviews are scheduled (Appendix G, p. 3).

The list of advertisers that is used is the top one hundred advertisers in Ireland (developed by the Advertisers Association of Ireland - Appendix H). The list is then broken down into six sub-categories determined from agency responses from preliminary interviews which state that the relationship is affected by the business field of the client. The classifications of advertising companies are; banking, retail, tobacco and alcohol, 'fast moving consumer goods' (food and drink, drugs and toiletries), motor cars, and other (Appendix I). From these strata a disproportionate stratified sample is developed.

Categories	Number in List	Percentage of List	Sample Percentage	No. in Sample
Other	26	26%	36%	9
FMCG	42	42%	20%	5
Retail	8	8%	8%	2
Motor Cars	8	8%	8%	2
Banking	7	7%	12% (7+5.25)	3
Tobacco & Alcohol	9	9%	16% (9+6.75)	4
Total	100	100%	100%	25

Table 4.1 Classification and selection of sample.

Having agreed upon a sample size (n=25 relationships, that is 25 advertisers and their paired agencies) and quota proportions, a specified number of advertising companies are selected from each classification. The quota for the 'other' category is disproportionately large in order to accommodate the greater variance of company type within that category (Lastovicka, 1985). The quota for the 'FMCG' category is disproportionately smaller since it is felt that the respondents within this

category are very similar to each other. The quota proportions in the 'retail' and 'motor car' categories mirror the proportions in the sample list and the remainder of the proposed interviews are shared proportionately among the last two categories, that is the 'banking' and 'tobacco and alcohol' categories.

Even though this list is of companies who advertise in Ireland, not all of the advertisers develop or place their advertising in Ireland. British, American and International advertising companies are placing media in Ireland through media broking firms and advertising agencies in the U.K. Because of time and monetary constraints, identified advertiser respondents who are not based in Ireland are not interviewed, instead, another advertising company within that category is selected. The selection process is further hampered by the existence of British, American and International advertising companies who develop their advertising elsewhere and use Irish advertising agencies to place their advertising, but who are located in the U.K.

As the advertisers agree to participate in the research, they are asked to indicate which advertising agency(s) they use. The twenty-five advertisers use eighteen agencies, but this list includes agencies used by advertisers with multiple relationships. Forty-seven relationships exist between the selected twenty-five advertisers and their agencies. However only one agency per advertiser is used in this research. Rather than focusing on the advertiser, and looking at a particular advertiser in all its relationships with advertising agencies, the research looks at twenty-five single relationships. Where an agency is the 'lead' agency and undertakes the bulk of the work for that advertiser, then that agency is contacted. In cases where there is no lead agency and more than one agency undertakes work for key client brands, the agency is selected with the criteria of ensuring that as many agencies are participating in the research as possible. For example, where a selected advertiser (A) uses two agencies (Ω and μ) and one of these agencies (Ω) is also used by another selected advertiser (B), the

second agency (μ) is contacted as the pairing for advertiser A.

4.6.2 Primary Research: Step IV - Research Instrument.

These personal interviews satisfy the information needs of the prime objective, that is the evaluation mechanism proposed is developed directly from the results of this research stage. By testing the role of the working relationship within the framework of the advertising process (Figure 4.1), one can establish its importance. In order to do this, the components of a working relationship are first identified and examined, that is 'getting the work done,' similarity, openness and communication, and trust.

However, the working relationship does not exist in isolation but is affected by, and affects in turn; the client briefing process, the agency work - creative and media, and the overall evaluation of the agency. Since this research is concerned with the working relationship, the client briefing process, agency work, and evaluation influences on the working relationship are examined. Likewise the working relationship and how it affects the client briefing process, agency work, and evaluation is also examined. However, it must be remembered that the entire area of, for example, client briefing process is not examined here. Only how this briefing process affects the working relationship, and how the working relationship is affected by the briefing process.

The interviews take place with representatives from advertising companies and advertising agencies, and the research instrument is a semi-structured questionnaire with open-ended questions. Although the questionnaire is structured, in that all respondents are asked certain questions, it also allows the interviewer to probe answers and ask respondents to explain and elaborate on their replies.

Two research questionnaires are designed, one for the advertiser respondents and one for the agency respondents (Appendix J).

Preliminary interviews show that the perspectives of the advertiser and agency differ and that their roles (perceived and actual) also differ. The questionnaires reflect these differences, for example (i) an agency respondent is asked to indicate how much marketing and advertising information they receive from the client, and (ii) the client is asked how much information they provide as well as being asked to detail the level of reporting they receive from the agency.

Although two separate questionnaires are developed for advertiser and agency respondents, the basic form of the questionnaire is entirely based on the framework of the advertising process in both cases (Figure 4.1). The research instrument is designed to provide information on four key areas; briefing, the working relationship, agency work, and evaluation. When questioning the respondents on each of these elements, the interviewer also probes the inter-relation between the four areas. These findings, in conjunction with preliminary interviews and secondary research solve the secondary objectives of the research. Once the secondary objectives are addressed, one may use all of the information gathered to achieve the primary research objective, *(that is to provide a mechanism which both advertisers and agencies can use to evaluate their working relationships and which will allow them to improve the quality of that relationship)*. Demographic and category information is also gathered, namely the length of the relationship, whether the advertiser uses one or more agencies and the category of advertisers business.

4.6.3 (a) Primary Research: Step IV - Research Instrument (Working Relationships).

The working relationship consists of four main elements (as identified through preliminary interviews); 'getting the work done', similarity, openness, and trust.

- 'Getting the work done' and hinderance in 'getting the work done' means different things for advertiser and agency. Advertiser respondents

are first asked if they have any problems with the agency 'getting the work done' generally, then to identify those problems, and suggest why they occur. The respondents are then asked to address problems which were raised by advertisers in the preliminary interviews in the form of briefing, budgeting and deadline concerns. The nature of these problems is also examined: the respondents are asked if or when it is acceptable to exceed time deadlines, budget constraints, or work outside the brief.

For the agency, 'getting the work done' also revolves around these specifications, but in this case the agency will see problems with 'getting the work done' arising from being prevented from coming within budget, 'on brief' and so on, or rather where task accomplishment is not facilitated. The agency respondents then are asked if they have problems with 'getting the work done' and how these problems arise. The prompts suggested, derived from preliminary interviews, include work pressure within the agency, not having enough time, client redirection/indecision, dependence on outside suppliers.

- A second element of the working relationship is similarity, that is similarity in terms of personality characteristics rather than similarity of size, number of employees. Cattell's trait theory of personality is founded on goal-directed motivations, as exist in a commercial relationship (Roloff, 1981) and takes group and cultural influence into account (Ryckman, 1989: 238-256). Cattell views traits as being constitutional (biological) or environmentally-moulded (experience) and as being source or surface traits. One may also describe traits as being ability, temperament or dynamic-oriented (Figure 4.2).

Cattell's list of source traits has been developed using a comprehensive method of trait identification and verification, and the resulting list is deemed to reflect the primary personality traits of individuals. The sixteen personality factors (16pf) list is general, but there are additional lists to examine abnormal personality traits. While the study is

examining the relationship between advertisers and their agencies, one must consider that the relationship exists between individuals and is conditioned by individuals in both organisations. Although the primary objective of using a personality scale in the research is to develop profiles which can be compared and contrasted, the study is also concerned with exploring means of improving relationships. One method of identifying potential improvements is to consider how respondents rate the other party in this general personality scale against the ratings for ideal advertiser or agency personality profiles.

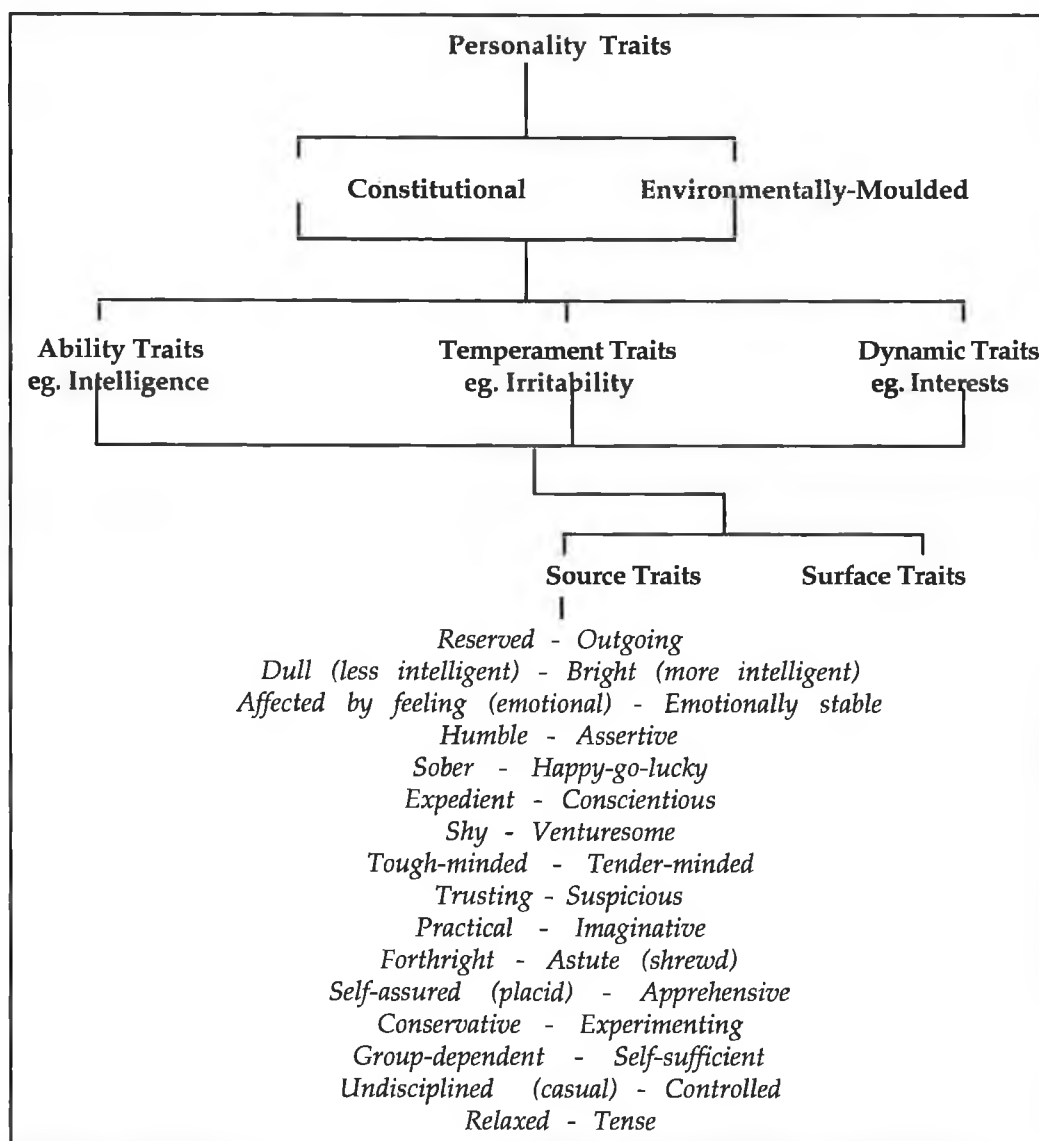


Figure 4.2 Personality Traits.

One problem that is anticipated when administering the similarity section

is that of a respondent working with multiple individuals, with differing personalities, within either organisation. The respondents are selected on the basis of their role within the relationship, that is they are those individuals that are most involved in the relationship (determined by the degree of interaction, work responsibility, and decision-making power). Hierarchies exist within both organisations (as examined in the preliminary interviews), and the relationship that exists between the two respondents is affected by superiors within and across organisations. Respondents are therefore asked to view the entire organisation as an individual and indicate a personality profile (along semantic differential scales for the sixteen traits) which depicts the advertiser organisation or agency.

- The third element of the working relationship that is examined is openness. Information flow is an important facet of relationships and one is interested in discovering the nature and extent of communication, establishing what communication occurs between parties, to whom and by whom information is communicated, whether parties are satisfied with the level of communication or want more or different information.

Agency respondents are asked to state what information is being provided by the client, and in what manner. They are asked if they are receiving sufficient information and are asked to suggest what additional information they would like to receive.

Advertiser respondents are asked about agency communication, and whether they are satisfied. Two issues identified during the preliminary interviews are raised during this section of the interview:

- (i) Advertisers are asked to give their views and the 'contact reporting' process used by many agencies to update their clients.
- (ii) The advertiser respondents are also asked if they feel that all agency communication and contacts (personal, telephone and written) are

necessary.

- A fourth element of the working relationship is trust. The trust factor arose again and again during the preliminary interviews, but in different ways. The respondents are asked if they trust their agency/client. If they say they do trust the other party, they are asked in what ways they trust them, and when would they not trust an agency or client. If the respondent says they do not trust the agency or client, they are asked to specify the cause of this distrust.

Advertiser respondents were also asked to consider trust in at least three ways; in terms of confidentiality, delegation of work and accuracy of billing. They are asked if they trust their agency on these three counts, why they do trust them and why they do not trust them. Respondents are asked to indicate any other reasons for trusting or distrusting their agency and how trust is formed or broken.

The trust element emerged from preliminary interviews among agency respondents as dependent upon the clients ability and decision-making skills. Agency respondents are asked to address trust generally, and then specifically consider the effects of changed decisions on trust.

Analysis of working relationship elements includes; the nature and frequency of occurrence, their relation to demographic information, their interrelation, and the relation of each element to briefing and evaluation.

4.6.3 (b) Primary Research: Step IV - Research Instrument (Briefing).

Respondents are first asked to indicate the briefing procedures or method used or received, the extensiveness of the briefing procedures, and then their satisfaction or dissatisfaction with the briefing methods used. Respondents are also asked if and how the briefing method affects the working relationship existing between advertiser and agency, and the work that is produced.

Analysis tests whether the client briefing process is affected by, or affects the working relationship. Since the briefing process is the means the client uses to direct the advertising work, it affects task accomplishment. The clients may specify marketing/advertising plans and objectives as well as customer profiles. The brief in turn affects the working relationship since the level and amount of information provided by the client affects the agency ability to 'get the work done', it may also affect the level of 'openness' and trust between the parties. It may negatively affect the relationship if the agency feels the client is not providing sufficient information or direction, or if the client feels that the agency is not using the brief to guide their work. The relation between the briefing method and evaluation is also tested.

4.6.3 (c) Primary Research: Step IV - Research Instrument (Agency Work).

The core activities of the agency, that is the creative development and media placing of the advertising are also affected by the working relationship. A good working relationship is felt to help the creative and media processes, in that the working relationship may be a factor which may negatively affect the agency creative and media work. However, rather than examining the creative and media work the agency undertakes, this research examines the working relationship. The study investigates the process by which advertising is developed and placed through the working relationship and its relation to the initiation of agency work (briefing method) and the completion of agency work (evaluation), taking work in progress into account when examining elements of the working relationship.

4.6.3 (d) Primary Research: Step IV - Research Instrument (Evaluation).

The last section of the questionnaire is that concerning evaluations undertaken by advertiser or agency. The respondents are asked if they undertake any type of evaluation of the working relationship, or if evaluations are undertaken by the other party. The nature of these evaluations and the output generated are also requested, and specific

questions are asked about evaluation of the relationship rather than the agency work. The respondents are asked if interpersonal relations are monitored and if they consider how their input affects the work produced and how this effect is tempered by the type of working relationship that exists.

Again the nature and frequency of responses are analysed singularly, against the demographic information and against responses made relating to the elements of the working relationship and the briefing method.

Chapter 5.

Presentation and Discussion of Primary Research Findings: Step IV.

5.1 Introduction.

The research instrument used a framework of the advertising process as a methodological structure and this is reflected in the presentation of this chapter. This framework includes briefing, agency work and evaluation within the advertising process and highlights the working relationship and the links between the working relationship and these three stages of the advertising process (Figure 5.1). Demographic information in the form of respondent and relationship definition lies outside this framework and is presented first. The data is categorised according to length of relationship, type of relationship and category of advertiser business. Relationships are also classified as being exclusive, where the advertiser uses only one agency, and non-exclusive, where the advertiser uses a group of agencies. The remainder of the chapter follows through with analysis of responses to the three main research areas; the brief (section 5.3), the working relationship (section 5.4 - 5.4.4 inclusive), and relationship evaluation (section 5.6). The interrelationship between working relationship elements are presented in section 5.4.5. Interrelations between working relationship elements and briefing (section 5.5), working relationship elements and relationship evaluation (section 5.6) and briefing and relationship evaluation (section 5.8) are analysed after the relevant research areas are presented (Figure 5.1). The responses made by advertiser and agency are examined individually and directly contrasted to responses of the corresponding party to the relationship. Group responses are also monitored and collective group responses are compared against each other.

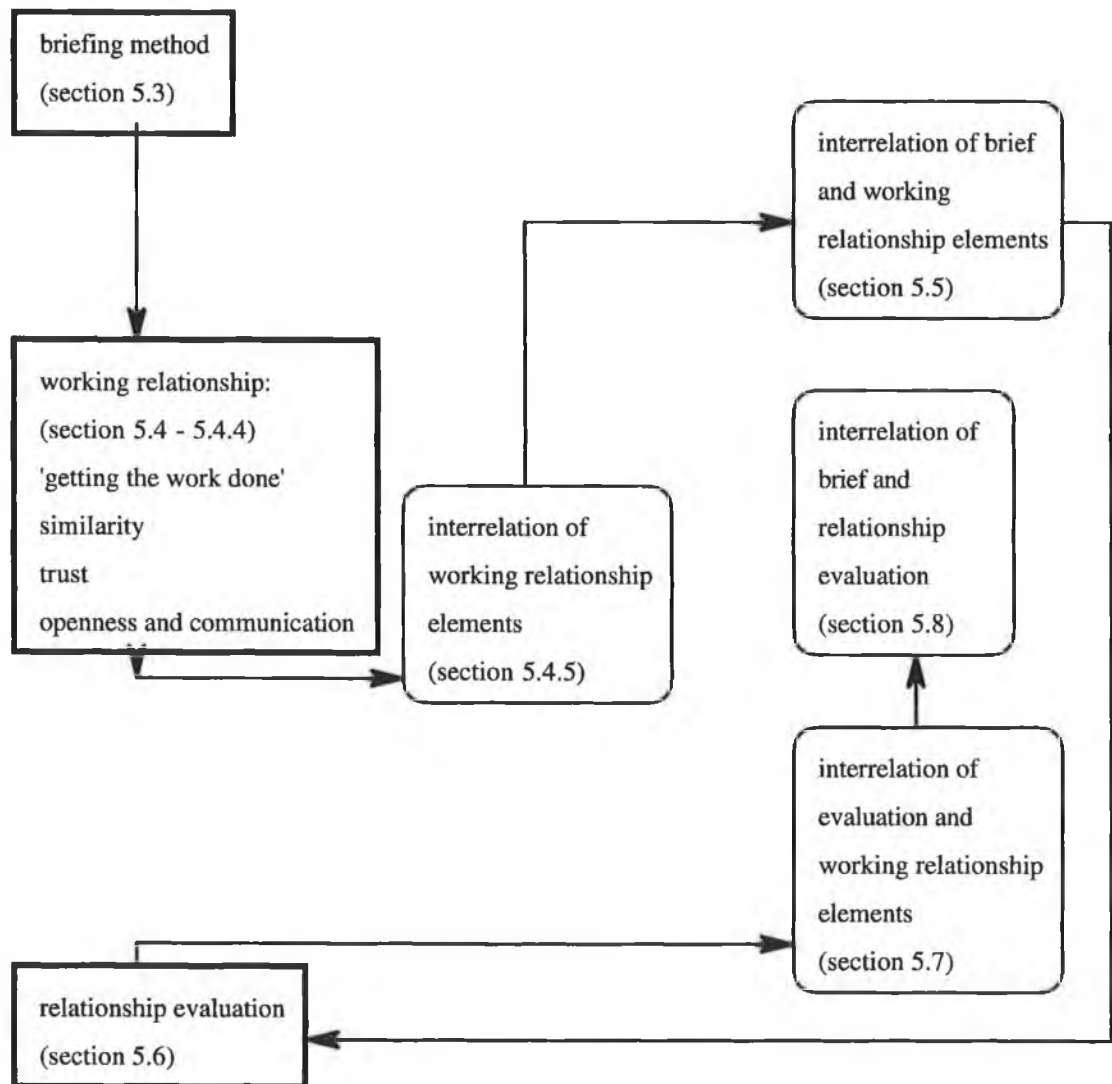


Figure 5.1 Format of Presentation of Results.

The data used for analysis is both quantitative and qualitative. ANOVA and cluster measurement used in the 'similarity' section are undertaken directly without further classification or quantification of the retrieved data. However, when analysing qualitative response to open-ended questions, the collected data was processed and categorised before presentation. The categories which are used are developed only after the research was undertaken and the qualitative data collected. The respondents are not asked to indicate a predetermined category of response while the interview is being undertaken. However, a content analysis is undertaken whereby the responses to each question are examined and

then are classified in a more quantitative form, while maintaining the complete array of recorded answers. The frequency of occurrence of a response classification is presented numerically and with individual quotes from respondents to provide a greater depth of information. These quotes are not attributed to an identified individual, but are rather coded according to a specific relationship (numbered 1 to 23) and whether the respondent is an advertiser or an agency representative (advertisers being assigned with the letter a and agency respondents being assigned with the letter b). Where data did not lend itself to this quantification, the responses are presented literally in the appropriate sections.

5.2 Respondent Description.

The advertiser respondents were selected according to the sampling method described in the methodology. Following the twenty-five interviews with advertiser respondents, the list of corresponding agencies was developed. From this list, the agency respondents were selected and contacted. However, only twenty-three of the twenty-five selected agency respondents agreed to participate in the research and these two non-participating agencies were the sole agency for the selected advertiser. Consequently only twenty-three relationship dyads are examined in this chapter since not all of the twenty-five advertiser interviews are paired with interviews with their advertising agencies. A total of nineteen account executives/directors were interviewed in twelve agencies, with four of the account executives/directors handling two of the specified accounts each and the remaining fifteen account executives/directors handling the remaining fifteen specified advertisers. A numerical breakdown of the twenty-three relationships according to advertiser business strata is presented in Figure 5.2. The 'motor' category, having only one member because of agency non-response is included under the 'other' category in the findings in order to protect the confidentiality of participants' responses (Figure 5.3). The advertiser respondents are identified and presented according to business classification in Appendix K, while a list of the paired advertiser-agency respondents is presented

alphabetically in Appendix L. The order of relationships in this list does not correspond to the numerical coding of relationships which is used in the text of this chapter.

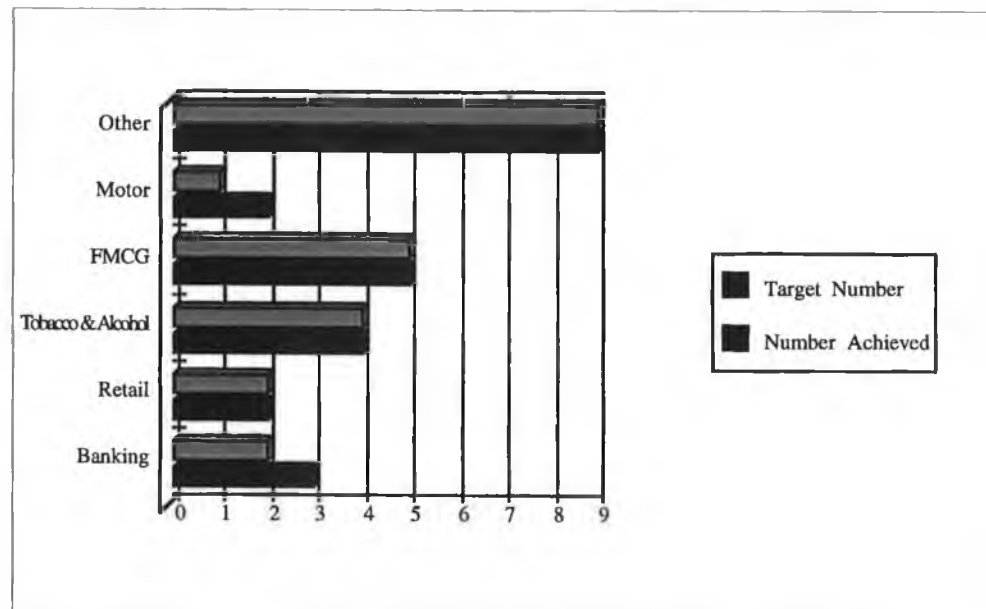


Figure 5.2 Classification of Relationship Dyads according to Business Category of Advertiser Respondents.

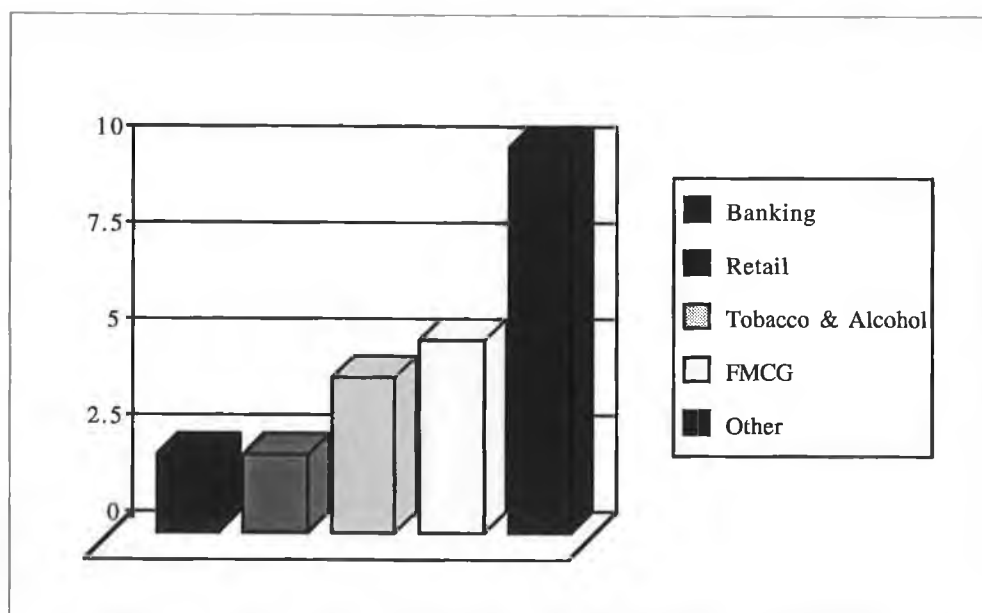


Figure 5.3 Re-classification of Relationship Dyads by Business Strata.

5.2.1 Relationship Length.

Ten relationships are less than five years old, eight relationships are from five to ten years old, and five relationships are longer than ten years. The mean length the relationships sampled is 6.65 years, with a standard deviation of 1.15 years. However, in fifteen of the twenty-three cases, the advertiser uses more than one advertising agency. If one considers the length of all the relationships between the twenty-three advertisers and all of their agencies, the mean length of these thirty-nine relationships is 7.47 years, with a standard deviation of 0.99 years. These mean lengths are obtained through examining ongoing relationships and only consider the relationships at one stage in their life-cycle. However, obtaining the length of relationships through examining expired relationships would also be inaccurate since it ignores existing and ongoing long-term relationships and skews the result towards shorter relationships.

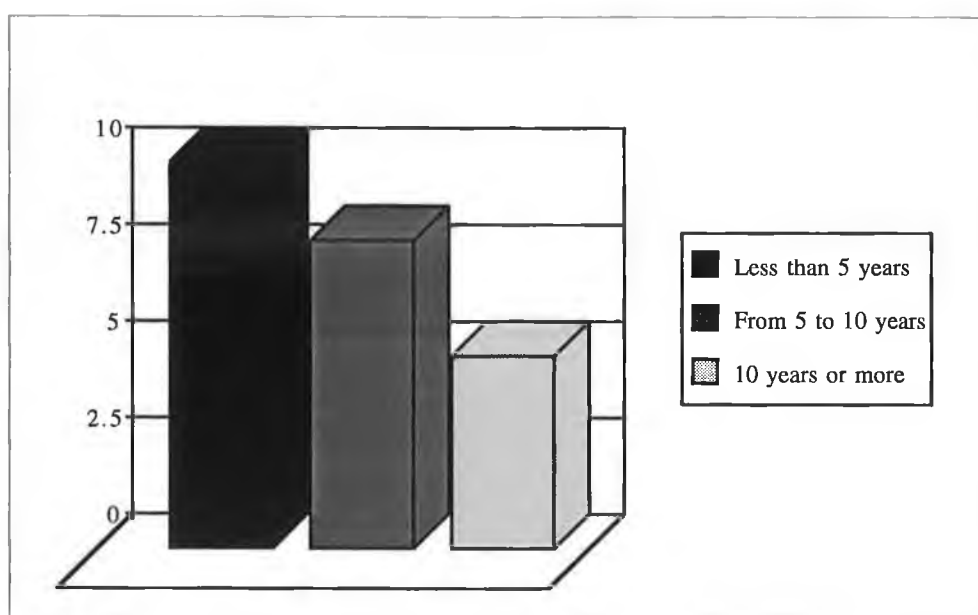


Figure 5.4 Relationship Length.

When looking at the relationship length in conjunction with business category classification, it emerges that three of the relationships lasting longer than 10 years are in the Tobacco and Alcohol category, and none of the banking or retail relationships are older than ten years.

5.2.2 Relationship Type.

Relationships of the same length differ in that a relationship can span review periods where the advertiser offers the account to other agencies but then retains the incumbent agency. The advertiser respondents indicate three situations when a review is undertaken; i) the contract with the advertising agency is coming to an end, ii) the advertiser is dissatisfied with the agency performance and iii) a newly appointed marketing manager initiates a review to assess agency performance. Ten of the relationships are classified as 'settling in', that is, either the relationship is beginning (in the first 2/3 years) or an established relationship has recently undergone a major review where the account had been put up for 'pitch' but the agency has retained the account. Eleven relationships are categorised as 'settled' and two relationships are due a major review (Figure 5.5).

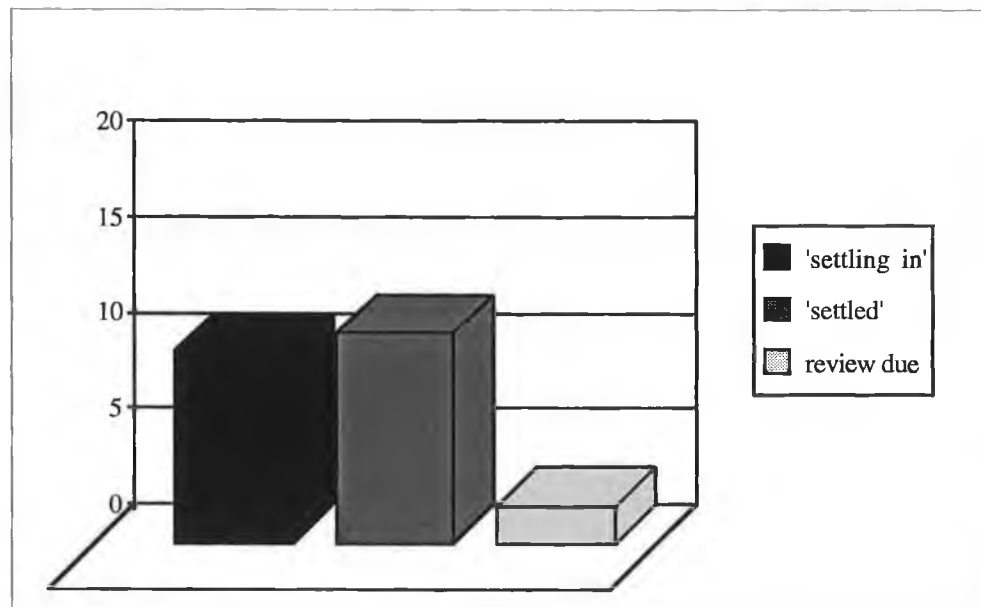


Figure 5.5 Type of Relationship.

During the period when the research interviews were undertaken, one of those accounts was moved to another agency. The advertiser interview had taken place before the move, but while the review was being undertaken, and the agency interview took place just after the results of the review were announced. When examining the relationship type with

business category, it emerges that the relationships with FMCG accounts are most settled.

5.2.3 Sole Agency/Group of Agencies.

Eleven of the relationships involve the advertiser and only one advertising agency, and the remaining twelve relationships involve the advertiser and a group of advertising agencies. The advertiser may use one agency for the bulk of their work and their core brands and use other agencies for secondary brands, or the advertiser may have a number of large/core brands which are handled by different agencies. Of the twelve advertisers who use a group of agencies, five use one lead agency and other agencies as support. Seven of the advertisers who use a group of agencies regard more than one of their agencies as a lead agency since those agencies handle key brands or product areas for the advertiser. The FMCG and Tobacco and Alcohol accounts are more likely to use a group of agencies; each of which handle a key brand or product area. The banks also use groups of agencies but employ one lead agency.

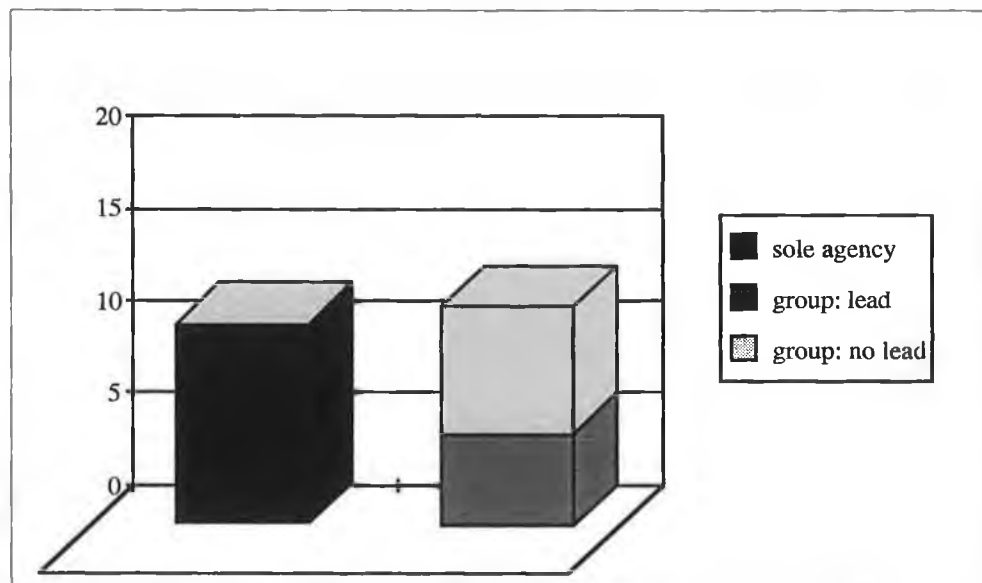


Figure 5.6 Sole Agency/Group of Agencies.

5.3 Work Restrictions and Brief.

Looking at the briefing procedures that are used, there are discrepancies in the responses made by the paired advertiser and agency representatives.

Eleven of the clients state that they write a written brief (which may be subsequently amended), while only five of agency respondents state they receive a written brief. Eight of the agency representatives state that they write the advertising brief based on a verbal brief from the advertisers, while six of the advertisers indicate that this is the case.

Nine of the agency respondents state that they receive only an oral brief and operate from a brief that is developed through verbal interaction. However, only six of the advertisers state that there is no written brief, recorded by either advertiser or agency.

'After briefing, we're on the telephone a lot, there is not strict procedure, (we) talk through the brief as well as giving it to them, ..work with them (1a.)' 'The AE (account executive) would go away after my discussing with her, and come up with the creative brief which I would approve and sign off (3a.)' 'The briefing is a formal and critical part of the process. The advertising produced will have a direct relationship to the quality of the brief. If it is a bad, vague brief that is not good for the relationship. Also consider the degree to which the client will bring an agency through a brief, agencies like a clear brief..(15a.)' 'Quite a few clients will brief you over the phone, we go back to them with the written brief and will tease it out, from this the client will agree/disagree and we discover what they really want (17 b.)' 'They brief us and it is up to us to interpret that brief and go back and ensure that it is what they mean (12b.)'

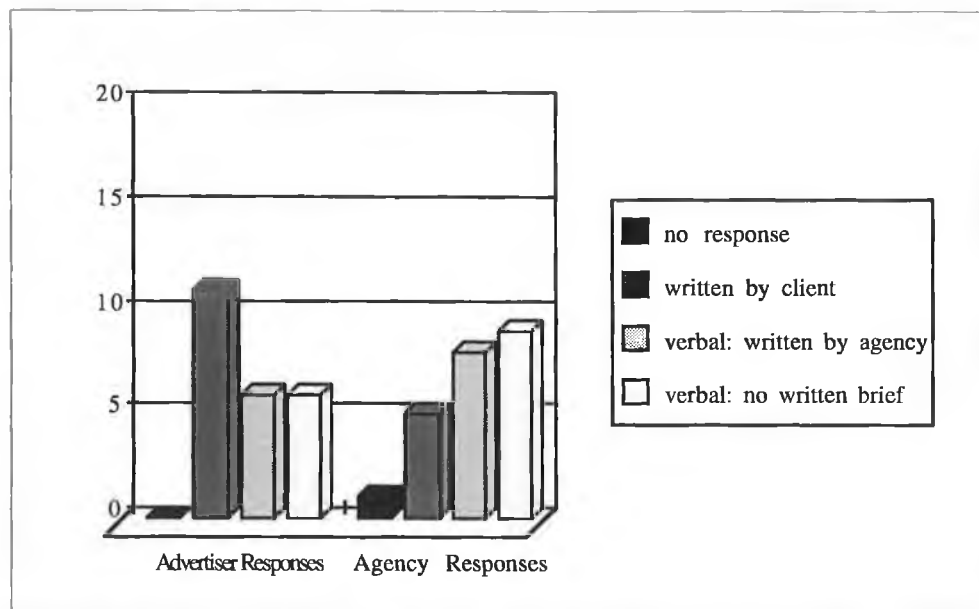


Figure 5.7 Briefing Method.

The lack of written briefs, and the variance between the agency and advertiser responses is of concern. By not recording the objectives and

nature of the advertising task, neither party have a reference for their work as it is being undertaken and as it is being evaluated. Of more concern are those cases, suggested by agency respondents and admitted by advertiser respondents, where poor briefing may be a symptom of lack of advertising and marketing planning by the advertiser. In these situations the advertiser may themselves lack a direction for their brand(s) or may be in conflict internally over the direction that should be taken and the agency is directionless or receiving conflicting briefs. The onus may not only be on the advertiser/client to recognise and resolve these situations but also on the agency.

'The client may not be clear in their own minds, they have not thought out sufficiently in advance what they are trying to achieve...relying on the agency to develop the brief, when you go back with this you may not be doing what they think they want to do, that creates a friction (16b).'

The nature of the relationship (affected by the size and nature of account, agency size and personalities of both parties and the individuals involved) will greatly affect the degree and level of input offered by the agency. The degree of agency input into marketing and advertising strategy also depends on the clients' preferences. The type of brief the agency receives affects the scope of work the agency undertakes for the client (Figure 5.8).

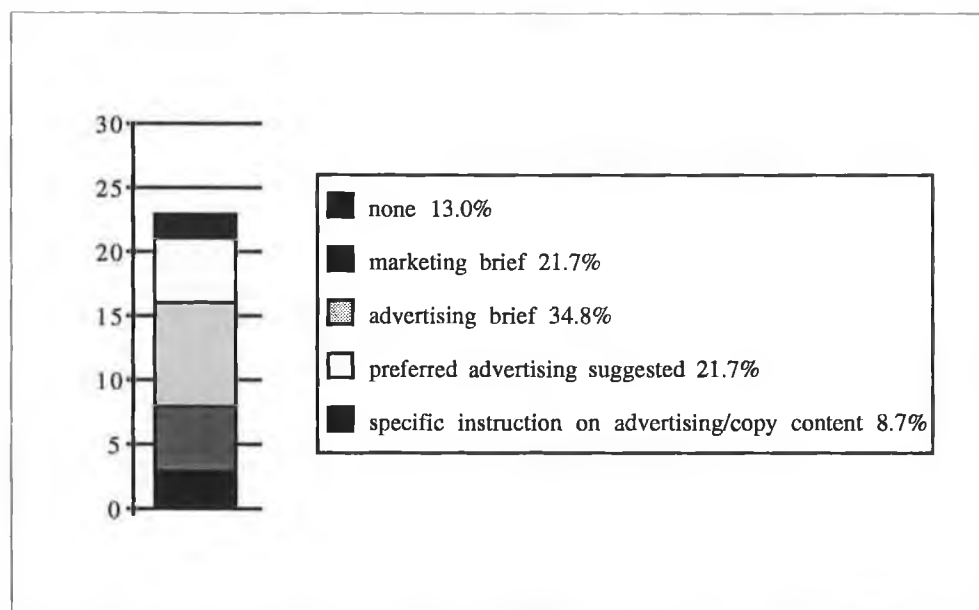


Figure 5.8 Work Restrictions (Agency Response).

Where the client specifies advertising content, the agency finds there is little they can do to prevent the client from dictating the advertising content. In the five cases where a client indicates a preferred advertising style, the agencies suggest different creative approaches which they feel would be better. However, they do still work with an advertising type which is suggested by the client. Agencies working to an advertising brief are operating within an established brand identity and an advertising plan. Where an advertising plan does not exist, the agency develops the advertising either without restriction or following a marketing brief. The scope offered to the agencies by clients in these eight situations is much broader and allows the agency to develop an advertising plan in conjunction with the advertiser.

Nine clients expect the agency to develop the creative work and place the media while fourteen encourage a closer relationship, soliciting agency input into marketing planning activities (with the client as ultimate decision-maker). 'Proactivity' by the agency in suggesting improved briefing procedures may be accepted by some clients, but the agency must consider the reception these suggestions get.

'It is important that the agency is proactive, is out there analysing the market, analysing what we should be doing (4a).' 'The agency may be considered as a planner, a council ... as a sounding board and for developing ideas (13a).' 'You learn to read when the client would appreciate proactivity, even if they don't use it... (but) sometimes it gets to the stage where you feel that you are being intrusive (8b).'

While clients may say they like proactivity from the agency, agency respondents are aware that there are limits to the suggestions they make. The general case is where the client would seek and happily receive suggestions from the agency purely in terms of advertising strategy. In four cases the client will happily receive and consider suggestions relating to marketing strategy, but it is generally felt that the agencies' area of expertise is that of advertising and communications.

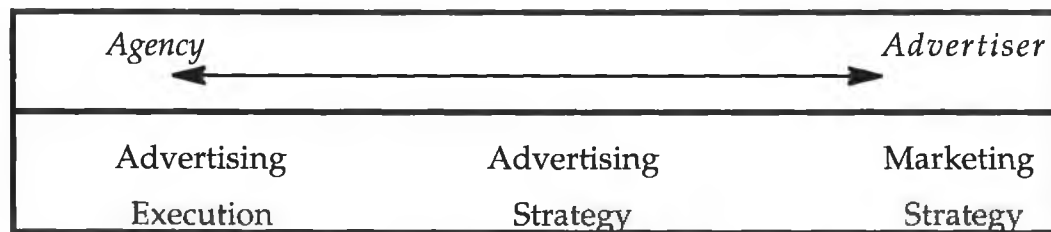


Figure 5.9 Areas of Agency and Advertising Responsibility.

Problems arise in the relationship when the expectations of client and agency are not met. Three advertisers expect the agency to concern themselves solely with the advertising and dislike the agency involving themselves in other aspects of their business. It is viewed in at least two negative ways; i) the agency wants more work and more commission, and ii) the agency is suggesting that the client is not competent. The second problem also arises when the agency suggests new briefing procedures to the client. Agency respondents claim that to insist that the client use a briefing method can cause disharmony in the relationship because the client does not want to forfeit control or acknowledge weakness. Not all clients want an agency which challenges the clients views and plans. Six clients expect harmony in the relationship, with an agency that follows orders and undertakes the task with the least bother.

'We formulate the marketing plans, and it is up to us to brief the agency and get them to undertake specific tasks. The agency is only responsible for what we ask them to do (9a).'

The agency also has expectations in terms of the influence and scope they have in suggesting advertising and marketing strategy and advertising execution. While it is the client who ultimately makes the decisions on campaign direction and execution, eighteen agencies expect that their suggestions are considered by the clients. In terms of advertising execution (by this is meant the actual idea, layout, copy, artwork), the agency expects: to generate work from the brief/direction the advertiser and agency agree upon; to propose the work to the client and make changes if the client feels the work is not 'on-strategy' or if it doesn't reflect the image of the brand. These expectations are not fulfilled when the advertiser suggests the advertising execution that should be used

(specifies copy, the idea, etc.), and this causes problems within the agency as the account handler deals not only with his/her own expectations, but also those of the client and creative team.

'...we have corporate guidelines covering print material...they would know we have guidelines around tone and style which are important in overall corporate image, but the agency would convey this to the creatives and we would not expect to see anything that would not fit in with our image or culture (2a).'

Unrealistic or unsatisfied expectations of agency or client are one source of relationship problems. However, it is the client who sets the expectation levels and the agency who has to sublimate their expectations - even in those relationships that are not 'buyer-seller' but rather more like a partnership. One important effect of the dominance of client expectations is the potential unwillingness of agencies to suggest improved work practices (such as improved briefing) and an inability to suggest that advertising planning is lacking.

'Advertising agencies work best to a brief and a budget, there are individuals who come to you with absolute ideas, we would tend to steer people away from that, and ask them to tell us what they need in a communications sense (15b).'

'If you get a client who believes that this is the way/direction they should be going, for what ever reason, and you believe that it is not, you have to put up an argument. The best we can do is to present them with alternatives, and then let them decide (4b).'

'Even if the client dictates a creative direction, the agency shouldn't take up an isolationist position and believe only what they say is right (11b).'

Five advertiser and three agency respondents do not always see the need for a written brief, however. When the relationship is one of long-standing and the project is following an established direction or a previous brief, neither party may feel the need to develop a brief for the task. Advertisers tend to view brief writing as a function of the importance of the project, with new or large projects having detailed marketing and advertising plans and a written brief and projects that are not viewed as important not requiring 'the effort to sit down and write a brief'.

'We would have a formal briefing document for big projects, but the verbal briefing after that is very important, and their understanding of what you are at...there will be clarification after the brief, then there will be a presentation, at this stage you will clearly know if they have understood the brief and are going in the right direction (22a).'

Agency respondents also feel that one does not always need a written brief

to develop good advertising. If the relationship is old and there is a good level of understanding between the client and the agency, the more formal briefing methods are not be used. Factors which contribute to this understanding and this method of work practice include communication and trust, more so than when one is using written briefing methods and 'signing-off' practices where the client formally approves each stage of the advertising process by giving a written authorisation to undertake the task.

'Formality can cause barriers, it is more intimidating. I have found less formal procedures to be more constructive (7b.).' 'The briefing method does not necessarily lend to the quality of the work. Some clients just don't want to work that way (have a formal briefing procedure)... they don't think that way (20b.).'

It is more likely that the advertiser will write a brief during the 'settling in' period of the relationship, and less likely to only use a verbal brief. In 'settled' relationships, the likelihood of the client writing a brief is much less with an increase in the likelihood of the agency writing a brief based on verbal instructions from the client.

Bearing in mind the discrepancy between responses from paired advertisers and agencies in answering which briefing method is used between them, it appears (when looking at advertiser responses) that the likelihood of using different briefing methods is not affected by whether or not the advertiser uses one or more agencies. However when looking at agency responses to the question of briefing this finding is not upheld. Rather, it is more likely that the agency receives and operates on a verbal brief when the client works only with that agency and not a group of agencies.

Of the five advertisers, who agency respondents say give a written brief, three use more than one agency. Because the advertiser is dealing with a number of agencies, they have better briefing disciplines. It also appears that relationships with advertisers who use a group of agencies are more likely to have a brief written by the agency. Of the nine relationships with

advertisers who use only the one agency, six have no written brief.

It appears that relationships which are 'settling in' are very likely to use a verbal brief. This is partly explained by the high degree of interaction and communication which typically characterises a new relationship with both parties (though, especially the agency) trying to come up with the right answer (for the client). Clients are more willing to listen to and use agency marketing/advertising suggestions at the beginning of a relationship and this results in joint-development of the brief, which may be altered as both parties (though again, especially the agency) understand the problem.

5.4 Working Relationships.

The core of the working relationship, as examined in this research concerns both its instrumental nature and the fact that it involves personal relationships. The four elements of working relations which are examined are getting the work done (GWD), similarity, trust, and openness and communication. The first element (GWD) is largely concerned with the instrumental nature of the relationship, in that it is task-oriented and has been formed to accomplish some objective or goal. The similarity aspect is more personal in nature, as is the trust element. However, both similarity and trust may affect task accomplishment (see section 5.4.5 for the interaction of similarity with GWD and trust with GWD). Openness and communication may be regarded as a task element since conditions of communication are a prerequisite for undertaking a joint task, however this task element may also affect the trust element (see section 5.4.5).

5.4.1 Getting the Work Done (GWD).

From the advertiser perspective, the main problems with actually getting the work done are in three areas; those of meeting time deadlines, completing work within budget and interpretation of brief. Eleven respondents feel there are no significant or recurring problems in any of these areas. A further eleven of the advertiser respondents experience

problems in one or all three of those areas. The most common response is problems in meeting time deadlines, followed by a combination of deadline and brief interpretation problems (Figure 5.10).

While it may appear the majority of advertisers have no problems with 'getting the work done', one should consider that when one combines all those who are dissatisfied, eleven stated there are problems in one, two or all of those areas.

'There are always difficulties in meeting deadlines, in interpreting the brief correctly the first time around (2a.).' 'Agencies are always last minute, that is the way they work..they get it in on time, they will work over weekends to get it done, but it is always a rush. I do mind that it is rushed, but there doesn't seem to be anything we can do (22a.).' 'They rarely meet a deadline, and they regularly go past the budget, it does cause a lot of problems and affects the core of the relationship (5a.).'

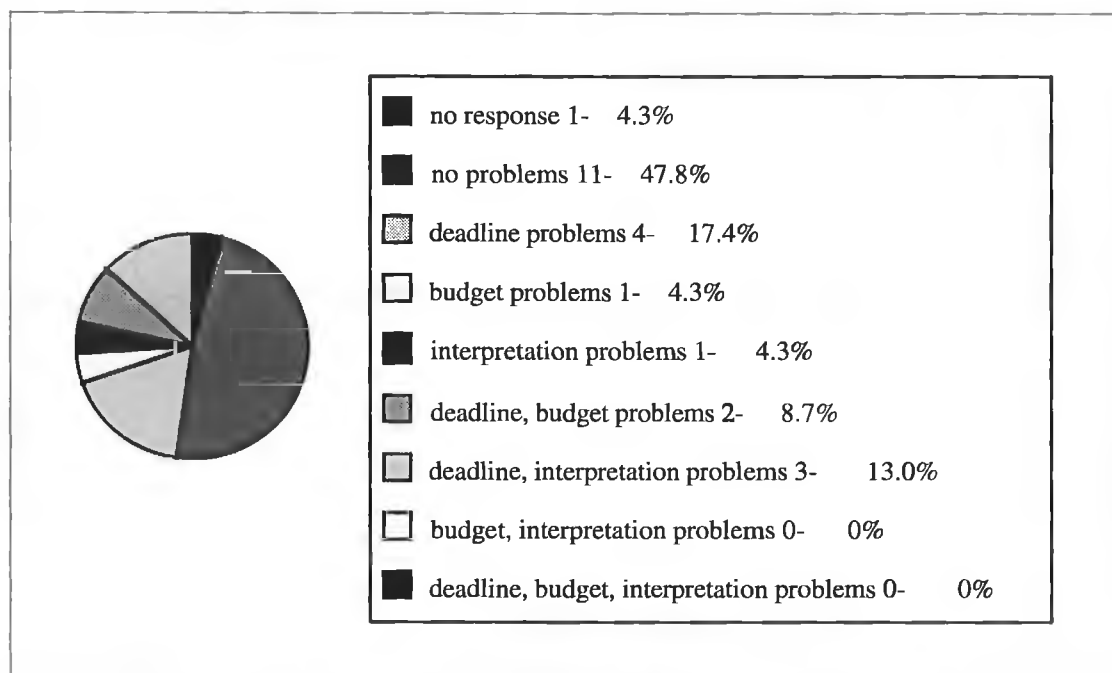


Figure 5.10 Advertisers' Concerns while 'Getting the Work Done.'

However, even when advertisers have expressed a dissatisfaction with the agency's ability to get work done on time, they do not always see this as the fault of the agency. The advertiser may regard missing deadlines, or exceeding budgets as faults in their management of the relationship. In other cases, the agency may not receive a clear brief from the client, or the

delays may be beyond the control of the agency.

'It's not a question of them not meeting deadlines, because I am managing the relationship from this end by continually keeping pressure on the agency. We set deadlines and keep a certain level of pressure on all the time to keep sure the work meets the schedules...it is very difficult when they don't see the same urgency in getting things done as the client (19a.).' 'We have missed copy deadlines. This has happened because; i) we are trying to improve our briefing process, ii) to coordinate our strategy, iii) to make them understand our business, iv) the creative just doesn't work (11a.).' 'My marketing manager will not be involved ... and wouldn't know the details of what is going on, and may make suggestions without realising what is going on ... you are going in one direction and then there is this change, ... it disrupts the whole thing (1a.).'

From the agency perspective, the main problems with 'getting the work done' are relating to briefing methods and the advertiser changing the brief as projects are being undertaken. Ten agency respondents identified problems as changes resulting from poor briefing methods. In terms of changes, all agency respondents agreed that changes are made as work progressed, but the source/cause of these changes make them more or less acceptable (Figure 5.11).

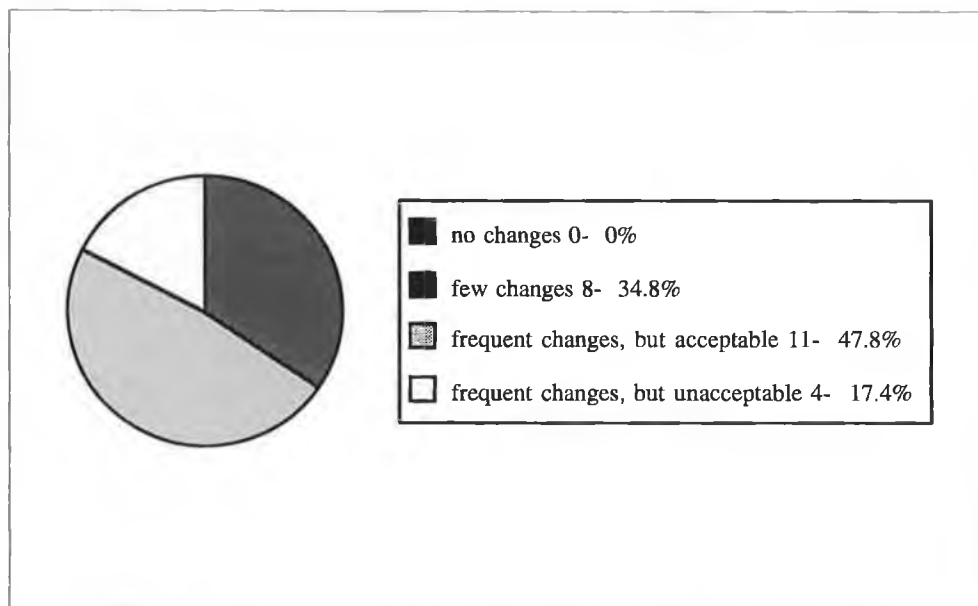


Figure 5.11 Agency Concerns while 'Getting the Work Done.'

Acceptable changes are those that are out of the control of either advertiser or agency. In dynamic and competitive markets, or markets that are regulated by the government, the advertiser may have to react or respond

to competitive activities/legislation and by so doing cause acceptable changes in advertising strategy affecting 'work in progress'.

Changes which are felt to be unacceptable (though frequently are tolerated by agencies) include those changes that occur because of poor marketing and advertising planning and lack of anticipation by the client. Fifteen agency respondents stated that there were frequent changes made while undertaking work, with eight respondents stating that only few changes are made. In practice, however, most changes are acceptable, although four agency respondents feel that changes being made are unacceptable. The main cause of these changes is poor planning which results in poor briefing procedures, affecting work practice and ultimately the work produced. Since relationships are ongoing, changes of this nature affect not only the existing project but also, if recurring, affect future work.

'They do shift goalposts, change deadlines ... it is hard to say if this is unreasonable, changes may not be necessary if you had been briefed properly in the first place (11b.).' 'There are many things that frustrate the agency, we start off with a specific timetable and we break our necks to reach that timetable, ... you find that when the finishing post is in sight, a set of changes take place with the client and suddenly all of the dates that you have been working to have been unimportant ... the work that you have done, which may have been compromised by the very tight timetable may be assessed as though you had six months (2b.).' 'There is a lot of to-ing and fro-ing which slows things down, the client is very diligent, but this is tedious and puts us under pressure, but the client would not know that, we absorb all of that pressure (7b.).' 'I've got to draft twelve of typed copy...(resulting from) ridiculous little changes which they (the client) insist on having done (15b.).'

But, there is no point in keeping rigidly to a time schedule when the brief and the objective of the advertising need to be changed. The problem that agencies have in such scenarios is whether the client takes responsibility for the extra time and cost of such changes or the agency is expected to cover them.

'After you have done the work and presented it to the client on brief, when they see it on paper, they might then decide that is is not really what they want, they might have been unsure in their own minds as to what they wanted to start with (1b.).' 'Some clients will not accept us going to them and saying that there are additional costs (2b.).'

Advertisers in relationships of ten years or more make few or frequent,

but acceptable changes after briefing the agency. Relationships of five-to-ten years tend to be characterised by frequent, but acceptable changes, and relationship length of less than five years appear to be the least significant in predicting number and type of changes after an agency has been briefed.

Eight advertisers in 'settled' relationships indicate no problems while 'getting the work done', but most of the eleven advertisers who indicated problems are in relationships which are 'settling in.' The advertiser respondent for one of the relationships that is due a review indicates that there are no problems with 'getting the work done'. Reviews occur not only because of dissatisfaction, but are also undertaken by advertisers on a systematic basis to evaluate their agency and advertising performance (see Section 5.6).

5.4.2 Similarity.

From the information gathered it does appear that advertisers choose agencies that are similar in terms of personality. The personality of participants to the relationship may also have an effect on the evaluation of the relationship. (*'The personal relationship is very important, you have to get on with the account director, you feel more relaxed, and they are more likely to see from your point of view (7a.).'*) The advertiser and agency respondents are asked to rate each other along a set of personality factors as well as showing where the ideal advertiser/agency would lie along the same set of factors. This information allows one to develop a profile of advertiser respondents as perceived by their agency and agency respondents as perceived by their client, as well as the ideal personality characteristics of advertiser and agency as specified by agency and advertiser respectively. A complete array of the mean, median and modal responses are presented in Tables 5.1 and 5.2.

	Actual	Advertiser	Ideal	Advertiser
	Mean	Mode(s)	Mean	Mode(s)
Reserved /Outgoing	4.26	6	5.35	6
Dull /Bright	4.65	6	6.22	7
Affected by Feeling/Emotionally Stable	4.70	6	5.61	7
Humble /Assertive	5.17	6	4.96	4
Sober /Happy-go-Lucky	4.04	4	4.83	4
Expedient /Conscientious	5.09	6	5.35	6
Shy /Venturesome	4.30	6	5.74	6
Tough-Minded /Tender-Minded	3.50	2	3.35	2
Trusting /Suspicious	2.78	3	1.96	1
Practical /Imaginative	3.83	3,4,5	5.22	6
Forthright /Astute	4.41	3	4.48	4
Self-Assured /Apprehensive	3.57	2	2.48	2
Conservative /Experimenting	3.48	2,4	6.00	6
Group Dependent /Self-Sufficient	4.04	2,6	5.72	6
Undisciplined /Controlled	4.91	6	6.04	6
Relaxed/Tense	3.30	2	2.13	1
	median = 4		median = 4	

Table 5.1 Mean, Mode and Median of Advertiser Personality Profile (Agency Response)

After looking at the ratings made by advertisers and agencies of the personality profile of their respective agencies and clients, one can compare the ratings made by both parties within each relationship. By looking at the difference between the collective ratings made by the advertiser and the collective ratings made by the agency along the sixteen personality traits, one can see how similar or dissimilar the respondents are in terms of overall personality. One can see that there is no more than a 50% difference between the relationship groupings, and most (19 pairings) rate each other as being no more than 30% different than the other (Figure 5.12). Of course, the rating differences are formed by obtaining an average of the differences in rating points for each of the personality factors, and extreme differences in the data could distort the overall difference. However, when one looks at the specific ratings made by twenty three paired respondents along the sixteen individual personality traits, one can see that in the many cases there are no differences between responses on personality traits (21.2% of the 368 cases) and in the majority of cases there are one and two rating points in the difference (57.3% of cases).

	Actual Mean	Agency Mode	Ideal Mean	Agency Mode(s)
Reserved /Outgoing	4.52	5	5.83	6
Dull /Bright	5.04	6	6.26	6
Affected by Feeling/Emotionally Stable	5.13	6	5.23	6
Humble /Assertive	5.43	5	5.27	5
Sober /Happy-go-Lucky	3.78	4	4.32	4
Expedient /Conscientious	5.30	6	5.54	6
Shy /Venturesome	5.04	5	5.81	6
Tough-Minded /Tender-Minded	3.63	4	3.31	4
Trusting /Suspicious	2.82	2	2.27	2
Practical /Imaginative	4.52	6	4.96	4
Forthright /Astute	3.95	4	4.18	4,5
Self-Assured /Apprehensive	3.30	2	2.32	2
Conservative /Experimenting	4.78	5	5.64	6
Group Dependent /Self-Sufficient	5.00	6	5.36	6
Undisciplined /Controlled	5.65	6	5.68	6
Relaxed/Tense	3.13	2	2.82	2
	median = 4		median = 4	

Table 5.2 Mean, Mode and Median of Agency Personality Profile (Advertiser Response).

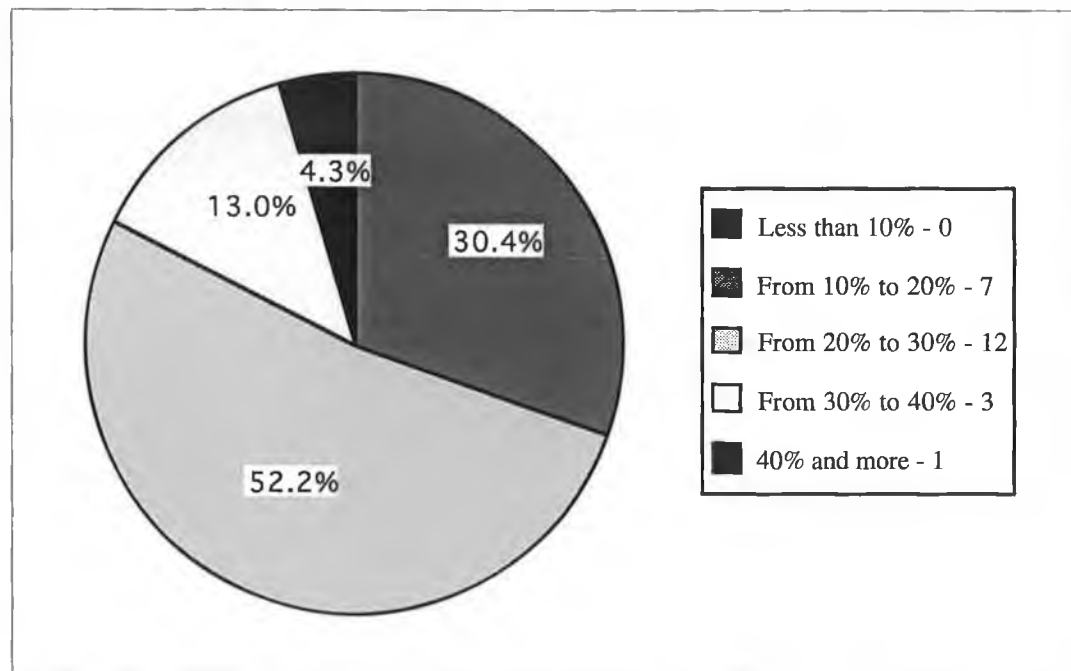


Figure 5.12 Differences in Paired Relationships.

When crosstabulating business category and perceived differences in respondent profiles, it is the FMCG category that typifies the modal

response. The Tobacco and Alcohol category is split, with two parties to those relationships rating each other as being from 10% to 20% different, one rating each other from 30% to 40% different and one rating each other as 40% or more different, and with no representation in the most common category of difference.

The mean actual and mean ideal personality profile of advertisers, as indicated by their agency are depicted in Figure 5.13.

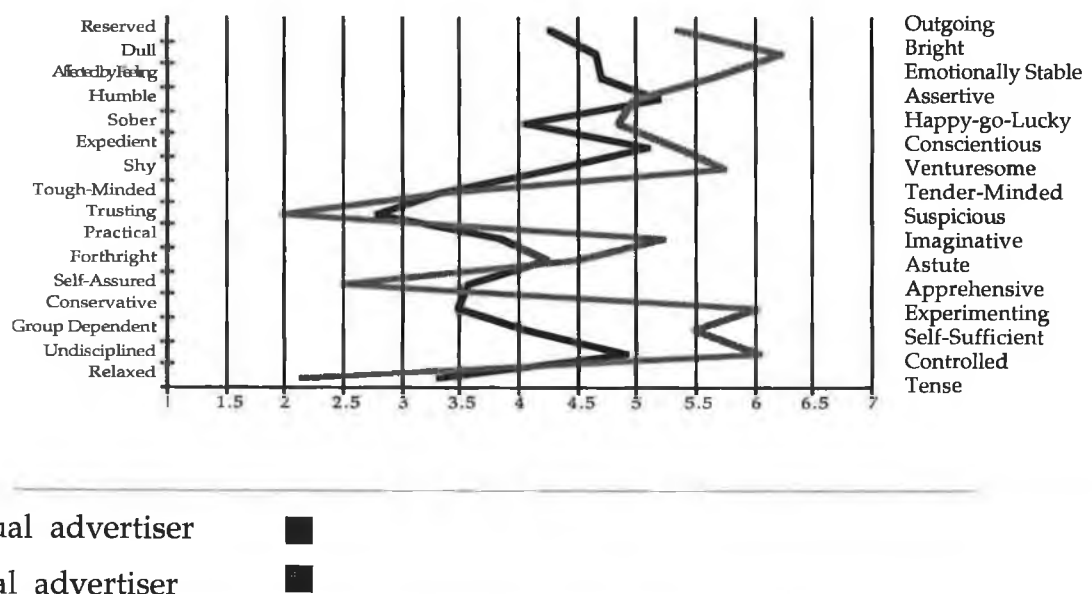


Figure 5.13 Actual and Ideal Advertiser Personality Profiles.

Agency respondents prefer advertising clients who are more outgoing, brighter, more emotionally stable, more venturesome, more trusting, more imaginative, more self-assured, more experimenting, more self-sufficient, more controlled and more relaxed.

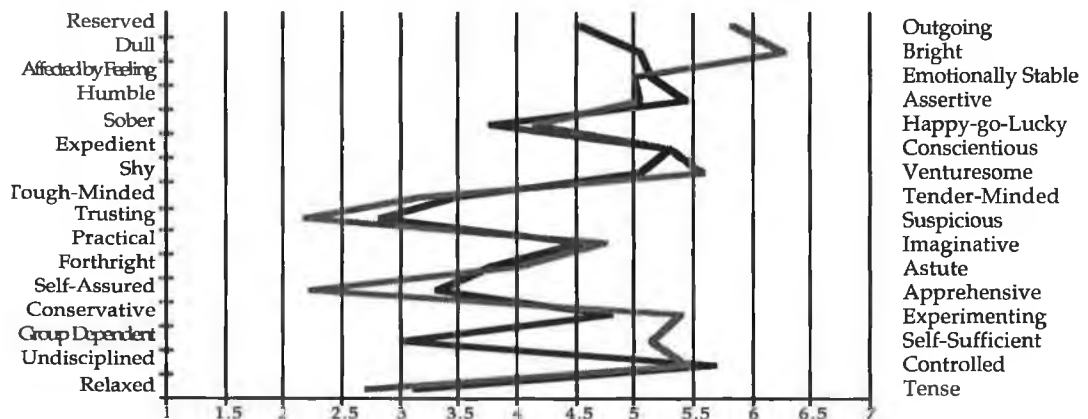
The gaps between the mean ideal advertiser and mean of actual advertisers appear not to be very large. The average difference is only one rating point, but when looking at specific scales there are more significant differences. Along the 'conservative/experimenting' spectrum the difference between the mean actual rating and the mean ideal rating is 2.52

rating points, or a variance of 42%, with agencies preferring a more experimenting client. Agencies also prefer more venturesome clients. When looking at the 'shy/venturesome' continuum, there is a 1.44 point (24%) difference between the actual rating and the ideal rating.

However, agencies have much less discretion in choosing their clients than an advertiser has in choosing their advertising agency. While the agency may take on new accounts using some method of portfolio management, considering the type, size and growth potential of the account and the number of agency employees to be assigned, advertising agencies cannot afford not to work for clients whose personalities are far from the agency's perception of an ideal client. But the agency may try to ensure that the account handler and client representative are compatible.

In many relationships there are personal relationships and friendships between the client representative and the agency representative (as well as personal relationships between client directors and agency directors), as well as working relationships. The majority of respondents (eighteen advertisers and twenty-three agencies) feel that personal relationships can help the overall working relationship, in that the individuals enjoy their work more, are more interested and dedicated. They are also aware that a good personal relationship cannot overcome advertiser or agency dissatisfaction with the work being produced. Respondents are also aware of situations where personal friendships may hinder work, in that there may be a loss of objectivity or authority.

The mean actual and mean ideal personality profile of agencies, as indicated by advertiser respondents are depicted in Figure 5.14.



actual agency



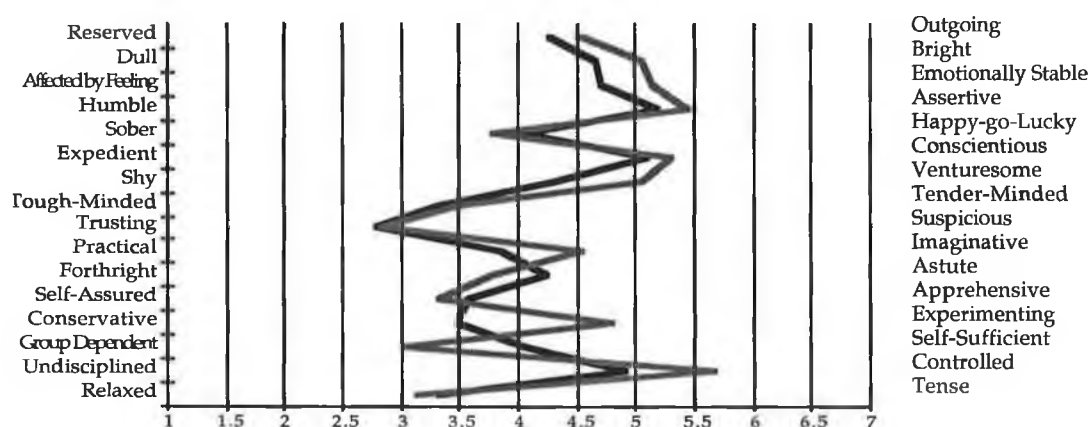
ideal agency



Figure 5.14 Actual and Ideal Agency Personality Profiles.

The mean actual and mean ideal profiles of agencies are much closer than advertiser profiles, although advertisers seem to prefer more outgoing, brighter, and more self-assured agencies. The average difference between actual and idea personality profile of agencies is 0.48 of a rating point, or a 7% difference. The greatest differences occur when one is looking at the three following continua: (i) 'reserved/outgoing' has a 21.83% difference; (ii) 'dull/bright' has a 20.83% difference; and (iii) 'self-assured/apprehensive' has an 18% difference. For the remaining personality factors, the difference between the actual and ideal rating of agencies is 10.83% or less.

Figure 5.15 shows the mean profile of actual advertiser and actual agency.



actual advertiser ■

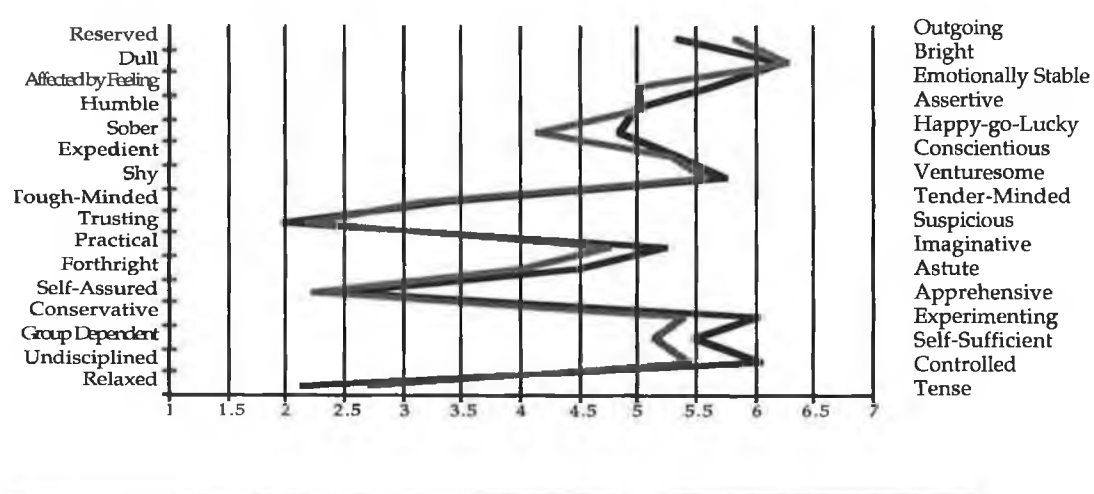
actual agency ■

Figure 5.15 Actual Advertiser and Agency Personality Profiles.

When one compares the mean actual personality profile of advertisers with the mean actual profile of agencies, one can see that the profiles are very similar. The respondents regard each other as having profiles that are close (Figure 5.15). Agencies see their clients as being less venturesome than the advertisers' perceptions of their agencies (12.33% difference). Not surprisingly, advertisers perceive their agencies as being more imaginative than practical, with the agencies rating their clients as slightly less imaginative and more practical (11.5% difference). Advertisers see the agency as being more experimenting, more self-sufficient, and more controlled, while the agencies place their clients nearer the conservative (21.66% difference) and group-dependent (16% difference) ends of the spectrum. An advertiser may be perceived as being more 'group-dependent' because they operate within an international business group, because they are affected by management groups within the organisation, consumer groups as well as competitors. It also seems that the agency respondents perceive their client as being less controlled than advertisers view of their agencies (12.33% difference). This may be explained by looking at agency responses to briefing methods and their descriptions of

client planning: those ten agency respondents that believe their clients to be less controlled than the average rating are those respondents who say that they do not have access to marketing and advertising plans or that the client does not prepare advertising plans. For the remaining eleven personality factors, the difference between the mean advertiser rating and mean agency rating is no more than 7.33%.

Figure 5.16 shows the mean ideal profile of advertiser and agency.



ideal advertiser ■

ideal agency ■

Figure 5.16 Ideal Advertiser and Agency Personality Profiles.

When comparing the mean ideal ratings of advertisers and agencies made by the agency and advertiser respondents, one observes that these ideal ratings are close to each other, with a greatest difference of 11.66% and a mean difference of only 6.16% (Figure 5.16). The ideal agency is less emotionally stable, less happy-go-lucky, less experimenting, less controlled and more tense than the ideal advertiser. The ideal advertiser is more emotionally stable, more happy-go-lucky, more experimenting, more controlled and more relaxed than the ideal agency. One agency respondent describes an ideal client as *'someone who wants to make*

brilliant advertising, with realistic budgets...there are ways of getting around budgets, but very few clients want to do brilliant advertising (15b.).'

It appears that the actual advertiser and actual agency profiles, and ideal advertiser and ideal agency profiles are closer than the actual and ideal advertiser profiles and actual and ideal agency profiles. The advertiser and agency respondents are more similar to each other, both in actual ratings and in the ideal ratings, than either of them are to the ideal that is suggested. Both indicate that their existing partner is not identical to their perception of an ideal partner, but are similar in the degree to which their actual profile varies from the indicated ideal profile.

Advertising agencies do not expect to have ideal clients (as previously mentioned when looking at the 'getting the work done' factor) nor do advertisers expect that their agency will be ideal. Both parties are more realistic and believe that the ideal is not common. But, respondents (while not expecting an ideal relationship partner) nonetheless do have perceptions of the ideal advertiser and agency, and these perceptions temper the agency evaluation especially.

A cluster analysis is undertaken to establish if there are any groupings of actual or ideal advertiser profiles, or any groupings of actual or ideal agency profiles. The clustering programme was run with two, three, four and five cluster groups and each were considered for the analysis. This analysis is constrained because of the small sample size, but when looking at the agency and advertiser respondent data one can identify distinctive groupings when the two-cluster programme was undertaken using 'actual' advertiser profiles and 'actual' agency profiles. The mean cluster scores for the personality traits are presented in Table 5.3.

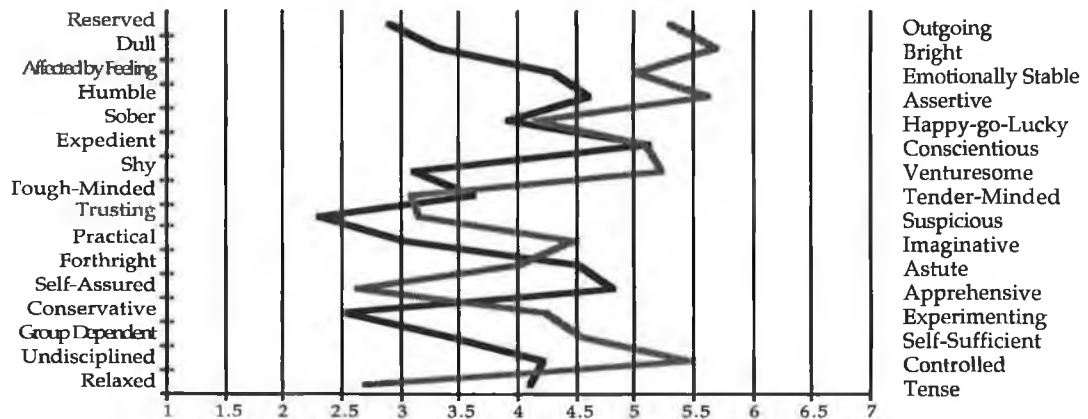
When analysing 'actual' client profiles, two obvious clusters in the agency respondent data emerge. The first cluster contains thirteen members, and the second contains ten members. Examination of the three cluster grouping shows that the first cluster is the same as in the two cluster stage,

and the second and third clusters (with four and six members respectively) are formed by a subdivision of the second cluster.

	Actual	Advertiser	Actual	Agency
	Cluster I	Cluster II	Cluster III	Cluster IV
Reserved /Outgoing	2.90	3.30	4.58	4.25
Dull /Bright	3.30	5.69	5.16	4.50
Affected by Feeling/Emotionally Stable	4.30	5.00	5.26	4.50
Humble / Assertive	4.60	5.62	5.52	5.00
Sober /Happy-go-Lucky	3.90	4.15	3.58	4.75
Expedient /Conscientious	5.10	5.08	5.42	4.75
Shy /Venturesome	3.10	5.23	5.32	3.75
Tough-Minded /Tender-Minded	3.60	3.07	3.26	4.50
Trusting /Suspicious	2.30	3.15	2.42	4.75
Practical /Imaginative	3.00	4.46	4.74	3.50
Forthright /Astute	4.50	4.00	4.00	2.75
Self-Assured /Apprehensive	4.80	2.62	2.79	5.75
Conservative /Experimenting	2.50	4.23	5.00	3.75
Group Dependent /Self-Sufficient	3.40	4.54	5.16	4.25
Undisciplined /Controlled	4.20	5.46	5.68	5.50
Relaxed/Tense	4.10	2.69	2.63	5.50
	n=10	n=13	n=19	n=4

Table 5.3 Mean Scores for Clustered Personality Profiles.

Considering then, the two cluster case: Members of cluster II are more outgoing, brighter, more emotionally stable, more assertive, more happy-go-lucky, more venturesome, less tender minded, more suspicious, more imaginative, less astute, less apprehensive, more experimenting, more self-sufficient, more controlled and less tense. The profiles of members of clusters I and II are depicted in figure 5.17.



cluster I ■

cluster II ■

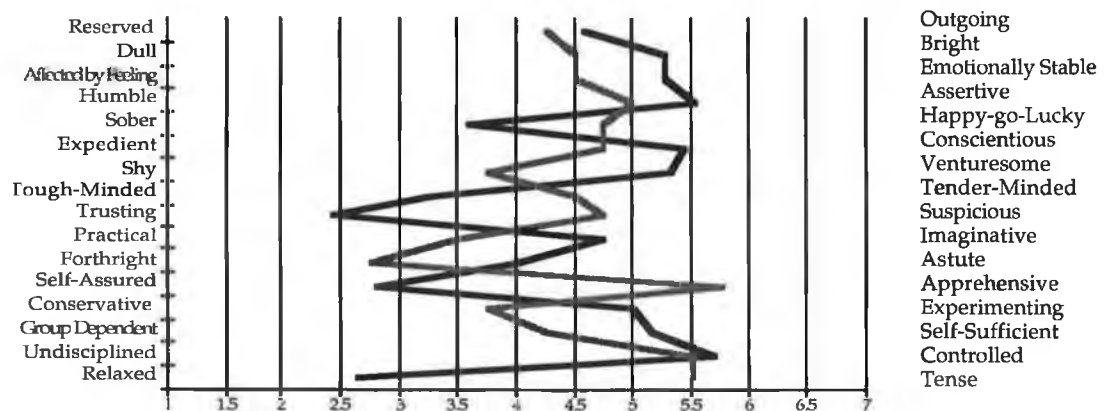
Figure 5.17 Personality Profiles of Clusters I and II (Advertiser Actual)

When one looks at the ideal personality profile of advertisers, it appears that there are no significant clusters, with only individual cases splintering off from the main group to form cluster groupings with single members. The lack of definite clusters suggest that agencies have a very similar image of the personality profile of the ideal advertiser.

When comparing the actual profiles of the two identified groups of advertiser profiles (clusters I and II) with the ideal profile, one can see that cluster II (which has ten members) is closer to the ideal than cluster I (which has thirteen members).

The advertiser respondent data provides information on the profiles of their agencies and the profile of the ideal agency along the perscribed personality rating scale. One can again see two clusters forming in the actual agency ratings. The first cluster (cluster III) contains only four members and the second grouping (cluster IV) contains nineteen members. Cluster III is more outgoing, brighter, more emotionally stable, more assertive, less happy-go-lucky, more conscientious, more

venturesome, less tender-minded, more imaginative, more astute, less apprehensive, more experimenting, more self-sufficient and less tense. Clusters III and IV are depicted in Figure 5.18.



cluster III ■

cluster IV ■

Figure 5.18 Personality Profile of Clusters III and IV (Agency Actual).

A cluster analysis is also undertaken with the advertiser ratings of the ideal agency personality profile. This analysis does not show any significant groupings within the data, and shows a similar pattern to that when analysing the ideal advertiser personality profile. The responses are grouped together at the one cluster stage and when one looks for two, three or four clusters in the data, the new clusters that emerge have only one member with the bulk of the respondents belonging to the initial grouping. It can then be said that advertisers, also, have a very consistent image of the personality profile of the ideal advertising agency.

In the case of agency profiles, it appears that cluster III (with four members) is closer to the ideal than cluster IV (with nineteen members).

5.4.3 Trust.

Trust exists between people, but may influence operations within

organisations. The fulfillment of task objectives may be affected by the trust that exists within an relationship, in that there is more disclosure of information and the parties are more open and relaxed with each other. This may be especially important in a relationship where the objective is the development of a creative solution. The responses show that more agency respondents trust advertisers absolutely and conditionally and more advertisers do not trust their agency (Figure 5.19).

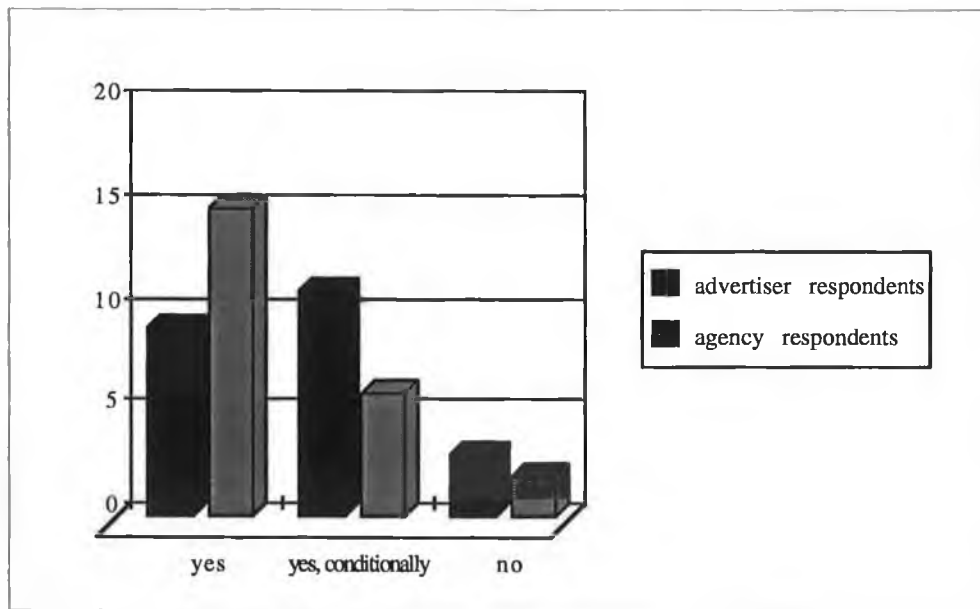


Figure 5.19 Trust.

When contrasting advertiser and agency responses, it appears that five of the forty-six respondents state they do not trust their relationship partner at all. There is mutual trust, either conditional or absolute, in eighteen of the cases and absolute, mutual trust in seven of the relationships.

It does appear that length of relationship is a determinant of trust in that the advertisers trust the agency in all those relationships of ten years or more. However, advertisers are also more likely to trust the agency earlier in the relationship and it appears that trust is more likely to be conditional in relationships of five to ten years.

Conditional trust by agency respondents in their clients is more likely when the relationship is 'settling in', and absolute trust is more likely in 'settled' relationships. Unsurprisingly, there is distrust in one of the relationships where a review is imminent.

However, trust means different things for advertisers and agency respondents. The advertiser trusts the agency in at least three identified ways; i) to do the work, ii) to not disclose confidential information, and increasingly iii) to bill accurately. The nature of the relationship involves the advertiser entrusting the agency with promotional work for which the advertiser pays. The advertiser must trust that the agency is capable of doing the work, willing to do the work and will follow the client brief/directions. Agency capability is established primarily at 'pitching' stage, when the advertiser considers which agency to use. Most advertiser respondents do trust in their agencies ability to do the work. Willingness to do the work is reflected in the degree of perceived preparedness of agency representatives by the advertiser. Seventeen advertiser respondents do feel that the account executive/director is either 'prepared' or 'very prepared'.

'You're trusting them to come up with a concept that will be acceptable in the marketplace, that will help the profile or image of the company (10a.).' 'We looked at their previous work, to show creative ability, problem solving, how diligent they were to objectives and not award winning (11a.).'

The confidentiality element of trust is one which all advertisers feel is very important. It is so significant that the relationship could not exist without the advertiser believing that the agency protects information relayed to them by the advertiser. In the majority of cases, it implicitly assumed or explicitly stated that confidentiality must exist in the relationship.

'Confidentiality is implicit, it is understood. You have to be open and brief them fully, but confidentiality is essential but not stated (4a.).' 'Confidentiality is vital, if it was breached there wouldn't be a second occasion (11a.).'

The third element is the most contentious, with over 60% of advertiser respondents questioning their trust of agency bill and costing methods.

Three respondents state that they do not at all trust their agencies, and eleven state that while they trust their agencies generally, this trust is conditioned by an unease concerning costs (especially production costs). Most advertisers had experienced problems in the accuracy of bills, and five respondents state they have frequent problems with bills.

'One of our biggest problems was the breakdown of relationships with agencies, primarily caused by billing, where the brand manager becomes suspicious of the billing, the relationship starts to have a crack in it, there is tension, the briefing isn't as good, the creative isn't as good ... it's a vicious circle (11a.).' 'Media billing is okay, but you look into and question creativity, production and man hours... as long as it is within budget that is okay, if it is more than was set, that creates a problem (17a.).' 'We don't set the same level of satisfaction from queries as one would like, if you were dealing with a service area in manufacturing. Too vague, not enough detail, only broken down when we request it (13a.).' 'We are coming under more and more pressure from international brand owners over the commission we pay. Agencies also mess around with production saying that they don't get their money back or charge additionally for service. We don't want anything for nothing, just to stop mucking around and using media commission as an overhead for production (14a.).'

The agency trusts the advertiser in less specific ways. It appears that the trust factor is not as crucial for the agency as for the client, in that the agency respondents are willing and able to continue the relationship even when they do not trust the advertiser unlike advertiser respondents. Agency respondents state that trust in their clients stems from disclosure of marketing and advertising information (openness) and is greatly affected by the perceived client competence and their handling of the agency. The client has the ultimate power of refusing to pay, the agency trusts that they will pay. Since clients may make changes in strategy/direction of the work in progress, the agency also trusts that the client will pay for additional costs that are incurred because of these changes.

'Trust is important. There are instances where the client will do something which we don't agree with, based on what we know, but we trust them to go that way (2b.).' 'I trust them in that we always get things approved. We know they trust us and then we will trust them (20b.).' 'I would trust (the client) because they have a certain plans for the brand which they have told me about (17b.).'

Who pays for extra advertising costs incurred during advertising development varies by agency, by client, by length and by type of relationship. Of the twenty-two agency respondents who answered this question, two say they absorb all extra costs that incur, fourteen say they

mostly absorb extra costs, with five saying that they absorb these costs in only some cases, and only one saying that the client pays for extra costs in all cases (Figure 5.20).

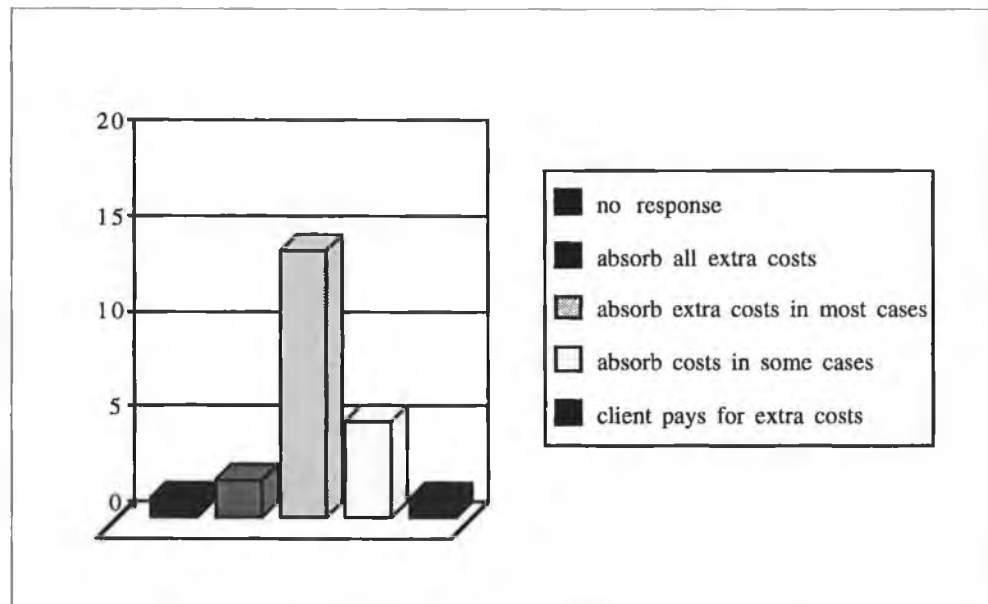


Figure 5.20 Assimilation of Extra Costs (Agency response).

The source of additional costs affects who pays for them. If the extra costs occur because of the agency 'not getting it right first time', the agency may absorb costs incurred while 'trying to get it right'. But, if the agency can prove or the client accepts extra costs occur because of changes the client makes, then the client pays for extra costs. The nature of extra costs also affects who pays for them, with the agency more likely to absorb creative and man hours and the client more likely to absorb additional production costs. The more tangible the costs, the more likely the client pays.

'In some cases they will pick up the whole tab, in other cases it will be felt that we didn't get it right either and the costs are split, sometimes we carry the whole can, the whole thing is the credibility and trust that exists (11b.).' 'The problem is when bills arrive and there is no backup material, that is for production costs (19a.).'

Agency trust in their clients is also tempered by client loyalty, in that the client, once agreeing on an advertising direction, does not chastise or rebuke the agency for following that direction or for producing work with which the client previously expressed satisfaction. The agency may not

trust a client if they feel that the client could switch agencies without notice or for reasons other than agency performance. There is an awareness among agency respondents of the existence of 'agendas other than advertising' among clients which affect the agency-advertiser relationship in all respects, from briefing to communication through to evaluation. These 'agendas' occur because the client organisation may have members who are at conflict over the marketing direction they company should take or because client representatives with whom the agency works may be competing for promotions within the organisation. Where the client representatives, that is the marketing manager or executives who deal with the agency, are in conflict with the board of directors, the agency may be receiving directions in the form of verbal briefs from client representatives but may be evaluated by the board of directors along a set of objectives which the agency was not directed towards. The problem facing the agency in this type of scenario is that they only know what the client representatives are disclosing to them and need to trust that the agency is receiving all the information they need.

'Because they have other hierarchies to which they are presenting our work and we are not part of that process, we would wonder what happens and how enthusiastically or otherwise they stand by and support work they have accepted from us (5b.).' 'They have their own agendas, they are looking for promotions, ...they block access to their organisation and to the decision-makers (17b.).'

However, fifteen of agency respondents state that they do trust their clients. Six state that they 'more or less' trust their client (conditional on the client trusting them, on access to marketing plans, and because the agency asks the client to 'sign off' all work), and only two state that they do not trust their client.

5.4.4 Openness and Communication.

The fourth element of the working relationship is that of openness and communication. Respondents were asked to discuss the type of communication that occurred within their relationship, and satisfaction with the degree of communication and openness in the relationship. Clients mostly are satisfied with the level of communication with their

agency and the degree of openness in the relationship. Twelve state that the level of 'openness and communication' is 'fine', and eight state they have a very open relationship with the agency with much communication from them during advertising development and execution (Figure 5.21).

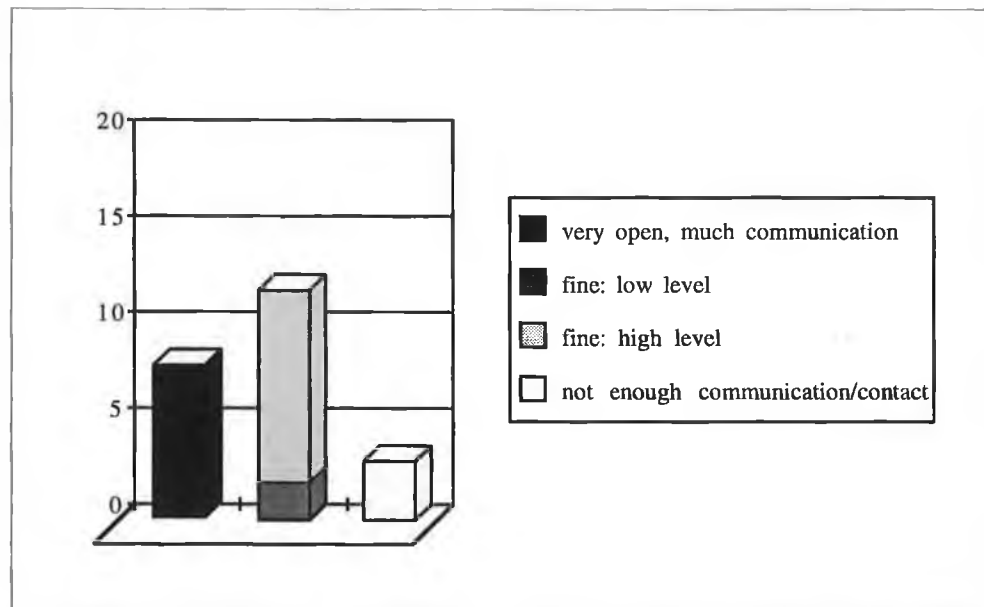


Figure 5.21 Openness and Communication (Advertiser response).

However, one must not assume that being satisfied with the level of communication and openness only implies the existence of open relationships of a high level of communication between the parties. Being satisfied with the level of communication and openness also arises from clients' stated desires to keep a low level of communication and openness in the relationship, either with an objective of ensuring the agency is impartial or because they believe that once the work is delegated, the agency should take responsibility for the creative and media executions. Two of the advertisers who indicated that the level of communication and openness in the relationship is 'fine', believed it to be so because of the low level of communication.

Advertisers seek projections of the costs of advertising in advance, which are deducted from the yearly advertising budget. The agency is aware of

that yearly figure, which is mostly inflexible, and the number and size of advertising activities throughout the year are directly affected by the annual budget. Advertising activities undertaken throughout the year are costed as they are undertaken, and these costs are relayed to the advertiser. It is when the advertising execution goes off schedule or incurs extra costs that the advertiser expects updates from the agency regarding the costs. Another source of expected communication between advertiser and agency (from those clients which encourage proactivity) are suggestions for complementary or parallel promotions as well as new promotion or advertising opportunities. Of the twenty-three advertiser respondents, only three feel that there is not enough communication in their relationships, in terms of; not knowing costs of work, not being told when work is going 'off budget', and not being in contact with creative individuals who are working on their account.

'We look for itemised production costs and third party quotes, it eliminates any hint of paranoia, it's more open and honest, and more trusting (11a.).' 'There is a tendency for agencies to protect the knowledge of who is doing the work, the cost of it, but I want them to be open, ... if I am going to be hit with extra costs I want to know now (3a.).'

From the agency perspective, eleven of the twenty-three respondents state that they have very open relationships with their clients with 'lots of communication'. Four of the respondents would like more long-term information, seven would like more marketing information, and one would like more advertising information (Figure 5.22).

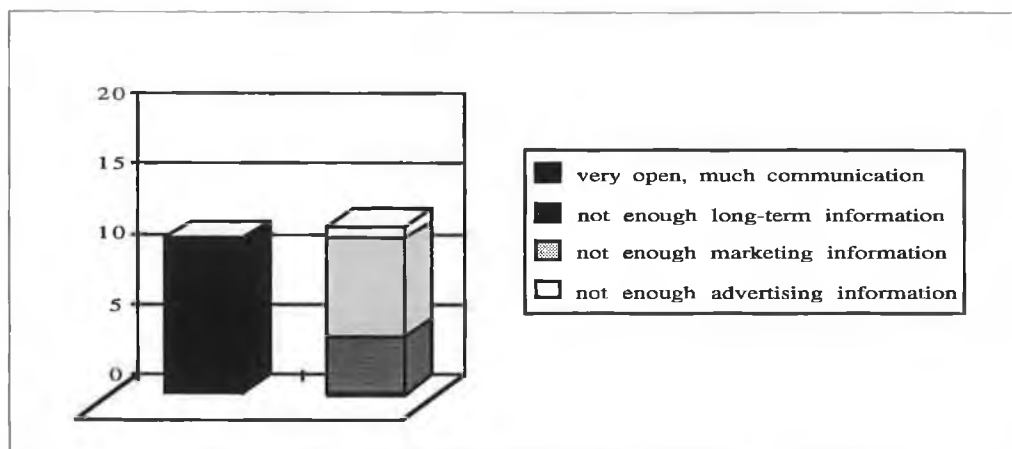


Figure 5.22 Openness and Communication (Agency response).

The majority of the respondents are either satisfied with the information that they are receiving or are at least receiving marketing information, but eight agency respondents would like more marketing or advertising information. There are at least three reasons for an agency not having desired advertising or marketing information; firstly, the advertiser does not wish to give information to the agency; secondly, the agency does not specifically ask the client for such information when the client has the information but neglected to supply it to the agency; and lastly, the client does not have the information that the agency would like (for example, qualitative consumer information, or information about competitors).

'We have problems in getting information from (the client), in terms of plans, margins...they treat us as a supplier and not as an advertising partner (12b).'

'60% of clients will not be open (17b).'

'Sometimes we feel we don't have all the information, you could always do with more, ... we do go and ask them for more. Sometimes the information isn't there (5b).'

'You have to be careful, if you keep going back and looking for information, you're going to cheese them off, you don't cheese off the clients (15b).'

These answers relate to communication and the information that is provided to the agency prior to developing creative work and placing/buying media, but in an ongoing relationship there is ongoing information, including evaluations and feedback. Feedback may include formal evaluations as well as verbal re-directions or assurances to the agency. The feedback element is one which fourteen (60.9%) of agency respondents feel to be lacking.

'If there is any feedback, it tends to be negative (12b).'

'It is an insecure industry, so people like to be reassured that the creative work is good, it gives them a better attitude to tackle the next project (1b).'

'You may just get an instant, top-of-the-head response rather than considered, measured, quantified feedback. It is generally agency initiated, except for negative feedback (5b).'

Advertisers who receive high levels of communication from their agencies are more likely to be open with their agency. Of the eleven situations where agency respondents indicate very open relationships with 'much communication' from advertisers, advertisers in turn expressed that the agency is very open or their satisfaction in terms of high levels of contact.

Similarly, in five of the cases where the advertiser states the agency is very open, the agency in turn states that there is 'much communication' from the client, but state that they do not receive enough long-term information or marketing information in the remaining three cases stating.

Agency respondents indicate that it is in 'settled' relationships that they receive most information/communication from their clients. In five of the relationships that are 'settling in', the agency respondents state that they do not have enough marketing of advertising information. Agency respondents also indicate that it is clients in the Fast Moving Consumer Goods and Tobacco and Alcohol sectors who are most open and provide most information.

5.4.5 Interaction of Working Relationship Elements.

In section 5.4.1 to 5.4.4 (inclusive) the four elements of working relationships are examined individually and against relationship classifications. These elements also interact against each other, and it is the relationship between the four elements that is analysed in this section.

Looking firstly at trust; it appears that agency representatives who do not trust their clients incur changes as work is being undertaken, and those that conditionally trust their clients are more likely to incur changes that are acceptable. Of the fifteen agency representatives that unconditionally trust their clients, seven are more likely to incur 'few changes' and six incur 'frequent but acceptable changes' while 'getting the work done'. When there is trust, changes are fewer or more acceptable.

More problems occur in 'getting the work done' when the advertiser does not trust the agency. It appears that for the advertiser, 'getting the work done' is not dependent on trust, but rather that trust is dependent on 'getting the work done'. Agency performance (in terms of coming within budget, meeting deadlines and correctly interpreting the brief) does affect

whether or not the client trusts the agency. Agency respondents are more likely to trust their clients when they feel the client trusts them and does not make changes, and the client is more likely to trust the agency when few or no problems occur when working on the account.

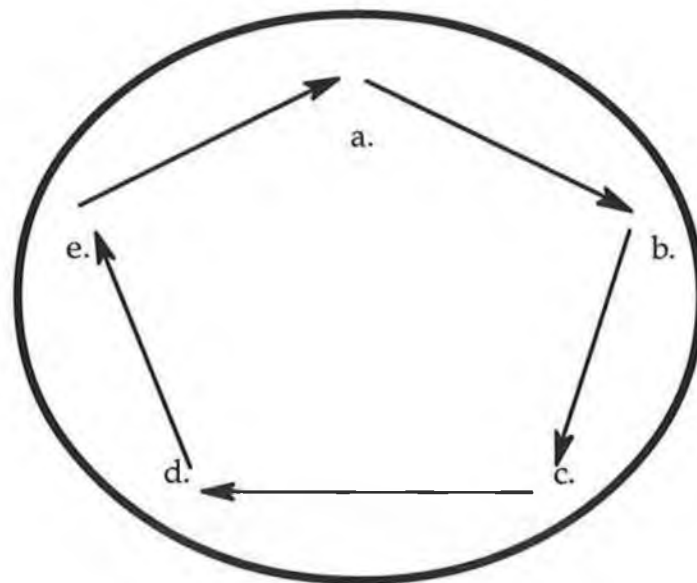
In 57.6% of the twenty-one cases where agency respondents indicate that they trust (absolutely or conditionally) their client, the advertiser indicates that there are no problems in 'getting the work done.' The two cases of agencies stating their distrust of their client are paired with clients indicating i) no problems and ii) budget problems. In the three cases where advertisers identify budgeting problems, the agencies trust is no more than conditional.

In all of those cases where the advertiser trusts their agency, the agency respondent indicated either fewer or more acceptable changes while 'getting the word done.' Four agency respondents indicate frequent, but unacceptable, changes where the client reserves some element of trust. But, curiously the three relationships where advertisers state that they do not trust their agency are typified by frequent, but acceptable, changes according to agency respondents.

Trust is based on a circular flow, but once it is broken down the links are broken and are difficult to repair. If a breakdown occurs between points c. and d. , or d. and e., or e. and a., it means that the trust circle is broken (Figure 5.23).

An important factor for advertisers trusting their agency is their beliefs regarding the agencies changes and cost structures. Advertisers have access to rate cards for media, and compare production costs with each other, but twelve are unsure that the production charges being passed onto them are as low as they could be. Fourteen advertisers feel that production costs should be fully itemised and are actively seeking methods to make these costs more accountable. Production services may

be undertaken 'in-house' by the agency or, when the agency does not have the facilities, may be sub-contracted. Eighteen advertisers ask for and receive third-party quotes from their agencies with some seeking and receiving third-party invoices. While these practices ensure that the charges are accurate, there is also concern among advertisers regarding the purchasing, and costing, of production facilities by agencies. Five advertiser respondents indicated procedures where the agency must provide additional quotes for services costing more specified amounts.



- a. few/no problems in 'getting the work done' - advertiser perspective
- b. leads to advertiser trusting agency
- c. leads to fewer and acceptable changes while 'getting the work done' - agency perspective
- d. leads to agency trusting advertiser
- e. leading to less deadline/budget problems
- a. cycle repeats

Figure 5.23 The Trust Cycle.

When replying to the trust issue, over half of the agency respondents also proffered their perceptions of client trust. They are aware of concerns which the advertisers highlighted and four voluntarily agreed that production costs are very high. While advertising agencies prefer to use their own production facilities there are situations when they do not or cannot. In some cases, the agency sub-contracts production work outside

of the agency when they know they cannot compete with costs of production companies. The agency does not have the economies of scale that large production companies have, or has greater overheads than small or 'freelance' production companies and individuals. In other cases, where the agency cannot provide specialised services, for example television production facilities, the work must be contracted to others.

These subcontractors bill the agency who pass on the charge to the clients (perhaps charging a negotiated commission). The agencies may not charge any commission or fee for this work, as some feel that the costs being charged by the production companies are excessive. Even though the agencies may absorb some of the production costs, their production services are not always price-competitive with production costs being passed on to advertisers often being very high. There is mistrust among advertisers because the agencies may be charging more for production services than other suppliers, and are unable or unwilling to pressurise production companies to reduce their charges.

Two of the three cases where advertisers stated outright that they do not trust their agencies are also those relationships where the advertiser states there are occasionally unresolved problems with the agency 'getting the work done.' The majority of cases have occasional, but resolved problems with the bills, and of those the majority trust their agencies conditionally. The conditions stated by all these respondents are associated with costs, receiving quotes, and invoices. Curiously, while most of the respondents who trust their agency (unconditionally) did state that they have occasional but resolved problems with bills, only two express unresolved billing problems affecting 'getting the word done'. A relationship may overcome such hurdles and trust may not be affected when the relationship is open and the advertiser is aware that excessive bills arise because of sub-contractors or because the agency has a higher overhead than production houses. In all situations where the advertiser states that there is 'much communication', the advertisers also trust the agency

(absolute or conditional). Where an agency trusts their client, they may be more likely to be open and proactive on their behalf.

'If the relationship is good and the business is important ... if I get on well with them, you will work harder for them, you are more conscientious, more inventive. You will be braver in your thinking because you know that they will not be highly critical when you may go too far (13b.).'

The cross analysis of agency trust and the level of communication/openness indicated by agency respondents shows that they are more likely to trust (unconditionally) an advertiser with whom the relationship is very open and has 'much communication.'

Cross-analysis of the interrelation between similarity and trust does not show any significant findings displaying interdependence between these elements. Of more significance is the interdependence between similarity and openness. It does appear that relationships that are closer in terms of personality profiles are also more open. Agency and advertiser respondents in closer relationships either receive more information or indicate a higher satisfaction with the level of communication in the relationship.

When looking at the similarity factor in conjunction with 'getting the work done', it appears that closeness of advertiser and agency personality profiles does not result in fewer problems while 'getting the work done' from the advertiser perspective.

Over half of the advertisers who are 10-20% different from the profile of their agency indicate problems while 'getting the work done.' Advertisers in the 20-30% difference category mostly have no problems. From the agency perspective, acceptable changes are more likely when respondents are between 20-30% different. However, unacceptable changes are most likely when there is only a 10-20% difference in their personality profiles.

Of the eleven agency respondents who state that there is 'much communication' in their relationship, seven indicate that few changes occur while 'getting the work done.' Those agency respondents who do

encounter frequent, but acceptable, changes are most commonly those who do not have sufficient long-term information or marketing information.

Only nine of the eighteen advertisers indicating 'much communication or satisfactory high levels of communication also indicate that they encounter no problems while 'getting the work done.' For those advertisers who state that there is much communication/openness in their relationships, the likelihood of citing interpretation or deadline and interpretation problems is higher than the norm. Interestingly, it is advertisers who state that communication and openness is fine (high levels) which are most likely to have no problems and not those who state there is 'much communication'.

5.5 Interaction of Brief and Working Relationships.

A cross analysis of work restrictions encountered by agency representatives and 'getting the work done', that is changes that are made as work is being undertaken, is undertaken in order to establish an association. While the crosstables are widely dispersed, the briefing method does appear to have an effect on 'getting the work done'. There are less likely to be changes affecting 'getting the work done' when a written brief is used and frequent changes are more likely when there is only a verbal brief.

Agency responses to work restrictions are also compared with openness and trust responses made by advertisers and agencies. The cross analysis of work restriction by openness (agency response) shows that relationships where the advertiser does not specify or indicate preferred advertising are regarded as being more open by the agency respondents.

The level of representation for advertisers who indicate 'very open' relationships in the 'preferred advertising suggested' category is greater than the norm. This table shows the greater likelihood for advertisers in very open relationships to indicate a preferred style of advertising. The

cases where agency responses indicate no restrictions are dispersed; one advertiser stating 'much communication', one saying communication is 'fine (low level)', and the third stating that there is not enough communication/contact in the relationship.

Advertisers who do not trust their agency are more likely to specify advertising content. Indeed, in both cases where agency respondents state that they are advertising development is restricted by specific advertiser instructions, it appears that the advertisers distrust the agency. There appears to be little difference between absolute and conditional advertiser trust with restriction levels, however.

When looking at agency trust in conjunction with work restrictions, it appears that agencies trust (unconditionally) advertisers who do not specify advertising content, and are more likely to trust advertiser who only restrict the agency to a marketing or advertising brief. Both cases where agency respondents indicated distrust of their clients are categorised by those advertisers having a preferred advertising approach.

There is a slight correlation between not having enough marketing or advertising information and not having a written brief, according to agency responses. Four of those not having enough marketing information do not receive/record written briefs. The process of making marketing plans and recording them facilitates the development of advertising strategies and ultimately the advertising brief.

'There is a problem when there isn't clearance of a brief, where somebody down the line is only in a position to say no, not in a position to approve. The people who are actually going to make the decision might not be involved in writing the brief (14b).' 'They have not clear in their own minds, they have not thought out sufficiently in advance what they are trying to achieve, relying on the agency to develop the brief ... when you go back with this you may not be doing what they think they want to do (16b).'

Of the seven agencies that feel that do not receive enough marketing information, six receive only a verbal brief. The agency respondent who is not receiving enough advertising information is only getting a verbal

brief. Relationships that are perceived as being more open are those that have written briefs, written either by client or agency. The crosstable of advertisers responses to brief and openness elements shows that five advertisers who indicate that they are in very open relationships use verbal briefing methods. Relationships which advertisers indicate are 'fine' (high level) are typically those in which advertisers say they provide a written brief.

Most 'getting the work done' problems incurred by advertisers (that is, deadline, budget, brief interpretation and combinations of these) occur when advertisers say they provide a written brief, with very few problems arising with a verbal brief from the advertiser (written by agency) or when there is no written brief. This can be explained by the nature of the problems cited. If only an oral brief is used, with much interaction between the advertiser and the agency, there may be less interpretation problems. If no deadline is specified, there are less problems in adhering to a deadline.

There is little difference in when problems arise when looking at the advertiser responses to the 'getting the work done' factor in conjunction with briefing method agency representatives say is used, although there is a greater likelihood for all problems (ie. budget, interpretation and deadline) when there is not a written brief. This contrasts with the advertiser responses relating to briefing practice.

Comparison of advertiser and agency responses shows that only seven sets of respondents agree on which briefing method is used, and agency respondents are more likely to say that no written brief is used. Where the advertiser says a brief is written by them, agency respondents are more likely to say that a verbal brief is given. Similarly, where agency respondents say no written brief is given, advertisers are more likely to say a written brief is provided. There may be some difference in perceptions of what constitutes a brief and when one is required. Agency perceptions

and expectations of briefing processes tend to be higher than that of clients. It appears that there is a correlation in the responses made by agency respondents between the trust and briefing factors. When agency respondents trust their clients it is more likely that they state that verbal briefing method are used. However this finding is not apparent when one looks at advertiser responses to the trust and briefing factors.

There is a slight correlation between similarity and briefing. Agency responses indicate that parties that are similar (less than 30% difference) are more likely to use verbal briefs. Advertiser respondents who say they give verbal briefs also appear to belong to relationships that are closer (less than 30% difference).

5.6 Relationship Evaluation.

Evaluation of the working relationship is rarely formally undertaken and more likely to be undertaken by the client, or in a client-led joint review than by the agency alone. Three agency respondents participated in or undertake formal evaluations of the agency performance (including formal evaluation of relationship) (Figure 5.24).

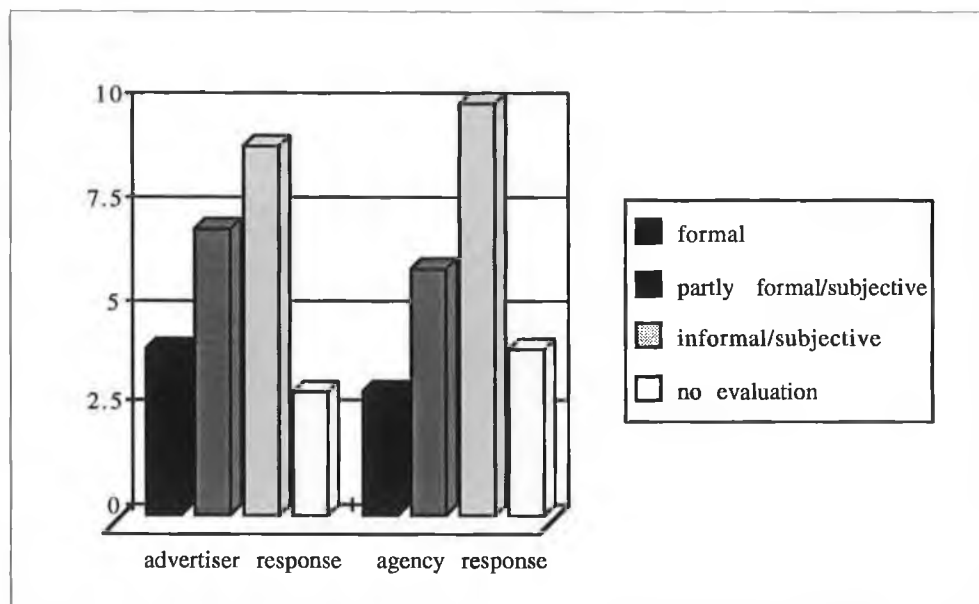


Figure 5.24 Relationship Evaluation.

Six agency respondents state that they participate in or undertake formal evaluations of their performance with informal/subjective evaluations of the relationship. The most common method of evaluation of the relationship by agencies is, however, purely informal and subjective monitoring with no self-evaluation of performance (ten of the agency respondents). Four agency respondents state that they neither undertake nor participate in evaluation of the relationship or agency performance.

'You do feel when there is tension in the relationship, you should be monitoring. If needed, you may have a formal sit-down to discuss it, but it is better to deal with it at the personal level before it gets to that stage (1b).'

Clients are more likely to undertake evaluations of the relationship. These evaluations are more likely to be formal. All of the client respondents evaluate agency performance on an ongoing basis, in terms of media-buying effectiveness and over half of the advertisers evaluate campaign successes against sales or communication objectives. Advertisers evaluate the relationship itself in more formal ways than agencies do, with twelve advertiser respondents using formal or partly formal means of evaluating the relationship (including formal reviews, rating scales for lists of creative, media, account handling variables, and reports). Eight advertisers evaluate the relationship on an informal and subjective basis and three say they do not evaluate or monitor the relationship in any way.

'I evaluate the account direction, in terms of did they miss out on something, whether the brief you gave the account director was picked up and then communicated to the creative people and also the communication of creative views back to us (1a).'

'The interpersonal (evaluation) is totally subjective (17a).'

'We let the agency know on an ongoing basis if they are not meeting deadlines, are not prepared. Then yearly, there is a formal questionnaire type of review that has evolved over the years. This is filled in by brand managers and myself which I develop into one evaluation. I then sit down with the agency, they have been asked to fill in the same form, and we would assemble all of our team and their team. We look at our strengths, their major accomplishments, the agency strengths and weaknesses, identify what problems that have arisen were client related factors and when they were agency related ... evaluate account management by looking at their handling and proactivity, the advice they offer and their undertaking of work (13a).'

'The relationship is part of the review, how they are handling the account, the chemistry, how the business is working. If there is a personality difficulty of a serious nature, this is going to affect the whole relationship and could ultimately affect the standard of work (15a).'

'The best way to judge an agency is on consistency, across everything - the management of your money, ability to negotiate discounts, planning media, being creative, spontaneous, account handling, doing the paperwork, your sales promotions ... (10a).'

'It is very

difficult to evaluate the working relationship, it goes on unconsciously. I am looking for good work, their reaction to me when I visit the agency, respecting that I am the client ... they should be selling to me (18a).' 'We do an international evaluation, which is assessing them in terms of media effectiveness, creative contribution, contribution to company objectives. This is annual, but there are informal evaluations during the year which I would have with the agency head. If a problem arises, we deal with it then rather than leaving it to a review (23a).'

There are differences in the responses made by the paired advertisers and agencies to questions relating to evaluation methods. Of the three advertisers who state that they do not undertake an evaluation of the relationship, one of the corresponding agencies state that they undertake or participate in a formal evaluation of their performance including the relationship between the agency and the client. The other two agencies corresponding to advertisers who say they do not undertake an evaluation of the relationship indicate that they do evaluate the relationship though not in a totally formal manner.

Of the four agencies who say they do not undertake an evaluation of the relationship, three of the corresponding advertisers state that they do undertake a subjective and informal evaluation of the relationship. The fourth advertiser states that a partly formal and subjective evaluation is made of the relationship. From comparing the responses of the advertisers and agencies, it appears that all of the relationships are evaluated by either the advertiser or the agency. These evaluations range from formal, objective measures to informal, subjective opinions.

Responses from advertisers in relationships which are 'settling in' are skewed towards formal and partly formal evaluations of the working relationship. In contrast, advertisers in 'settled' relationships are more likely to informally evaluate or forgo evaluation of the working relationship. Indeed, all of those respondents who indicate that they do not evaluate the working relationship are in relationships categorised as 'settled'.

5.7 Interaction of Working Relationships and Relationship Evaluation.

Trustworthy clients appear to be those that undertake more formal evaluations of the agency-client relationship. One element of communication which agency respondents feel is lacking is feedback. When formal reviews of agency work are being undertaken, the client clearly identifies areas of concern in the relationship and uses the review to highlight improvements that both the agency and the advertiser can make. Trust in the advertiser is increased when the agency knows what is expected of them and where they are going wrong.

One may look at advertiser trust in their agency and advertiser evaluation of their agency to examine the degree to which trust affects the type of evaluation used. It has already been shown that trust affects 'getting the work done' and the creative and media output and thus the evaluation outcome. When one considers if the type of the evaluation affects advertiser trust or if advertiser trust affects the type of evaluation, it appears that trust in the agency does affect the type of relationship evaluation that is used, with less formal evaluation methods being used when the agency is trusted.

Of the eleven agency respondents who are very satisfied with the level of information they receive from their clients, only two undertake a formal evaluation of the relationship. Seven of these agencies undertake a partly formal or subjective evaluation of the relationship. Advertisers who are very satisfied with information from their agency all undertake an evaluation of the relationship and five undertake subjective evaluations. Those that feel they do not receive enough information from the agency all indicate that they do undertake some form of relationship evaluation whereas it is only those that state the level of openness and communication is 'fine' (high level) that do not undertake an evaluation of the relationship.

Of the eleven advertisers who encounter problems when undertaking

advertising tasks (GWD), ten undertake a relationship evaluation while nine advertisers who have no problems when undertaking advertising tasks undertake a relationship evaluation. Seven advertisers who have no problems undertake a subjective evaluation of the relationship. Half of the advertisers undertaking formal evaluations of the relationship encounter no problems, with the remaining 50% incurring deadline and interpretation problems.

Agencies who feel there are frequent unacceptable changes made by the advertiser while undertaking a task are most likely to undertake an evaluation of the relationship. Those agencies who find the frequent changes acceptable are also more likely to undertake an evaluation of the relationship.

5.8 Interaction of Brief and Relationship Evaluation.

When comparing the responses to questions relating to the briefing method used by advertisers and agencies in conjunction to their answers to use of evaluation methods the results show that all of those agencies who state they receive a written brief from their client also state that they undergo some evaluation of the relationship. In the seventeen cases where a verbal brief is used (which may or may not be subsequently drafted by the agency into a written form), eight undertake informal, subjective evaluations of the relationship, three undertake no evaluation while only one undertakes a formal and five a partly formal relationship evaluation.

Of the eleven advertisers who state that they supply a written brief, only one undertakes a formal evaluation of the relationship. Eight undertake less formal evaluations of the relationship and two state that they do not evaluate the relationship at all. Of the twelve advertisers who state that they verbally brief the agency, five evaluate the relationship informally and subjectively and three formally evaluate the relationship. Only one of these who provides a written brief formally evaluates the relationship.

Chapter 6.

Findings & Conclusions.

6.1 Introduction.

The objective of the research is to provide a mechanism which both advertisers and agencies can use to evaluate their working relationships and which will allow them to improve the quality of that relationship and its contribution to the advertising process. Any evaluation which considers the performance of the working relationship should not only consider the outcome of that relationship but also the function for which it is formed and the working relationship as it operates within the context of the advertising process. Since the evaluation contributes to the ongoing relationship, it is used by parties in existing relationships. Therefore, in this study the working relationship is examined among ongoing relationships unlike the studies of Doyle, Cortsjens and Michell (1980), Verbeke (1990) which examine expired relationships. The following conclusions and recommendations are made based on research that was undertaken among paired advertisers and agencies in continuing relationships using a framework of the advertising process as the research instrument.

6.2 The Framework.

The elements within the framework were derived from secondary and initial stages of primary research. Subsequent stages of the primary research verified the importance of the identified framework elements. The final stage of the primary research tests the framework structure through examining interrelations between three framework components; working relationship (consisting of four elements), briefing and evaluation (Figure 6.1).

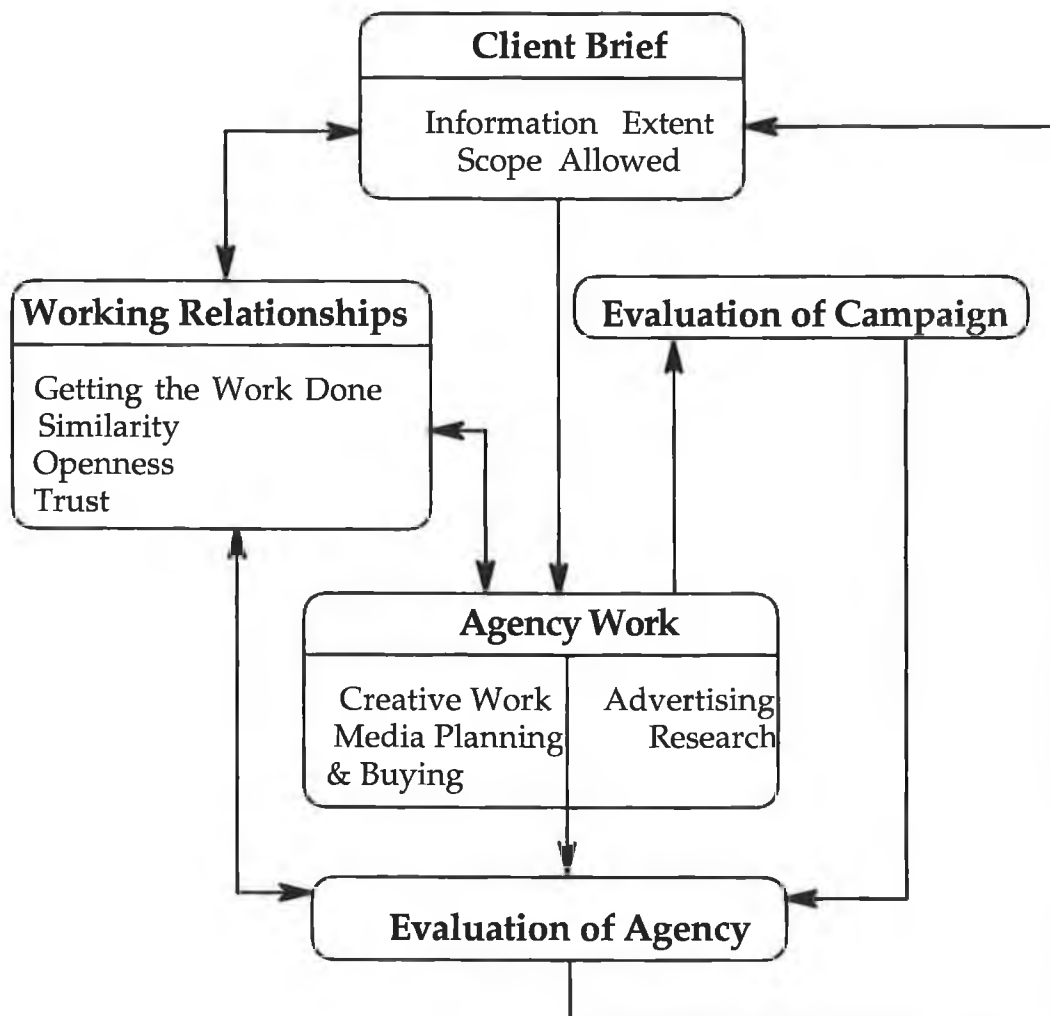


Figure 6.1 A Framework of the Advertising Process.

Specifically looking at the elements of the working relationship that are used in the research, it appears that three of the four elements directly affect work and objective attainment with the fourth element, similarity not appearing to have direct effects on the advertising process. The work process is affected by 'getting the work done', trust, and openness and communication elements through their inter-relationships, their interaction with briefing methods and their effects on work output. The similarity element shows that although advertisers and agencies indicated personality profiles of each other which are very close, the indicated profiles of advertiser and agency are not as near to each other as the ideal profiles of advertiser and agency. The similarity element, however, does

seem to influence trust, which in turn affects work attainment. In this indirect manner, similarity is maintained, tenuously, as a subordinate element of the working relationship.

Crossanalysis of briefing and working relationship elements shows that three of the four working relationship elements influence or are influenced by the briefing process. The type of brief does influence the changes and problems encountered while 'getting the work done', and influences perceptions of openness and communication within the relationship. Agency trust is also more likely when work is not restricted and a verbal brief is used.

The 'getting the work done', trust and openness elements are the most significant determinants in the working relationship/evaluation link. The occurrence of problems and changes while 'getting the work done' correlates with relationship evaluations while trust results in formal evaluations by the client and subjective evaluations by the agency. Advertisers are less likely to evaluate the relationship when they regard openness and communication as satisfactory (high level).

The proposed evaluation framework must then be amended to take account of the diminished importance of the similarity element. However, while the links between the working relationship and briefing /evaluation now appear to rest on three elements, similarity demonstrates an effect within the working relationship component through its impact on the other elements.

Nonetheless, the framework emerges as being comprehensive: all of the concerns identified in preliminary interviews were considered and those included in the research framework are deemed by respondents as primary factors within and influencing their relationships. Through the demotion of the similarity element, the framework refocuses on task issues and work objectives reflecting respondent priorities. This reflects the current

climate within the examined relationships. However, researchers must consider changes within the environment and changing priorities.

6.3 Key Evaluation Concerns.

Five issues emerged or were reinforced during the course of the research as considerations for evaluators. These underpin the framework and affect the process through their influence on the relationship orientation, briefing, openness, trust and evaluation.

6.3.1 The Relationship is Functional.

The working relationship is regarded very much as a medium or channel which exists only to produce or facilitate the production of advertising work. It is functional and instrumental in attaining some goal. This is typical of professional relationships identified by Millar and Rogers (1976), when they defined a relationship by its objective. When looking at task elements (GWD) within the working relationships, the research addresses directly objective fulfilment. The questions concerned how the relationship impedes and facilitates task accomplishment. The respondents signalled their concern with task accomplishment by detailing their frustrations in undertaking their work (Section 5.4.1). However, an organisation also provides for the personal satisfaction of the its workers either from altruistic motives or with the belief that a happier workforce perform their tasks better (Argyle and Henderson, 1985). While the research participants (both advertiser and agency) did indicate the importance of personal relationship, it was clearly secondary to the importance of completing the task. Findings show that similarity of personality profiles have little effect on task attainment. When a relationship such as the advertiser-advertising agency relationship is examined, one must carefully consider whether the 'people factor' is as important as has previously been suggested (Cagley, 1986; Wackman, Salmon & Salmon, 1986/87), or whether it truly affects the accomplishment of the relationship objective or task. In the case of the advertiser-advertising agency relationship, while it appears that the task

element of the relationship is the most important, one may also need to consider that the maintenance and personal elements of the relationship are less tangible and may only manifest themselves through task achievement or in the long-term. The 'people factor' need not be looked at in isolation, but may instead require examination in conjunction with task objectives (Wackman, Salmon & Salmon, 1986/87: 24) and other elements of the working relationship. There is an interrelationship between these elements even in a relationship that is essentially functional and instrumental (see section 5.4.5).

6.3.2 Relationship Evaluation Encompassing Work Environment and Personal Relationships.

The overall relationship that exists between advertiser and agency consists of not only the working relationship, but also personal relationships, and the environment in which they operate. This study looked primarily at the working relationship, but did not isolate or exclude the effects of personal relationships. Currently practitioners do realise the importance of personal relationships, but appear to use them as a crutch for the working relationship and not necessarily recognise or capitalise on their potential to improve task accomplishment and performance. One must consider the extent to which good personal relations with the advertiser or agency compensate for work practices that are not the most efficient or most effective. While it may be unrealistic to expect personal trust and liking to exist when the very reason for which the relationship is formed is not being satisfactory attained, such personal liking and trust provides interactants with a 'margin of safety' in the relationship. Such practices are not unnatural and may be a normal part of dealing with people on an ongoing basis but there can be an over-reliance on personal relationships and their use in protective, reactive management of the relationship. This ultimately results in weakened performance and a poor evaluation of the output of that working relationship. The evaluation methods that are used by practitioners are very much results oriented (section 5.6), and not diagnostic enough. However, practitioners do not have the time,

resources nor the inclination to undertake systematic evaluations or audits of the relationship when they do not regard advertising as an important part of their business. Even those practitioners that do undertake an annual review of the advertising do not look closely at the working relationship.

A more holistic evaluation method would still rate elements such as performance on decisions and objective attainment, but also consider whether the effects of work structure within the system. The effects of the evaluation on both trust and openness within the relationship are to be considered, as well as how these affect the task accomplishment, and how the evaluation affects objective attainment. Agency's trust in the client is affected by the evaluation method they use, and the type of evaluation used by advertiser is also affected by the trust they have in the agency. There is also a relationship between evaluation and openness, in that satisfaction with communication from the other party is more likely when an evaluation is being undertaken. But the advertiser or agency may also monitor the effects of the outcome of an evaluation against trust, openness and performance. In order to develop a usable and useful evaluation method one may need to narrow the primary focus of the evaluation to identify whether there are any problems and then use problems highlighted here to extend the range for diagnosis. Instead of initially looking at a checklist comprising of hundreds of factors, one may use specifically the objectives of the relationship. Advertisers are already looking at advertising accomplishment, but they seem not to have taken the necessary step backwards to discover why they are satisfied/dissatisfied with the outcome. The relationship itself absorbs the various inputs, the planning, briefing, objective setting, and agreement on strategy and does have an effect on the output, but not in isolation of the inputs into the relationship be they personalities, marketing and advertising information, or the allowed advertising budget. Agency respondents, in particular, feel that poor briefing and marketing information is affecting how they work for a client (section 5.5) but seem less keen to examine their own work

processes to explain delays and difficulties when undertaking an advertising task. Advertiser respondents when communicating the problems they encounter with work completion are more aware of the inputs they make into the process and realise that the work process is affected both by the advertiser and the agency (sections 5.3, 5.4.1, 5.5). Beyond the realm of the relationship exists a further external environment comprising of competitors and suppliers which has additional effects on the output of the relationship.

6.3.3 Examining the Advertising Industry.

A narrower evaluative focus that is performance based may be more manageable, but the broader problems which are affecting the industry, the relationship and ultimately the output cannot be ignored. Questions of billing practices and production costs were raised by all advertisers whether or not they expressed satisfaction with their agency's billing and accounting (sections 5.4.3, 5.4.5). The advertising industry must realise that to carry the burden of industry-wide problems on the shoulders of the personal and working relationships with their clients places the industry in a vulnerable position. Personal trust between relationship members may compensate for advertiser qualms over the costs being charged, but does not tackle the widespread and undermining suspicion with which the pricing practices of advertising agencies are held. This may have two effects, firstly an advertiser enters into a relationship with an agency with suspicions that need to be alleviated rather than entering into a relationship on a more positive or even a neutral note. This may not just occur on new relationship but also when personnel are changed within existing relationships. Because of industry wide suspicion, new advertiser personnel may not trust the agency, or the account executive since he/she does not know him/her, and mistrust enters into a relationship. Similarly, advertisers who may have general suspicions of advertising pricing and work practices but who trusted previous relationship members may not trust the new agency staff that have been assigned to their account. The problem with such scenarios is that trust on issues of

costing, pricing and work methods are founded on personal relations with individuals and not on the agency or the industry. Secondly, one is concerned with the effect of trust and suspicion on the relationship and subsequent effects on the briefing and information received from a client and the advertising work undertaken for a client.

The very existence of demands for more accountability and transparency directly affects the relationship between the advertiser and the agency. Even though it may appear to be difficult to separate factors such as trust and advertiser concern over bills when one is looking at specific relationships within the overall advertising industry, one cannot evaluate and examine an advertiser-advertising agency relationship with an expectation that the relationship is capable of surmounting problems that are industry wide and not relationship specific. Placing the relationship with its external environment (Michell, 1986/87) gives a perspective on the overall industry, but may not be useful in examining the working relationship. One must consider the function of the working relationship, how it undertakes this function, and also its limitations. The relationship is formed to undertake specific advertising tasks, but nonetheless it appears that industry-wide problems do affect how the working relationship functions and its output. However, tackling problems such as advertising costing and pricing practices is not the function for which the relationship is formed. The relationship may be placed within the context of the external arena, but its effectiveness and efficiency can only be examined against the relationship objective and the limitations of the relationship. Therefore, one may attempt to separate those problems that do not originate within individual working relationships from the problems that envelop the entire advertising industry. The working relationship may then be examined within the context of its capabilities, its inputs, its form and its outputs in order to evaluate its contribution to the advertising process (Figure 6.2). But beyond the process itself lie external considerations which affect the relationship and the generation of advertising. In this study, the primary concerns of advertiser and agency

respondents are those of production costs, payment methods, 'accountability', and briefing methods. However, the external concerns may change, either they are resolved or change as the industry changes and the needs of participants change.

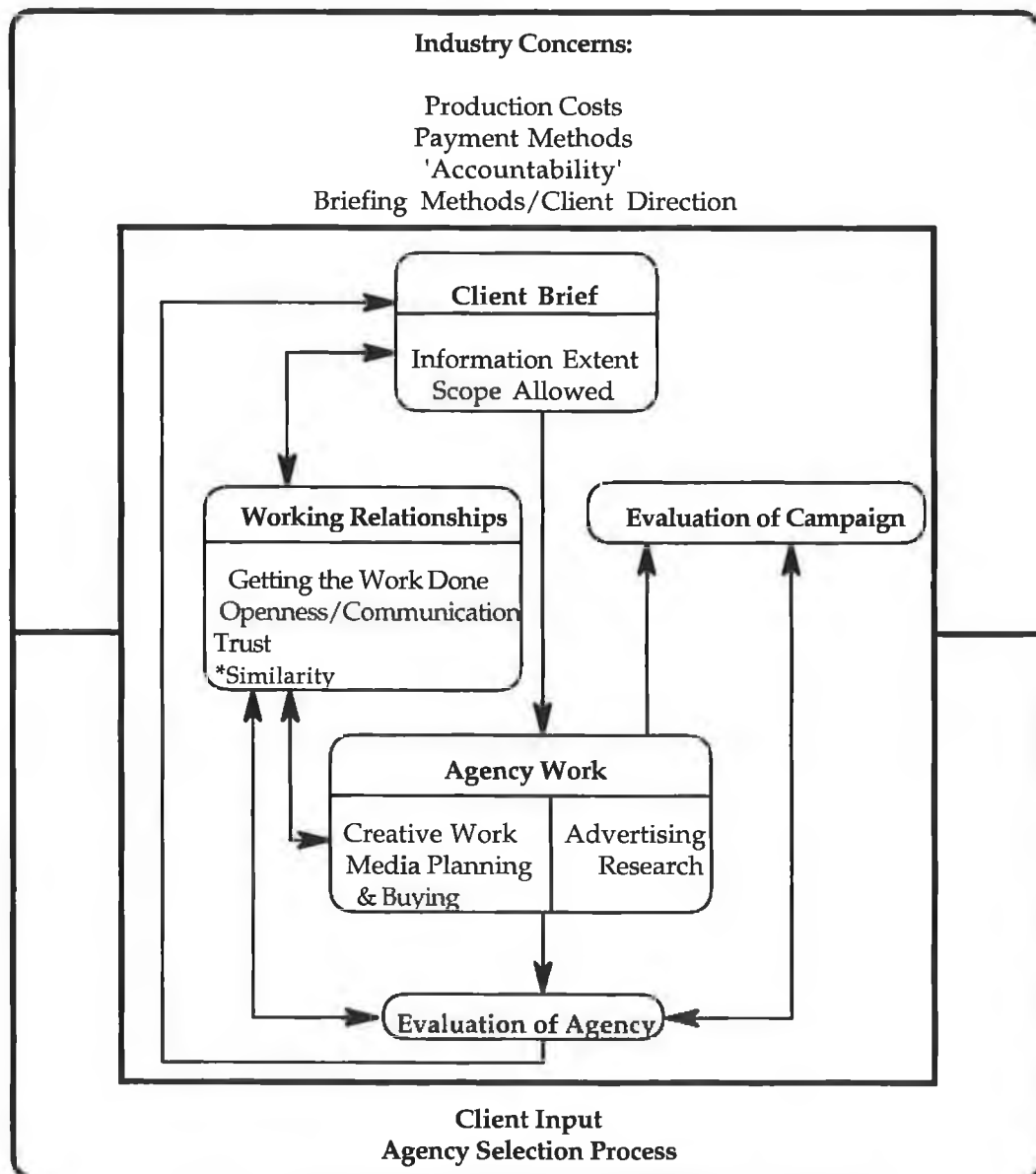


Figure 6.2 A Framework of the Advertising Process Incorporating External Forces.

A factor which is also deemed to affect the relationship is the selection process (Cagley, 1986; Wackman, Salmon & Salmon, 1986/87). Advertiser

respondents did indicate their consideration of previous work by the agency in the trust section (section 5.4.3) and elaborated on the screening and selection process they undertook. It appears that for some advertisers, this process does have an effect on the relationship since it affects trust and the advertisers' belief in agency abilities. However, the relationship is not stationary and although the selection process may have an initial effect on the working relationship and its output, it may not be an important ongoing influence on the relationship.

6.3.4 Managing and Anticipating Expectations.

When examining the relationship between advertiser and advertising agency, the output of that relationship and participants evaluation of that relationship, one cannot avoid considering the question of agency and client expectations and perceptions (Parasuraman, Zeithaml & Berry, 1988). From the research it appears that agency expectations tend to be ignored while clients assess whether their expectations have been met. This is not unsurprising in a relationship which has been demonstrated to be service oriented in nature (Halstead, 1990), but nonetheless 'proactivity' as demanded and expected by clients is more likely to occur when the agencies' expectations are considered. That is, when the expectations which the agency hold in connection with developing the relationship into a partnership are met and the agency has greater access to marketing information and an input in marketing and advertising planning, the agency is more willing to satisfy the client's demands for proactivity.

There are number of structured methods which advertisers may use to signal their expectations to the agency. These include; their choice of agency, their brief to the agency, and evaluations. These more formal methods are contrasted by the means open to agencies to communicate the expectations they hold within a relationship. As it is the advertiser who contracts and retains an advertising agency, and as agencies compete for advertising accounts, a chosen agency (as a service provider) seeks to match client needs. But, agency respondents may make a distinction

between what a client believes is necessary, and the agency's belief in an advertising solution. That an agency is independent from the advertising company, and a specialist in creating advertising are reasons for deciding to use an advertising agency rather than an advertiser developing their own advertising. However, it appears that agency respondents would like also to see their expectations of agency input into marketing planning realised. Therefore, when one considers proactivity, one must consider whether it is in terms of advertising development or marketing development. Proactivity does appear to mean different things for different advertisers and agencies. One must also consider if the proactivity sought by advertisers that in the advertising and marketing arena and whether the expectations of agencies lie beyond the advertising/promotions field.

6.3.5 A Relationship Cycle.

The notion of a relationship life-cycle has been posited by a number of authors (Wackman, Salmon & Salmon, 1986/87) and is suggested as a useful method in establishing the nature of the relationship as well as the investment made in the relationship. However, using a relationship cycle that highlights stages like pre-relationship, development, maintenance, and termination may be no more informative than saying that the relationship has a beginning, middle and end when in fact, the relationship may not necessarily have a middle or an end. A relationship may go no further than the development stage, when a review is undertaken and the account is switched. The relationship may still be a development stage when a personnel change in the advertising organisation may result in a review of the business and the account being put up for 'pitch'. It may also be said that for some accounts the relationship never reaches a maintenance stage because of changes in agency personnel, because of a dynamic market or indeed because of the nature of the life cycle of the product/brand itself. A particular relationship may go through a number of termination phases when the agency is reviewed, the account is 'repitched' and the agency wins the

account back again, but the relationship may never go through a termination phase. Because of the life-cycle the brand or the product itself has had and is projected to have, the advertising relationship may never have reached a stage of decline or termination. It may also be stated that for some relationships, there is no awareness of a decline in the interactions prior to an account move by the advertiser (Wackman, Salmon & Salmon: 21). When the agency representatives do not receive feedback from the advertiser, they are less able to evaluate the stage of a relationship life-cycle as determined by client satisfaction, productivity, and performance (Wackman, Salmon & Salmon: 22-23). They may not even be aware that the advertiser intends to review or change the account when the review occurs. For these reasons it may be more accurate to consider a stability cycle which is affected by trust, personnel change, length of relationship, whether a review is due or has been undertaken rather than a life-cycle approach based on satisfaction and performance that attempts to predict the path of the relationship.

Rather than looking at the output of a relationship to monitor its progress, one looks at how the relationship works, its inputs and its environment, all of which affect its stability. This stability affects, in turn, the productivity and maintenance of the relationship by the advertiser. The relationship is affected by changes in personnel on both sides (Michell, 1986/87: 30-31) which may be regarded as a prime effect on the permanence and productivity of the relationship. The length of the relationship also affects the stability of a relationship. A new relationship may involve more work and the parties have not yet settled into a comfortable or productive work method, and in this sense is not stable. However, because the account has only just been assigned to the agency, the parties allow a initial period where they get to know each other, their objectives and their work practices. When a relationship which is classified as 'settling in', advertiser respondents are more likely to use a written brief detailing the instruction for the agency. As the relationship becomes 'settled', the formality is relaxed and verbal briefs may be used

according to advertiser respondents. This occurs because of the advertiser's greater trust in the agency's ability and understanding of the advertising problem facing the client (section 5.3). Agency respondents, however, feel there is more interaction at the 'settling in' stage leading to the development of a brief through a verbal process. This may be viewed in the light of the efforts expended by both parties at the beginning of a relationship to work together and form a mutual understanding of the advertising problem and task which faces them. The advertiser approach involves a greater perceived level of planning for this new relationship (culminating in their detailing a written brief for the agency). The agency approach is to develop a dialogue whereby they can increase their understanding of the client's organisation, its objectives, and how it would like to attain those objectives. It also appears that most problems of accomplishing the advertising task (GWD) occur during the 'settling in' period, according to advertisers. Agency respondents who are in the first five years of a relationship incur the most disruption while undertaking an advertising task from an advertiser brief. Although the relationship is not stable and may not be productive, because it is in this initial 'getting to know each other' phase it is less likely that the advertiser will suggest a termination of the relationship. The advertiser, in this regard, is aware of the investment that has been made when switching the account and is willing to allow some initial 'smoothing' before the relationship is reviewed. However, where stability has not entered into the relationship after a period of time determined by the advertiser as sufficient to allow for this initial 'smoothing', interventions may be made in the relationship which themselves affect the stability of the relationship but which are intended to improve the productivity of the relationship. This leads one to question if stability and productivity are linked. It sometimes appears that the advertiser may undertake an account move just for the sake of change, where they feel the relationship has 'gone stale'. While stability may be desired, it also appears that any perceived lethargy or disinterest in the relationship may be regarded as causes for an account review.

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Appendix A.

Functions of Good Groups.

Informational Functions	Procedural Functions	Interpersonal Functions
Creative analysis of task Information giving Opinion giving Evaluation and criticism Elaboration Integration	Eliciting communication Delegating and direction action Tension release Summarising group activity Conflict management Process Evaluation	Positive reinforcement Solidarity Co-operation Respect toward others

Albert C. Kowitz and Thomas J. Knutson (1980) "Decision Making in Small Groups: The Search for Alternatives," p. 481 reprinted in Robert S. Cathcart and Larry A. Samovar (eds.) (1984) *Small Group Communication: A Reader*. 4th. ed.; Dubuque, Iowa: Wm. C. Brown Publishers.

Appendix B.

The Association of Advertisers in Ireland *Guidelines for Advertiser/Agency Agreement*.
Dublin, AAI.

Association of New Zealand Advertisers Inc. (1991) *An International Perspective of Agency Compensation*. Wellington, ANZA.

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Appendix C.

Factors Affecting the Advertiser-Agency Relationship.

Performance and satisfaction with creative output, media planning and buying, marketing/advertising strategy, advertising effects, the working relationship and the work process.

Creative Output.

Achievement of objectives. Appeals to target group. Contains USP/product benefit. Consistency with past campaigns. Complies to brief. Correct problem definition. Believability. Convincing. Distinctive. Interesting.

Media Planning and Buying.

Reach. Frequency. Gross rating points. Cost per thousand. Coverage of target group. Exposure. Opportunities to see. Share of voice. Medium effects. Creativity of media plans. Originality. Media buying effectiveness.

Marketing/Advertising Strategy.

Development of strategy and plan. Objective setting. Attainment of projections and estimates. Reinforcement of plan. Contingency plans. Extending and developing new plans.

Advertising Effects.

Sales records. Historic analysis. Brand effects. Competitive activity. Positioning. Awareness (Recall. Recognition). Attitude (liking, preference).

The Working Relationship.

Personalities. Communication. Understanding. Enthusiasm. Knowledge. Trust. Task accomplishment.

The Work Process.

Meetings and contacts. Punctuality. Assignment scheduling. Keeping within deadlines. Evaluation and review of work. Budget.

Appendix D.

Step I Theme Sheet

- Can you please describe the relationships that you have with your agency(s)/client(s)?

What are your experiences with different clients/agencies?

Who are those you have worked best with, and why?

How can a client/agency get the most from an agency/client (productivity?/ creativity?/efficiency?)

- What are the influences which affect the relationship?

How do these influence the relationship? Can you control these?

Can they be managed to improve the relationship?

power balance?	}
information exchange?	}
co-operation/conflict?	}
commitment?	}
trust?	}
perceived distance?	}
impact of external actors?	}

What reasons do you feel most commonly cause acrimony between individuals in an agency-client relationship?

What type of individual is best suited to working with a client (or an agency)? Do you need to get on with individuals from the agency/advertising company? Why and how?

Any other influences?

- How does the relationship affect the development of creative ideas, advertising execution, media planning and buying?

Influence on creative output?

Media planning and buying?

Marketing/advertising strategy development?

Advertising effects?

The working relationship?

The work process?

Other issues/effects?

Appendix E.

Step II Theme Sheet.

- What are the constituents of the relationship between advertiser and advertising agency?

Which are most important? and why?

How do they influence the work produced?

- What are the relationship issues that most concern advertisers/agencies? Why?

Can you detail cases where advertisers/agencies have expressed concerns to you?

What is their normal route when expressing concern/dissatisfaction?

How have these issues been identified? Are relationship being evaluated? Can these issues be resolved? How?

Accountability?

- What steps can advertisers and agencies take to prevent dissatisfaction/address concerns?

Familiarity with relationship evaluation methods? What should they contain? How useful are they to the advertiser/agency? In what way?

Appendix F.

Step III Theme Sheet

- Can you please describe your relationship?

Relationship history and description.

Length of time the account has been with the agency.

Length of time the advertising manager has worked with the agency.

Length of time the account executive has worked with the client.

Size of account in terms of media spend, production costs, total spend.

If the account has moved recently, how long with previous agency?

Nature of the advertisers' business.

Describe the relationship with the advertiser/agency.

Level of contact. Different levels of contact among different members?

Level of business.

Is is similar to other advertiser/agency relationships you have had.

What are the problems that arise within the relationship.

How do you handle and resolve these problems.

How was the relationship initiated? How has it developed?

- What problems areas arise within the relationship? How do resolve these problems?

Apart form managing problems, do you strive to improve the relationship even when you are not aware of problems? How?

Do you communicate concerns freely to your agency/client? What do you say? What can you say?

Appendix G.

Strategic Research & Development Programme
College of Marketing & Design. Telephone: 01-363000 (ext. 65). Fax: 01-740505.

Ms. Y,
Company A,
Address.

12 February, 1993.

Dear Ms. Y,

I am undertaking research for a Masters award in the area of "agency-advertiser relationships" and would like you, or your representative, to participate in the research interviews. The focus of this study is the relationship that exists between an advertiser and its agency, and I hope to examine the effect of that relationship on the advertising that is generated.

The Institute of Advertising Practitioners in Ireland and the Association of Advertisers in Ireland are supporting this research, and I intend to speak with account executives/directors in advertising agencies and marketing/management personnel from advertising companies who work with the advertising agency.

I would be delighted if you agreed to participate in the research. I feel the information, knowledge and insights which you can offer will be of great benefit to my understanding of the topic under investigation.

Thank you for considering this request. I will telephone within the next few days to organise the arrangements for such a meeting. Thanks again.

Yours sincerely,

Ms. Íde Kennedy

Strategic Research & Development Programme

College of Marketing & Design. Telephone: 01-363000 (ext. 65). Fax: 01-740505.

Mr. X,
Agency A,
Address.

9 March, 1993.

Dear Mr. X,

I am undertaking research for a Masters award in the area of advertising agency-client relationships. The study involves examining working and inter-personal relationships between representatives from advertising agencies and representatives from advertising companies.

To complete my primary research I would like to interview account directors/executives and I would appreciate your assistance in setting up interviews with account directors/executives in your advertising agency.

The Institute of Advertising Practitioners in Ireland and the Association of Advertisers in Ireland are supporting this research and I'd be delighted if you also could lend your support. I feel the information, knowledge and insights which would be offered could be of great benefit to my understanding of the topic under investigation.

Thank you for considering this request. I will telephone within the next few days to organise the arrangements for such meetings, and answer any queries you may have. Thanks again.

Yours sincerely,

Ms. Íde Kennedy.

Strategic Research & Development Programme

College of Marketing & Design. Telephone: 01-363000 (ext. 65). Fax: 01-740505.

Mr. Z,
Agency A,
Address.

11 March, 1993.

Dear Mr. Z,

I am undertaking research for a Masters award in the area of 'advertising agency-client relationships' and would like you to participate in the research interviews. The focus of this study is the relationship that exists between an advertiser and its agency, and I hope to examine the effect of that relationship on the advertising that is generated.

The Institute of Advertising Practitioners in Ireland and the Association of Advertisers in Ireland are supporting this research and I am meeting with representatives from advertising agencies and representatives from advertising companies.

The sampling list which is being used is the 'top 100 advertisers' and I have already conducted the advertiser interviews. I now wish to meet with the corresponding party in the advertising agency-advertiser dyad. Your participation will ensure that the research is balanced and fair, and I would greatly appreciate it if you took part.

I will telephone you within the next few days to organise the arrangements for such a meeting. Thanks again.

Yours sincerely,

Ms. Íde Kennedy.

Post-Graduate Research Centre, C.O.M.A.D., 40 Mountjoy Square, Dublin 1.

Appendix H.

Top 100 Advertisers in Ireland (1991)

Guinness Group Sales	Telecom	Levi Strauss
Unilever	Lisney Auctioneers	7-UP International
Procter & Gamble	General Motors	Golden Vale
Kellogs	Beechams	Tennant & Ruttle
ESB	Independent Newspapers	Sterling Health/Kodak
Carrolls	Superquinn	Smith & Nephew
Gallaghers	Super-Valu	Ciba-Geigy
Government Departments	Mitsubishi	
Gunne Auctioneers	Cantrell & Cochrane	
Power City	CPC Foods	
Néstle/Rowntree	HGW	
Cadbury	Marshall Cavendish	
Master Foods	Sherry Fitzgerald	
Kraft General Foods	Renault	
Waterford Foods	Edward Dillon	
Murphy Brewery	Nissan	
Johnson Bros.	Weetabix	
National Lottery	Huges Bros.	
Quinnsworth	Kerry Co-op	
J. Lyons & Co.	Motor Distributors	
Dairygold Foods Products	ESB	
Bass/Tennents	National Dairy Council	
Irish Permanent	Arnotts	
Colegate-Palmolive	PMPA	
Greencore	Bord na Mona	
Dunnes Stores	Coopers Animal Health	
Bank of Ireland	HB/Birdseye	
Irish Distillers	Johnson & Johnson	
First National Building	Irish Press Group	
Society	B. Daly	
Appointments	McDonalds	
Reckitt & Coleman	Avonmore	
Aer Lingus	Warner Bros.	
John Player	Trocaire	
Coca-Cola	Premier Dairies	
Allied Irish Banks	David Mayrs	
Switzer Group	Esso	
W & C McDonnell	Nokia	
Toyota	Sealink	
CIE	Clayton Love/Findus	
Showerings	Gillette	
Bord Gais	Ryan Air	
Hamilton Osborne King	Brown Thomas	
Ford	Ulster Bank	
Gilbeys	RHM	
Fiat	National Irish Bank	
McKennas	IBM	

Appendix I.

Banking

Allied Irish Banks
Bank of Ireland
First National
Irish Permanent
National Irish Bank
Ulster Bank

Retail

Arnotts
Brown Thomas
Dunnes Stores
McKennas
Power City
Quinnsworth
Superquinn
Supervalu
Switzers

**Tobacco &
Alcohol**

Bass/Tennants
Carrolls
Dillions
Gallaghers
Gilbeys
Guinness
Irish Distillers
John Player
Murphy

Fast Moving Consumer Goods

Avonmore
Beechams
Cadbury
Cantrell & Cochrane
Ciba-Geigy
Clayton Love (Findus)
Coca-Cola
Colegate-Palmolive
Coopers (Pitmann-Moore)
CPC Foods
Dairygold
B. Daly
Golden Vale
Greencore
HB/Birds Eye
Johnson Bros.
Johnson & Johnson
Kellogs
Kerry Group
Kraft
Lyons
McDonalds
W & C McDonnell
Master Foods
David Mayrs
Nestlé/Rowntree
Nokia (JA/Mont)
P & G (Allegro)
Premier Dairies
Rreckitt & Coleman
RHM
Showerings
Smith & Nephew
Sterling Health
Tennant & Ruttle
Unilever
Waterford Foods
Weetabix
7-Up International

Motors

Fiat
Ford
General Motors
Mitsubishi
Motor Distributors
Nissan
Renault
Toyota

Other

Aer Lingus
Bord Gais
Bord na Mona
CIE
ESB
Esso
Gunne Auctioneers
Hamilton Osborne King
HGW
IBM
Independent Newspapers
Irish Press
Levi Strauss
Lisney Auctioneers
NDC
Lottery
PMPA
Ryan Air
Sealink
Telecom Eireann
Trocaire
Warner Brothers

Appendix J.

Working Relationships *Client*

Agency(s):

Relationship Length(s):

Code:

Getting the work done

Do you have problems with your agency getting the work done? What are they? Why do they occur?

- * Do they meet deadlines? Is it acceptable to exceed deadlines? Do you caution the agency if not meeting deadlines?
- * Do they work within the constraints you set? Is this important? Do you encourage them to work outside these constraints?
- * Does the agency bill promptly, accurately? Can you query? Do you get satisfaction when making a query?
- * Is the agency representative prepared for meetings? Familiar with your product/strategy?

Similarity

Please evaluate your agency along the following traits. Circle the position that best describes your agency, eg.

Reserved - - - -  - - *Outgoing*

(Hand rating card 'actual agency' to the respondent).

Openness

How 'open' is your agency with you? Nature and number of meetings? Feedback? What type of information is presented to you? By whom?

Are you updated to changes/problems that arise during development of the campaign? Do you want to be? Contact reporting?

- * How much information do you provide to your agency?
- * Do you provide any additional information that they request?
- * Do they need this additional information?

Trust

How trustworthy is the agency? In what way do you feel they are/are not trustworthy? How is trust formed? How is it broken?

- * Do you feel that the information you provide to the agency is kept confidential?
- * Do you feel that you can disclose your future plans/strategies to them? Why do/don't you trust them? If not, what can/do you do?
- * Do you trust them to do the creative and media work? As you wanted? If not, what do you do?
- * Do you trust the accuracy of agency bills? If not, what do you do?

Client Brief

Does a good working relationship improve the briefing process? How?

- * Do you have standard briefing procedures? What do they include? Does this set the 'tone' for the relationship?
- * How specifically do you direct the agency in developing the advertising? How does this influence the relationship?

Evaluation

How could the working relationship affect the manner in which the agency is evaluated?

- * How do you evaluate the agency? Measuring advertising effectiveness against objectives? Evaluate the relationship generally?
- * Do you monitor the interpersonal relations and working relationship?
- * Do relationships at higher levels within both organisations affect the way in which an agency is evaluated?
- * How does the existence of international links affect working relationship and the evaluation?

Similarity

Now, can you please indicate where your 'ideal' agency would lie along the personality traits.

(Hand rating card 'ideal agency' to the respondent)

Creative & Media Development

How does the existence of your working relationship affect the creative development and execution? the media planning and buying?

Are there any other factors which you feel are part of the relationship which have not been mentioned? How do these influence the work which is undertaken?

Actual Agency

Please evaluate your agency along the following traits. Circle the position that best describes your agency, eg.

Reserved	-	-	-	-	<input checked="" type="radio"/>	-	-	Outgoing
Reserved	-	-	-	-	-	-	-	Outgoing
Dull	-	-	-	-	-	-	-	Bright
Affected by feeling	-	-	-	-	-	-	-	Emotionally stable
Humble	-	-	-	-	-	-	-	Assertive
Sober	-	-	-	-	-	-	-	Happy-go-lucky
Expedient	-	-	-	-	-	-	-	Conscientious
Shy	-	-	-	-	-	-	-	Venturesome
Tough-minded	-	-	-	-	-	-	-	Tender-minded
Trusting	-	-	-	-	-	-	-	Suspicious
Practical	-	-	-	-	-	-	-	Imaginative
Forthright	-	-	-	-	-	-	-	Astute
Self-assured	-	-	-	-	-	-	-	Apprehensive
Conservative	-	-	-	-	-	-	-	Experimenting
Group dependent	-	-	-	-	-	-	-	Self-sufficient
Undisciplined	-	-	-	-	-	-	-	Controlled
Relaxed	-	-	-	-	-	-	-	Tense.

'Ideal Agency'

Now, can you please indicate where your 'ideal' agency would lie along the following traits.

Reserved	-	-	-	-	-	-	-	Outgoing
Dull	-	-	-	-	-	-	-	Bright
Affected by feeling	-	-	-	-	-	-	-	Emotionally stable
Humble	-	-	-	-	-	-	-	Assertive
Sober	-	-	-	-	-	-	-	Happy-go-lucky
Expedient	-	-	-	-	-	-	-	Conscientious
Shy	-	-	-	-	-	-	-	Venturesome
Tough-minded	-	-	-	-	-	-	-	Tender-minded
Trusting	-	-	-	-	-	-	-	Suspicious
Practical	-	-	-	-	-	-	-	Imaginative
Forthright	-	-	-	-	-	-	-	Astute
Self-assured	-	-	-	-	-	-	-	Apprehensive
Conservative	-	-	-	-	-	-	-	Experimenting
Group dependent	-	-	-	-	-	-	-	Self-sufficient
Undisciplined	-	-	-	-	-	-	-	Controlled
Relaxed	-	-	-	-	-	-	-	Tense.

Working Relationships Agency

Client:

Length of Relationship:

Code:

Getting the work done

How does your client assist/hinder you in getting your work done?

- * Does the client meet deadlines? Can you do anything if they don't?
 - * Do they change deadlines? Often? With justification?
 - * Do you have enough time to do the work?
 - * Do they constrain/restrain the scope of work you do? Set limits specifically/generally?
 - * Do they change these constraints as the job is being done? Shift goal posts, communicate this to you?
- Do they allow for this when setting deadlines and paying?
- * Does your client pay their bills on time? Reminders?
 - * Is the client representative prepared for meetings?

Similarity

Please evaluate your client along the following traits. Circle the position that best describes your client, eg.

Reserved - - - -  - - *Outgoing*

(Hand rating card 'actual advertiser' to respondent)

Openness

How 'open' is your client with you?

To what extent does the 'openness' of your client affect your working relationships?

- * Do receive sufficient information?
- * Do you feel that you don't get enough information?
- * What is the nature of the information to which you have access? Need to know or brand development/strategy?
- * Do get the information you need on time? When? From whom?
- * Do you have any problems requesting additional information?
- * Do you find that you have to go through barriers to get this information? Gatekeepers? Is a justification required by the client? What kind?

Trust

How trustworthy is your client? In what way do you feel they are/are not trustworthy?

- * Does the client change its mind during the generation of a campaign?
- * Do they take responsibility for these changes?

Client Brief

Does a good working relationship improve the briefing process? How? Can you tell from the manner in which you are briefed, the type of relationship that will ensue?

- * How does the existence of the working relationship assist/aid the briefing process?
- * Do you have minimum briefing expectations? How can you ensure that you get the information that you need?
- * Will the working relationship be adversely affected when a client specifies the creative or media choice that will be used?

Evaluation

How could the working relationship affect the manner in which the agency is evaluated?

- * How do advertisers evaluate the agency? Measuring advertising effectiveness against objectives? Evaluating the relationship generally?
- * Do you monitor the interpersonal relations and working relationship?
- * Do relationships at higher levels within both organisations affect the way in which an agency is evaluated?
- * How does the existence of international links affect working relationship and the evaluation?

Similarity

Now, can you please indicate where your 'ideal' client would lie along the following traits.

(Hand rating card 'ideal advertiser' to respondent)

Creative & Media Development

How does the existence of your working relationship affect the creative development and execution? the media planning and buying?

Are there any other factors which you feel are part of the relationship which have not been mentioned? How do these influence the work which is undertaken?

'Actual Client'

Please evaluate your client along the following traits. Circle the position that best describes your client, eg.

<i>Reserved</i>	-	-	-	-	<input checked="" type="radio"/>	-	-	<i>Outgoing</i>
<i>Reserved</i>	-	-	-	-	-	-	-	<i>Outgoing</i>
<i>Dull</i>	-	-	-	-	-	-	-	<i>Bright</i>
<i>Affected by feeling</i>	-	-	-	-	-	-	-	<i>Emotionally stable</i>
<i>Humble</i>	-	-	-	-	-	-	-	<i>Assertive</i>
<i>Sober</i>	-	-	-	-	-	-	-	<i>Happy-go-lucky</i>
<i>Expedient</i>	-	-	-	-	-	-	-	<i>Conscientious</i>
<i>Shy</i>	-	-	-	-	-	-	-	<i>Venturesome</i>
<i>Tough-minded</i>	-	-	-	-	-	-	-	<i>Tender-minded</i>
<i>Trusting</i>	-	-	-	-	-	-	-	<i>Suspicious</i>
<i>Practical</i>	-	-	-	-	-	-	-	<i>Imaginative</i>
<i>Forthright</i>	-	-	-	-	-	-	-	<i>Astute</i>
<i>Self-assured</i>	-	-	-	-	-	-	-	<i>Apprehensive</i>
<i>Conservative</i>	-	-	-	-	-	-	-	<i>Experimenting</i>
<i>Group dependent</i>	-	-	-	-	-	-	-	<i>Self-sufficient</i>
<i>Undisciplined</i>	-	-	-	-	-	-	-	<i>Controlled</i>
<i>Relaxed</i>	-	-	-	-	-	-	-	<i>Tense.</i>

'Ideal Client'

Now, can you please indicate where your 'ideal' client would lie along the following traits.

<i>Reserved</i>	-	-	-	-	-	-	-	<i>Outgoing</i>
<i>Dull</i>	-	-	-	-	-	-	-	<i>Bright</i>
<i>Affected by feeling</i>	-	-	-	-	-	-	-	<i>Emotionally stable</i>
<i>Humble</i>	-	-	-	-	-	-	-	<i>Assertive</i>
<i>Sober</i>	-	-	-	-	-	-	-	<i>Happy-go-lucky</i>
<i>Expedient</i>	-	-	-	-	-	-	-	<i>Conscientious</i>
<i>Shy</i>	-	-	-	-	-	-	-	<i>Venturesome</i>
<i>Tough-minded</i>	-	-	-	-	-	-	-	<i>Tender-minded</i>
<i>Trusting</i>	-	-	-	-	-	-	-	<i>Suspicious</i>
<i>Practical</i>	-	-	-	-	-	-	-	<i>Imaginative</i>
<i>Forthright</i>	-	-	-	-	-	-	-	<i>Astute</i>
<i>Self-assured</i>	-	-	-	-	-	-	-	<i>Apprehensive</i>
<i>Conservative</i>	-	-	-	-	-	-	-	<i>Experimenting</i>
<i>Group dependent</i>	-	-	-	-	-	-	-	<i>Self-sufficient</i>
<i>Undisciplined</i>	-	-	-	-	-	-	-	<i>Controlled</i>
<i>Relaxed</i>	-	-	-	-	-	-	-	<i>Tense.</i>

Appendix K.

Banking

**Allied Irish Banks
Bank of Ireland**

Retail

**Brown Thomas
Supervalu**

Tobacco & Alcohol

**Carrolls
Dillions
Irish Distillers
John Player**

**Fast Moving
Consumer Goods**

CPC Foods
Johnson & Johnson
Lyons
Nestlé/Rowntree
RHM

Other

Bord Gais
ESB
General Motors
IBM
Independent
Newspapers
Irish Press
Lottery
PMPA
Ryan Air
Telecom Eireann

Appendix L.

Respondent Relationships.

1. AIB - McConnells
2. Bank of Ireland - Bell Advertising
3. Bord Gais - Irish International
4. Brown Thomas - Irish International
5. Carrolls - Irish International
6. CPC Foods - QMP
7. Dillions - Wilson Hartnell
8. ESB - Peter Owens
9. General Motors - McCann Erickson
10. IBM - McConnells
11. Irish Distillers - Bell Advertising
12. Irish Independent - BSB Hunter
13. Irish Press - Doherty Advertising
14. Johnson & Johnson -BSB Hunter
15. J. Lyons & Co. - McConnells
16. John Player & Sons - Wilson Hartnell
17. National Lottery - McConnells
18. New PMPA - Young Advertising
19. RHM - Adsell
20. Rowntree - CDP
21. RyanAir - McConnells
22. Supervalu - Irish International
23. Telecom Eireann - CDP