Selecting Advertising Agencies
Understanding the influencing criteria

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Abstract

Background

Commonly companies do not produce their own advertising material, but instead acquire the knowledge from advertising agencies. While purchasing advertising services, it was found through past studies that there are multiple criteria in which clients evaluate their alternatives of advertising, however few studies have investigated why and how these specific criteria are influential. Knowing this would increase the understanding of the client-advertising agency relationship and thus increase the potential for successful relationships.

Purpose

The purpose of this research is to explore the criteria that influence the selection of advertising agencies. As a result of this purpose, two research questions were developed in order to better target suitable findings.

Method

To best answer the research questions, an interpretive, abductive and exploratory research were conducted in order for the researchers to find further knowledge upon the previous existing theory. With this, nine semi-structured interviews were done with experienced decision makers of selecting advertising agencies. The data retrieved was then analysed through categories and then cross-referenced to find emerging relational patterns.

Conclusion

What this study found was that the most important criteria, while evaluating advertising agencies, was criteria surrounding the need for personal chemistry, competency, references, referrals, past experience, size of agency and geographical proximity.
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Table of Contents

1 Introduction .................................................................................. 1
  1.1 Background ................................................................................. 1
  1.2 Problem ........................................................................................ 2
  1.3 Purpose ........................................................................................ 2
  1.4 Delimitations of the study ............................................................. 3
  1.5 Definitions ................................................................................... 3
       Advertising .................................................................................. 3
       Advertising agency ....................................................................... 3
       Agency-Client relationship .......................................................... 3
       B2B (Business to Business) ......................................................... 3
  1.6 Disposition .................................................................................. 4

2 Theoretical Background ................................................................. 5
  2.1 B2B theory .................................................................................. 5
  2.2 Agency-client relationship (Agency Theory) .................................. 5
  2.3 The agency-client life-cycle .......................................................... 6
  2.4 Selection process ......................................................................... 7
       2.4.1 Change of agency ................................................................. 9
  2.5 Organizational buying behaviour (OBB) ........................................ 9
       2.5.1 Organizational buying behaviour (OBB) in Advertising .......... 10
       2.5.2 The organizational buying behaviour (OBB) framework .......... 11

3 Method & Methodology ................................................................. 15
  3.1 Methodology ............................................................................... 15
       3.1.1 Research Philosophy - Interpretive Philosophy ....................... 15
       3.1.2 Research Approach - Abductive Approach ............................. 15
       3.1.3 Research Design - Qualitative Research ................................. 16
       3.1.4 Research Purpose - Exploratory Study ................................ 17
  3.2 Method ....................................................................................... 17
       3.2.1 Data Collection .................................................................. 17
       3.2.2 Interviews .......................................................................... 20
       3.2.3 Data Analysis - Content Analysis ........................................ 22
       3.2.4 Quality of the study ............................................................. 23
  3.3 Summary of the Method .............................................................. 25

4 Result ........................................................................................... 26
  4.1 The agency-client relationship ..................................................... 26
       4.1.1 Short-term vs Long-term ...................................................... 26
  4.2 The advertising selection process ............................................... 27
       4.2.1 Nature of the selection process ............................................ 27
  4.3 Agency-client life-cycle ............................................................... 28
  4.4 Important criteria affecting the selection of advertising agencies ............................................................................ 28
Figures
Figure 1 - Layout of the disposition of the thesis.................................................................4
Figure 2 - The agency-client life cycle (Retrieved from Wackman et al. 1986) ..........7
Figure 3 - The process of selecting an advertising agency (Retrieved from West, 1997 p. 6) .........................................................................................................................9
Figure 4 - A model of organizational buying behaviour (Webster & Wind, 1972) ... 11
Figure 5 - Model of the content analysis ..............................................................................23
Figure 6 - Proposed model over the agency-client relationship in relation with the process and lifecycle ..............................................................................................................................42
Figure 7 – Proposed model over the process and the Webster and Wind (1972) framework .................................................................................................................................43
Figure 8 - Proposed model over the important criteria and the selection process ...........44
Figure 9 - Proposed model over the important criteria and the agency-client relationship .................................................................................................................................45
Figure 10 - Proposed model over combining the important criteria with the agency-client relationship, the selection process and the agency-client life cycle .................................................................................................................................47

Tables
Table 1 - List of participating companies ..............................................................................20

Appendix
Appendix 1 – List of criterias while selecting advertising agencies.................................57
Appendix 2 – Interview Questions ..........................................................................................63
Appendix 3 – Frequency table of the criteria mentioned ......................................................65
I Introduction

This section will be briefly informing and introducing the reader to the concept of the selection of advertising agencies. Followed up with a problem discussion leading up to a purpose statement including the questions of the research.

1.1 Background

In today’s world we are exposed to advertising more or less everywhere at every time. Whether one is watching television or waiting for the bus, there is almost always some kind of advertising presented to us. So to say that marketing and advertising per se is an important factor for a company to manage is no understatement. Kotler, Armstrong, Wong and Saunders (2008) explain that advertising consists of utilizing paid media to inform, convince and remind consumers about the organization’s and brand’s value premise. By presenting information and develop positive emotions, advertising is supposed to turn the customer towards a certain product or service (Percy & Rosenbaum-Elliot, 2012).

The industry of advertising consists of four main actors Media, production and support companies, clients and agencies. The purpose for all the different organizations within these categories of actors is to assist and facilitate the effectiveness and efficiency of how their clients communicate with their target audience (Fill, 2009). More specifically, an advertising agency’s primary work is to develop and produce advertising services for their clients (Chandler & Munday, 2011). According to IRM (Institute for Advertising- and Media statistics, 2013), SEK 65 585 million was invested in advertising and media in Sweden during 2013. The largest sectors of investment were “production” and “Internet, Inc. smartphones” with 17.8 % and 14.1 % respectively of the total amount invested. The advertising industry has experienced a decrease of 2.4 % in total investments compared to 2012 (Swedish Institute for Advertising and Media Statistics, 2014).

Although there are many advantages with hiring an advertising agency, such as expertise and experience, there are several of disadvantages as well. Drawbacks associated with employing an advertising agency could be the release of control regarding the advertising process, reduced flexibility, potential conflicts etc. (Kotler et al., 2008).

Previous literature suggests that there has been some well-established research conducted within this topic earlier, for example, research regarding agency-client relationships (agency theory), purchasing processes, advertising planning and agency competition among many others (West & Paliwoda, 1996; Bergen, Dutta & Walker, 1992; Dwyer, Shurr & Oh, 1987; Grant & McLeod, 2007). However, the research still lacks the qualitative and more in-depth information (Bergen et al., 1992). Therefore this study will be regarding the criteria affecting the decision made by marketing managers and other buyers of advertising services. This means that the researchers of this study will investigate the buying behaviour of these buyers and why they purchase advertising services like they do. Our interest of research will therefore be regarding the area of business-to-business (B2B) and more specifically in the area of advertising agencies. Practitioners nowadays see that there is a difficulty in understanding the customer while purchasing advertising services, in order to make the selection process more efficient and effective.
1.2 Problem

It is proposed by Bergen et al. (1992) that understanding the agency-client relationship in a marketing context is of great importance. They further explain that investigating the purchasing process is important since lack of information could lead to companies purchasing advertising ineffectively (Bergen et al., 1992). It is interesting since the area of purchasing agency services is of high-perceived risk for the clients and that there is an inefficiency of service purchases when there is a high turnover. This high turnover is claimed to be a result because of poor agency-client relationship (Bergen et al., 1992). In order to enhance this relationship, it is important to understand the factors influencing the buying behaviour (Lichtenthal & Shani, 2000). Moreover is it indicated by Evans (1987) that in more general terms, purchasers lack the right competence to carry out the most beneficial and suitable decisions. In addition to this, Bales and Fearon (1995) explain that there are great possibilities to enhance the profits by making the buying of services more efficient (as cited by van der Valk & Rozemeijer, 2009).

There are certain guidelines provided for buyers of advertising services, to support in the selection process and to further achieve efficiency in procurements. However, as suggested by Bergen et al. (1992), Van der Valk and Rozemeijer (2009) and as Evans (1987) insinuates, the decision making criteria require further research and purchasers lack the necessary expertise as well. In addition to that, to further strengthen the reasoning for conducting research within this topic, it was declared by a practitioner that there is very little knowledge of what to look for while purchasing advertising service and that the buyers are in general very unaccustomed to the purchase process (M. Sparv-Andersson, personal communication, 2015-02-06). One could see that there is a perception that the buyers have little or no knowledge of what to look for while purchasing advertising services. Therefore we conclude that there is a need among practitioners to understand the ways the buyers think and how they are reasoning while purchasing advertising services. While other researchers have been focusing and investigating which criteria is influential in the selection process of an advertising agency, this thesis rather aim to investigate how and why these criteria are influential and important. It is necessary and useful to understand in order to develop and streamline the future process of purchasing advertising services. This will give a deeper and broader understanding about the buying behaviour of the buyers of advertising services. This would make it easier for sellers and buyers of advertising services to further make the purchasing process more efficient. Thus, in order to enhance the purchasing process one must first understand why and how relevant criteria are influential.

1.3 Purpose

Since there is a need for a greater understanding of the criteria involved with buyers of advertising services, both practically and academically, there is a need of a contemporary research with a deeper and broader understanding within the field of selecting advertising agencies. Hence, the purpose of this research is to explore the criteria that influence the selection of advertising agencies. Moreover, this report aims to answer the following research questions:

RQ 1: Which criteria are the most important for a decision-maker while selecting advertising agencies?

RQ 2: Why and how does the most important criteria influence the buying behaviour of decision makers while selecting advertising agencies?
1.4 Delimitations of the study

To limit this study there is a number of delimitations, which the authors want to address. This study delimits its research area within the Swedish borders, thus delimiting its results to advertising buyers within Sweden and more specifically in the area of Småland. The reason for this is because of time and funding constraints. Furthermore, this study will only be looking at advertising agencies and no other selection processes in other organisations or specific industry, since there is a uniqueness of advertising selections. According to West (1997), there is a special interest in the advertising industry, while studying organizational buying behaviour. This since there is a relatively low control of the advertising agency and as well involvement while purchasing advertising services (West, 1997). Therefore, the authors of the study argue that the underlying reasons of purchasing advertising services differ from other organisational purchases.

1.5 Definitions

Advertising

How products, ideas, services and brands, through mass media, is promoted and supposed to affect the target audience’s awareness, attitude and behaviour (Chandler & Munday, 2011).

Advertising agency

An advertising agency is defined as organizations that create and produce advertising services, such as advertising, web design, public relations, for purchasing clients (Chandler & Munday, 2011).

Agency-Client relationship

According to Bergen et al. (1992), is the agency-client relationship defined as an relationship which is existing whenever there is a principal and an agent, where the agent undertake a certain act which it does in the principal’s stead.

B2B (Business to Business)

When a company sell products or services to another company instead of the end consumers. For example management consultants (Doyle, 2011).

Buying centre

According to Webster & Wind (1972) there is this entity within a company, which is called Buying Centre, which multiple of stakeholders within a buyer’s organization operate. Within the buying centre, there are five different positions: Users, Buyers, Influencers, Decision Maker (Decider) & Gatekeepers. The deciders are the people who have the authority to choose among the different purchase alternatives (Webster & Wind, 1972).

Small and medium sized enterprises (SMEs)

According to the European Commission (2003), the definition of SMEs is mainly defined by the turnover and number of employees. The definition if set that small companies have less than 50 employees and a turnover of less than 10 million euro and a medium sized company is defined as less than 250 employees and a turnover of less than 50 million euro.
Buying task

The buying task is the objective of what is requested by the potential agency. Buying tasks can be classified into new task, modified task and straight rebuy. This meaning that the size of the task could vary in shape and size. (West & Paliwoda, 1996; Webster & Wind, 1972).

1.6 Disposition

Below is a disposition of the thesis which starts off with a theoretical background in which relevant theories are presented and explained. Following this is a discussion and declaration of the chosen method and how the chosen method is used. After this will the findings from the interviews be presented. Afterwards will an analysis take place, in which the previously introduced theory is used to discuss the findings. In the section after this will conclusion be drawn and the research questions will be answered. Lastly, there will be a discussion of the study, where delimitations and suggestions for future research are given.

Figure 1 - Layout of the disposition of the thesis
2 Theoretical Background

In this section the reader will be guided through the existing theory within the B2B theory, the agency-client relationship (agency theory), agency-client lifecycle, the selection process, and the organizational buying behaviour, to fully grasp the advertising agency context.

2.1 B2B theory

Even if advertising produced at an agency is commonly directed towards the end consumer, the business itself is a service made towards other businesses that in turn use the advertisements to the end consumer (or other organizations). Furthermore, to fully grasp and understand the context services are defined as “Activities, benefits or satisfaction offered for sale that are essentially intangible and do not result in ownership of anything” (Kotler et al., 2008, p.996).

Continuously, West (1997) explains that services can be of different nature, “generics” or “professional”. Typical “generic” services would be cleaning and secretary, these sorts of services are usually categorized by a low risk and low cost and as a result there is not much value-adding within the decision of purchase. “Professional” on the other hand, is regarded as high risk and high cost kind of services, for instance telecommunication and advertising. When purchasing a “professional” service, the purchase comes with increased risk (as mentioned previously), however the potential to add value to the organization and profit prospects is enhanced and superior. This aligns well with West (1997, p.3) when stating that “advertising is just one of many services that companies buy, but a significant one”.

Additionally the market situation is different in the business to business context in comparisons to the business-to-consumer context. For instance there is a smaller amount of customers, the market size is larger, average spend per customer is increased, there is an extensive geographical widespread, and the buyer behaviour is comparably complex (Fill, 2009). In addition, Woodside and Ferris-Costa (2008) declare that the revenues are larger in size in B2B marketing, due to the involvement of all transactions among inter-organizational parties such as retailers, suppliers, manufacturers etc. These differences are further explained in section 2.5.

2.2 Agency-client relationship (Agency Theory)

When an organization, the principal, is relying and dependent on another organization, the agent, to engage in activities in the principal’s interests an agency-client relationship is current and existing. An easier explanation would be that the organization hiring services is the principal and the organization conducting and offering that service is the agent (Bergen et al., 1992). To be successful the relationship depends on an efficient and effective relationship, and must be engagingly from both parties (Duhan & Sandvik, 2009). This is in consistency with the declaration from Fam and Waller (2008, p.221) “both parties have to work together to develop and maintain the relationship”.

An agency-client relationship can be of either short-term or long-term character (West, 1997). Short-term relationships are commonly described as “projects” and are generally supposed to solve currently occurring problem, and therefore seldom lasts longer than the time it takes to find a solution to the problem at hand. By pursuing a “project” relationship with the advertising agency, the client has the possibility to reveal and gain innovative solutions in each assignment, and also be open towards different alternatives from different agencies. However, this sort of relationship usually lack in coordination and dedication (West, 1997). West (1997) explains that these clients are small/medium enterprises with rather restricted
advertising budgets, and further describes that the clients receive offers from distributed
work task and thereafter select the best offer. A long-term agency-client relationship is by
West (1997) labelled “collaborative”. The “collaborative” agency-client relationship is more
recurring in medium/large enterprises, and that the average length of a cooperation is circa
seven years, and in some occasions even longer, for instance the collaboration between
Saatchi & Saatchi and Carlsberg, which has preserved for over forty years (West 1997; Fill,
2009).

In addition, Duhan and Sandvik (2009) propose that a business relationship of this character
(long-term) must consist of the fundamental components trust, commitment and cooperation
with partner organization to be successful. According Moorman, Zaltman and Deshpande (1992,
p.315) trust is defined as “a willingness to rely on an exchange partner in whom one has confidence”. Gambetta (1988) suggests that trust is useful, since if the collaboration partner is considered
trustworthy, the probability of them acting in a beneficia
l manner is large enough to enter
the cooperation (as cited by Duhan & Sandvik, 2009). Moreover trust is considered im-
portant due to the difficulties of evaluating and judge purchased service. Lack of trust is
according to Durkin and Lawlor (2001) the main reason for termination of an agency-client
relationship. It is suggested by LaBahn and Kohli (1997) that trust and commitment is en-
hanced when there is agency performance.

An additional aspect that is important within a business relationship according to Duhan and
Sandvik (2009) is the commitment, which by Morgan and Hunt (1994, p.23) is defined as “an
exchange partner believing that an ongoing relationship with another is so important as to warrant maximum
efforts at maintaining it, that is, the committed party believes the relationship is worth working on to ensure
that it endures indefinitely”. Commitment is of large importance since it displays the perceived
significance of the collaboration. Continuously, the cooperation is described as what inter-
connect all components. Durkin and Lawlor (2001) explain that a successful business relation-
ship emerges from a win-win situation between the two involved organizations. Fam and
Waller (2008) further indicate that it must be in the client’s interest to develop and advocate
a functional relationship with the hired agency in order to support the administration of their
promotional activities. The relationship should be frequently controlled with recurring eval-
uations from both companies top management (Duhan & Sandvik, 2009). This aligns well
with Fam and Waller (2008) who explains that it is not the frequency of the contact that is
of major importance, rather that the contact is honest, meaningful and regular in order to
maintain and manage a functional relationship.

2.3 The agency-client life-cycle

Wackman, Salmon and Salmon (1986) declare that such relationship evolves through the
client lifecycle, which consists of four steps that a client -agency relationship undergo (see
figure 2). The first step in the life cycle is called pre-relationship, and transpires in the process
of agency selection, but in advance of where an agreement and formal contract is agreed
upon. In this initial phase, the involved organization learns about the other party and the
agency attempts to convince the client to select their services by highlighting and selling
expertise. Furthermore, Chevalier and Catry (1976) state that not all clients base their agency
selection on research and investigation and rather choose an organization that “...mirrors their
personality and existing strengths rather than provide complementary services and strengths. This generally
led to less productive working relationships” (Wackman et al., 1986, p.23). However, Fam and Waller
(2008, p. 229) suggest that “...clients in very early stages of the relationship have higher ratings of who is
responsible for their business than what the agency can do for their business”. 

6
The Agency-Client Life Cycle

The next phase, called development, usually lasts a year or more and involves the process of creating primary ads and carry out the initial campaign. In this stage, the relationship is distinguished by high-energy and excitement regarding the tasks at hand, such as evolving new ideas, product development etc. Although this stage is called honeymoon phase, several of agency-client relationships do not proceed and break up the relationship within this stage (Wackman et al., 1986).

The following step, the third step, continues through numerous years and it is within this stage the parties are most productive. In this phase, known as the maintenance phase, the relationship is evolved and matured, and presumably an abundant amount of campaigns has been conducted during the last years (Wackman et al., 1986). Moreover, according to Wackman et al. (1986), the maintenance step is where both the client and agency is most profitable.

In the final step in the agency-client lifecycle, termination occurs either intentionally or unintentionally. When the relationship is cancelled voluntarily both organizations can prepare themselves and end without any hostility and bitterness (Wackman et al., 1986). Additionally, Heekin (1983) suggests that the termination of a relationship could be either due to people- or performance-related motives, for instance chemistry problems between people (as cited by Wackman et al., 1986).

A termination and collapse of a relationship between the agency and the client can result in extensive costs regarding effort, time and money, especially since it generally takes two years to change and evolve a new client-agency relationship. In order to prevent this and other related problems, the organizations should work towards enhanced communication among the involved parties, higher allowances, education, morale, resources, and proper agreements concerning the client and the agency (Fam & Waller, 2008).

2.4 Selection process

The process when selecting an advertising agency can be risky, time-consuming and to some extent expensive for both advertisers and the advertising agency since investments can comprise quite large amount of funds (Cagley, 1986; Cagley & Roberts, 1984; Ellis, 2011). Van der Valk and Rozemeijer (2009, p.6) research suggests that there are three primary problems
when buying services: 1) “Specifying the service” 2) “Defining the specific content of a service level agreement” & 3) “Evaluating performance”. It is difficult to recognize the service content previous to the purchase; therefore specifying the task can be problematic (Van der Valk & Rozemeijer, 2009). Furthermore, Day and Barksdale (1994) declare that it is important to state the goals of the purchase, to guarantee the requested quality of the business relationship between client and provider, as well as the outcome of the purchase. In addition, it is argued that the service specifications generally are less thorough and not as defined as a purchase of goods due to the difficulties of developing them. Moreover, the process of developing the service specifications is both time-consuming and complicated (Fitzsimmons, Noh & Thies, 1998; Smeltzer & Ogden, 2002; Jackson, Lester & Dale, 1995).

Fill (2009) suggests that the advertising agency selection process include and start up with a search, executed to generate a list of promising organizations, approximately consisting of six to seven agencies. The list is assembled through personal recommendations and public references. The next phase in the process of selecting an advertising agency is the credentials presentations where the preferred organizations is visited and evaluated with regards to how suitable it is in comparisons of the client’s requirements and expectations. In addition to this much information is available on the internet, for instance the client can find out the track record, expertise and experience etc. After the credential presentations approximately three to four organizations maintain selectable and advances to the next phase, the pitch, in the process. In order for the agencies to prepare and the clients come up with the best suitable solution the agencies are provided with a brief and then, circa six to eight weeks later on, present their developed and produced pitch. In general the pitch purpose is to display the agency’s approach with regards to strategic and creative aspects (Fill, 2009). Furthermore, Fill (2009) states that suitability is an important and relevant term within this process, since the agency will be in charge for the visibility of their clients brand and most probably will have to share each other’s vital data, the cooperation need incorporate both organizations strategic objectives, culture and structure. Shortcomings in regards to these areas will result in the organizations not performing as expected.

Although a pitch might be preferable, it is not mandatory and quite costly and according to Jones (2004), approximately one third of the clients change agency without the support of a pitch (as cited by Fill, 2009). This is in accordance to what Wethey (2006) suggest when declaring that pitches is a misuse of resources, such as time and money (as cited by Fill, 2009). Additionally, Fill (2009) argues for pitches not being relevant enough since it does not reveal the feasible outcome of the cooperation, due to that these pitches is commonly portrayed in front of the senior managers, whose usually is not associated with the operation on everyday basis. Jardine (2000) proposes a solution to this, where the client invite selected agencies to ventilate and discuss mini-briefs with relation to problems and questions that concerns the main task. The benefit from conducting these mini-briefs is time and fund saving from both parties, as well as a visualization of how the two organizations cooperate (Fill, 2009).

The process of selecting an agency was as well depicted by West (1997), who explains that the process in three stages. The first stage is as well called search, where the company in need for advertising services evaluate the market for options, which is suggested to be done through evaluating different publications within the industry, or to go through informal meeting or phone calls. Further, during the second stage called alternative evaluation stage, there are written proposals or presentations by the agency, where each agency are evaluated through “hard” and “soft” criteria and through this, a risk assessment is made on each agency. Finally, the choice is made where final terms and negotiations were made (West, 1997). A model explaining this process could be seen below in figure 3.
2.4.1 Change of agency

Dowling (1994) suggests that the main reasons for an organization changing to a new agency is due to a need for new creative ideas, want for a new marketing approach and that there has been poor account service previously. In accordance it is suggested by West and Paliwoda (1996) and Webster and Wind (1972) that the reason for why an organization would choose a new agency for the first time as well as a new replacement could be varying, where the reasons to why one would purchase a new service is divided into three tasks. The tasks could be classified as: new task (where the client purchase totally new advertising), modified task (where there is a similar advertising purchase, however slightly modified) and straight rebuy (where there is repeated placement of an advertisement) (West & Paliwoda, 1996; Webster & Wind, 1972). It is suggested that the buying task is closely related to the relationship with an agency, dependent on the buying task at hand (Beltramini & Pitta, 1991).

2.5 Organizational buying behaviour (OBB)

In B2B theory, the term Organizational Buying Behaviour (OBB) is often mentioned as a theory describing the purchase behaviours of companies and organisations while purchasing products and services of other companies (Webster & Wind, 1972; Prendergast, Shi & West, 2001; Woodside & Ferris-Costa, 2008; Ellis, 2011). OBB is often compared to purchase behaviour of similarities and differences between B2C and B2B. According to Ellis (2011), similarities between consumer purchases and organizational purchases are the fact that there is still a type of rationality within the thought process in a purchase. However, they further stress the fact that buyers in an organization is as well people, and that they too could be affected by misperceptions, emotions and peer pressure. Differences are however more to the number where B2B purchases are, for example, more complex, of higher risk and of a larger scale. Additionally, organizational buying behaviour generally include several people in the process of making a decision and contains intricate interactions between different people and the goals for the organization and the individual (Webster & Wind, 1972). Smeltzer and Ogden (2002) indicate that the top management of the buying organization perceive the

Figure 3 - The process of selecting an advertising agency (Retrieved from West, 1997 p. 6)
purchase of services as less complicated compared to purchase of materials, therefore this task is commonly delegated to unfamiliar and inexperienced people with regards to service buying.

Moreover, the influencing criteria of buying behaviour among organizations are explained in four categories generalizable retrieved from past OBB-theory: Individual, Social, Environmental and Organizational (Webster & Wind, 1972). According to Lichtenthal & Shani (2000), they suggest applying the OBB theory developed by Webster & Wind (1972), is applicable as well for the factors involved in the selection of advertising agencies, thus being suitable as a theoretical framework for this type of research. One could further assume that the Webster & Wind (1972) framework is still current in a contemporary context, since it is suggested to explain the organizational buying behavior by Ellis (2011) as well.

2.5.1 Organizational buying behaviour (OBB) in Advertising

Lichtenthal and Shani (2000, p.224) explain advertising agencies as “marketers of B2B services”, and by understanding and identifying the factors which affect potential clients purchasing behaviour the advertising agency can adjust and alter precise efforts towards the organization. Furthermore, Cagley and Roberts (1984) suggest that clients have a number of objective determinants on which the decision is based. Wills (1992, p.11) conducted study, about how agencies can entice new clients, suggest that the most important factors when achieving accounts is to have positive recommendations from satisfied clients, superior presentations and also to create and develop a personal contact with clients top management. On the other hand Cagley and Roberts (1984, p.28) suggests in their research about which factors is most useful to estimate the capacity of current and potential agencies that the three main influential factors when selecting an advertising agency is: 1) the quality of people assigned to the account” 2) “complete agreement between agency and client on goals and objectives” 3) “the need for agency personnel to thoroughly learn the characteristics of the client business”. It is further suggested by Marshall and Na (1994) that strong relationships and trust is of high importance when evaluating the selection of different advertising agencies. However, as mentioned, there are several of different studies with slightly different findings, therefore a list of the identified criteria is summarized and attached in appendix 1.

Furthermore, Webster & Wind (1972) developed a general model to explain how OBB could support organizations in developing and implementing their marketing strategy (see figure 4). This framework allows the organization to understand the pertinence of certain characteristics and as a result increase the insight of the fundamentals of the OBB process. This process derives when an organization identifies a problem, which can be solved through a purchase of services. Hence, the OBB model is commonly categorized as a problem-solving process.
2.5.2 The organizational buying behaviour (OBB) framework

2.5.2.1 The Environment

By reading Webster and Wind (1972), Ellis (2011) and Lichtenthal and Shani (2000) one can come to understand that the environmental/external factors relate to those outside of the organization and those which they are unable to control and influence.

Webster & Wind, (1972)
The influence from environmental factors is not only exquisite and prevalent but also problematic to pinpoint and measure. Environmental influences support organizations with information and expose potential opportunities and restraints. Information provided could for
instance be economic, technological, juridical, cultural, political and physical factors. These influential factors are utilized in a variation of institutions, such as governments, business organizations, political parties etc.

Continuously, the environmental factors are able to influence the organizational buying behaviour in four different apparent factors. 1) By distinguishing the accessibility of services and goods. 2) These factors determine the ordinary business conditions, with regards to national income, the unemployment status, interest rates, and growth of economy. 3) The environmental factors do as well decide the guiding values and norms for interpersonal and interorganizational communication among agencies, clients and competitors. Most values and norms emerge from social, legal, cultural and political aspects. 4) The buying organizations information flow, which is affected by the environmental factors. Examples of such information would be suppliers marketing communication, mass media etc. (Webster & Wind, 1972).

Lichtenthal & Shani, (2000)
The environmental factors are according to Lichtenthal and Shani (2000) the least affecting category of factors overall, however one should not ignore these factors as influential in the agency buying process. Furthermore, it is suggested that a client-agency relationship can be observed from a business to business service context. It is of importance that the agencies prioritize forces extensive to only campaigns in the selection of agency as well.

1. Competitive intensity in client industry affects the extent of an agency service used
2. General availability of capital affects the extent of agency services used
3. Client industry business practices and norms affect the extent of agency services used

2.5.2.2 The Organizational

The organizational factors relate to how the organization itself affects the organizational buying behaviour, for instance via organizational nature, policies and other related internal aspects (Webster & Wind, 1972; Ellis, 2011; Lichtenthal & Shani, 2000).

Webster & Wind, (1972)
The organizational factors induce the individuals of decision making to behave in a particular way in comparisons to if they were operating in another organization or by themselves. The buying behaviour of the organization is motivated and managed with relevance to the organization goals and technological, human resource and financial restraints. The organizational influential factors is most commonly task-related, and to further understand how the organization affect the buying process Leavitt’s (1964) categorization of characteristics is useful. The Leavitt blueprint suggests that the organizations consist of different systems including four collaborative compositions (as cited by Webster & Wind, 1972):

1. Tasks - Consist of the actions to be carried out in order to achieve the goals and ambitions for the organization.
2. Structure - Subsystems for jurisdictions, conversations, compensations, the flow of work, and status.
3. Technology - Inventions that is used by the organization to solve problems, involving equipment, machinery and program to structure and direct work tasks.
4. People - The ones performing the activities in the system.

All of these subsystems are related to each other, and dependent on the functioning of all categories in order to work as wished for. Continuously, does the communication between
each subsystem determine the information, anticipation, purpose, attitude, and premise the buying decision maker utilizes (Webster & Wind, 1972).


Lichtenthal and Shani (2000) explain that the organizational factors consist of a combination of internal structure of the client organization and the client campaign goals and objectives. Because of this should the agency pinpoint the constitutional goals and objectives of their clients departments, and the goals of the marketing and campaigns, and thereafter align them with each other.

1. Personnel involved from client departments are concerned with different aspects of the agency’s offering
2. The client’s corporate marketing goals affect agency selection
3. Those involved in agency selection are more loyal to their own department’s preferences

**2.5.2.3 The buying centre**

Refer to how the business relationships/interpersonal aspects affect the buying behaviour of the organization, for instance the structure of the business centre, well-defined roles etc. (Webster & Wind, 1972; Ellis, 2011; Lichtenthal & Shani, 2000). It is explained by Marshall and Na (1994), that there are multiple people involved and there is a clear flow of communication through many people that is involved in the process.

**Webster & Wind, (1972)**

In order to understand the social aspects, one must look into the buying centre and it’s affecting variables, since it manages the people influencing the buying decision. First of all, it is vital that the different roles of the participants in the business centre is recognized and established. Secondly, it is necessary that the variables relevant to the interaction between people (and members) of the buying centre and the third party (so called outsiders) is identified. Third, something that must be taken into consideration is the range of functionality among the business centre groups. To clarify the business centre it is helpful to mention the included roles: Users, buyers, influencers, deciders, and gatekeepers, which are defined as:

**Users** – The organization members who utilize the purchased product/service.

**Buyers** – The people with responsibility for the contact with suppliers.

**Influencers** – People who indirectly or directly influence the process of making a decision.

**Deciders** – The ones who between the different purchasing alternatives.

**Gatekeepers** – The gatekeepers control the information within the buying centre


Lichtenthal and Shani (2000) explain that there is a buying centre (as previously mentioned) within the client organization that purchases the advertising services. Further, is the buying centre explained to consist of three different roles; a person who administers the information distributed from the agency to the client personnel. A person who is a negotiator and function as an opinion leader, and thereby influence the attitudes among others partaking in the process. Continuously, there is a person who started the selection process for the campaign (Bonomo, 1982; Lichtenthal, 1988, as cited by Lichtenthal & Shani, 2000).
1. There is a person who controls the flow of agency related information to other client personnel.
2. The opinion of the main negotiator for the client tends to align the expectations of others involved.
3. The person who initiated the process for agency selection can be easily identified.

### 2.5.2.4 The Individual participant

Relate to the different individuals and the personnel involved in the agency-client relationship and the provided information, for instance in form of expertise, knowledge etc. (Webster & Wind, 1972; Ellis, 2011; Lichtenthal & Shani, 2000).

**Webster & Wind, (1972)**

The individual operates in the central part of the buying centre, which in turn is confined by the organization and the influencing factors of the environment. Moreover, the aspirations of the organization and the individual serve as motivation, while the policies and refined information are the constraints, and the buying centres other members work as influence. Furthermore does the individual's personality, knowledge, understanding and perceived role influence the response and incentive regarding possible suppliers. Webster and Wind (1972) further declare that organizational, social and cultural aspects have an impact on the individual, and that these aspects manifest how this person evaluate certain products and retailers, in terms of awareness, mind-set, outlook and experience from former occasions. Hence, the decision maker could be considered as restrained. Moreover, the organizational buying decision maker is motivated by both him/herself and the organizations goals and are in order to succeed dependent on other people in the surroundings.


Lichtenthal and Shani (2000) suggest that agencies should put extra effort in encouraging and nurture relationships based on trust and knowledge, and thereby lower the client risk. Additionally, it is vital to understand and address the personal traits and the need of individuals that are entangled in the agency selection process while following up on conventional selling strategies.

1. Client experience with an agency influences its chances to be selected in the future.
2. The expertise of agency personnel affects agency selection.
3. The trustworthiness of agency personnel affects agency selection.
3 Method & Methodology

Within this section there is a description regarding the research philosophy, research approach, research design and research purpose. Thereafter a description of how the chosen method for data collection and sampling took place. This is then finalized with a discussion regarding the chosen method for analysing the data and as well a discussion regarding the quality of the data.

3.1 Methodology

It is important that one recognizes the difference between method and methodology, which often could be used interchangeably (Saunders, Thornhill & Lewis, 2012). According to Saunders et al. (2012), the difference is explained in the way where method is the technique and way of collecting the data; meanwhile the methodology is the theory of how the research is understood through philosophy and how the research is approached. This is important to declare, as it is explaining and linking to the underlying choices of the soon to follow method (Saunders et al., 2012; Crotty, 1998).

3.1.1 Research Philosophy - Interpretive Philosophy

There are four proposed types of philosophies: positivism, realism, interpretivism and pragmatism. They are the underlying explanations of the ways a researcher see the nature of reality, what the researchers see as acceptable knowledge and what the view of the values are (Saunders et al., 2012).

In order for this study to best answer the research question, this study need to accept knowledge that is in-depth and therefore need to operate in a natural setting and to explain the phenomena in a subjective way. This study aims to explain the phenomena through investigating people and organisations as social actors instead of as objects and through this be able to answer the research questions with a deeper understanding. Positivism and Realism is two objective philosophies in which it is independent from social actors and is see the world as a generalizable, law-like reality and the researcher therefore sees research in an objective stance. Concretely means that the view of the world is explained as generalizable and that there is one truth, where the views of nature is as well objective and that the reality is explained by objects being independent of human minds, however is less fixed on the empirical and is instead accepting that there are unobservable forces affecting the phenomena (Payne & Payne, 2004; Saunders et al., 2012). As opposed to positivism and realism, interpretivism is seeing the reality as complex and research should therefore be treated with rich insights. According to Saunders et al. (2012), interpretivism is suitable when there is a complex business situation which in many cases are unique, which is argued to be the case in this situation as well. (Saunders et al., 2012; Malhotra, Birks & Wills, 2012). It is therefore suggested by Saunders et al. (2012) that there is an interpretive philosophical assumption in this study, since the aim of the study is to get a deeper understanding of the phenomena of criteria involved while selecting advertising agencies.

3.1.2 Research Approach - Abductive Approach

The research approach tells the reader how much is clear of the theory before conducting the research. Declaring this approach is important concerning the design of the research and what research strategy is to be chosen (Saunders et al., 2012). According to Saunders et al. (2012) there are three different approaches to the theory of research: inductive, deductive and abductive research. Deductive approach is an approach where there could often be a hypothesis, premise, idea etc. derived from previous research and theories retrieved before
the primary research is done. There is therefore a theoretical framework framing the study and the use of data is made to evaluate propositions or hypotheses derived from the theoretical framework. An inductive approach is however the opposite, where the theoretical approach is based on little or no theoretical framework at all and through this find patterns and themes which derive new hypotheses and propositions, based on the collected data. One could therefore say that with an inductive approach, theory follows data (Saunders et al., 2012; Malhotra et al., 2012). This brings us to a third approach towards theory, which does not describe where researchers moves from theory to data or vice versa, but instead moves back and forth from data and theory. This approach is called abductive theory and is usually used in when there is a study with a mixed method research design (Suddaby, 2006; Saunders et al., 2012). According to Saunders et al. (2012), an abductive approach is however not only used in mixed methods and there could occur an overlapping use of theoretical approaches (which is often the case with abductive research) and there is a misconception that there often is a clear division between inductive and deductive approach.

This study aims to identify and highlight the most important criteria (as is depicted in RQ 1), which is still a well-researched area and is based on a well-founded framework for the study. The authors use theory in this case where they form the study, based on assumptions derived from previous theory. This suggests that the study works from theory to further conclusion. However, the main focus of this study is to research about how and why managers think like they do with regards of purchasing advertising services (as depicted in RQ 2), since there is very little or no existing theory within this field, will this study therefore aim to develop the existing quantitative theory. This suggests that there is a continuous movement moving backwards and forwards, from theory to result and from result to theory and would therefore suggest that the researchers of this study have an abductive approach towards this study (Suddaby, 2006).

3.1.3 Research Design - Qualitative Research

The research design declare how the overall plan of what the design will look like while retrieving the needed data to best answer their research question. There are three main research strategies in which one could conduct a study: quantitative, qualitative and mixed method design. A basic way to clarify the difference between the different research designs is to basically look at them as that quantitative research involves numeric data, qualitative non-numeric data and mixed methods uses both of the previous two research designs. It is suggested that there should be emphasis on that the research design is coherent, logical and have a clear red thread in its’ reasoning, together with the research approach and research philosophy and that all of these three components clearly links back to the research question and how it is defined. A researcher could therefore relate the philosophical assumption and research approach on a broader way towards either quantitative, qualitative or mixed method design (Saunders et al., 2012).

A qualitative research is often associated with an interpretive philosophy. This since an interpretive philosophy would allow the researchers to operate in a “naturalistic” and subjective setting. This will in turn set a research context which will create trust, participation, access to meanings and an in-depth understanding needed to best answer the research question (Saunders et al., 2012, p. 163; Denzin & Lincoln, 2011). Furthermore, a research including an abductive approach is also related to a qualitative research where the “inductive inferences are developed and deductive ones are tested iteratively throughout the research” (Saunders et al., 2012 p.163). Concretely this means that this study will be constructing the research based on the assumptions derived on previous theory and through a qualitative research be linking back to existing theory in categories, or discover surprising emergencies. Most importantly will this study explain the
relationships and underlying reasons between these developed categories. Since this study is aiming on getting a deep understanding and room for theory development whilst building on previous theory, the authors of this study will therefore be using a qualitative research design.

3.1.4 Research Purpose - Exploratory Study

It is important to discuss one’s nature of the study, in order for the research to take a stance in the strategy of the research. There are three main purposes in which a study could undertake: exploratory, descriptive and explanatory.

Exploratory studies seek to, through asking open questions, investigate what are the underlying reasons of why things are happening and to gain deeper insights and understandings of a problem (Saunders et al., 2012). There are many different ways to go about a problem within an exploratory study and a couple of examples, suggested by Saunders et al. (2012), are deep interviews with professionals or conducting focus group interviews. As opposed to exploratory research, there is conclusive research, which is more defined as measuring a clear phenomenon (Malhotra et al., 2012). Conclusive research is then later divided into two sets of different types of research: descriptive research and explanatory/causal research. Descriptive research is a research purpose where the study aims to find accurate measures to be able to describe a phenomenon, for example “events, persons or situations” (Saunders et al., 2012 p. 171; Malhotra et al., 2012). Another conclusive research is the explanatory/causal research, which aims to investigate the cause-and-effect of a relationship. This type of study is therefore trying to identify the relationship between two variables within a problem or situation (Saunders et al., 2012; Malhotra et al., 2012).

Even if this research is also based on a theoretical background, which suggests that there are criteria that could work as a foundation for a descriptive study, will the researchers of this study mainly investigate the underlying (in-depth) reasons for those criteria. This would therefore indicate that this study should instead take on an exploratory purpose and that the study would mainly consists of open ended and broad questions. These questions will be asked in in-depth interviews with professionals who previously been purchasing advertising services, which should give us enough knowledge to get a deeper understanding of reasons behind choices of advertising purchases.

3.2 Method

The method refers to the techniques and procedures a researcher undertake to retrieve and analyse data and should therefore include sections which accounts for the researchers choice of research design, how to obtain participants, critical reflection of the data retrieved and so forth (Saunders et al., 2012). The researchers of this study therefore see the part of method as a section which is much more tangible than the part of methodology, with clearer decisions and more direct arguments. Therefore will the researchers in the following sections discuss how the researchers of this study go about to structure the method which in general is a qualitative, explorative study conducted with interviews with professionals of advertising service purchases.

3.2.1 Data Collection

According to Malhotra et al. (2012), there are two different types of data one could collect in a study: primary and secondary data. Primary data is data collected first hand by the researchers themselves and secondary data is the opposite, namely data retrieved from an ad-
ditional source, other than the researcher of the study per se (Malhotra et al., 2012). As suggested by Saunders et al. (2012), both secondary data and primary data could be used to answer the research question and have been used for that in this study as well, where the secondary data of previous theory and research produced a platform of what data to retrieve in the primary research.

### 3.2.1.1 Primary Data

To collect primary data suitable to answer our research question, there are a number of ways the researchers could take to retrieve the data, where examples of this could be interviews, surveys, experiments or observations (Malhotra et al., 2012). For this study, to answer the research questions, it is necessary to get deep insights and to retrieve information that is much more than what is just visible on the surface of the problem. It is therefore important that this study use a suitable method accordingly. The researchers of this study have therefore chosen to conduct interviews with professionals within the area of selecting of advertising agencies (Saunders et al., 2012). A broader declaration of how the interviews were conducted is found in section 3.2.2.

### 3.2.1.2 Secondary Data

As previously mentioned, secondary data is data retrieved from other sources than the researchers themselves. There are therefore advantages and disadvantages which one would have to account for in the study. Advantages could be that it is quickly retrieved and cheap, and it is also suggested by Malhotra et al. (2012) that secondary data could among other advantages help diagnose a research problem, develop an approach to the research problem and as well formulate a research design. However, what one would have to keep in mind while gathering secondary data is the fact that it might not be perfectly suitable for the research question at hand. There could be an issue with accuracy and relevance. Furthermore, other issues that could arise with secondary data are that it might be outdated and that it might be unreliable (Malhotra et al., 2012).

The advantages and disadvantages is therefore also current in this the case of study when the researchers of this study have been gathering secondary data in form of previous relevant literature, retrieved from the Jönköping University Library and Google Scholar. Furthermore, there have been information gathered from relevant sources of web pages such as IRM (Institutet för Reklam- och Mediestatistik) & Komm (Sveriges Kommunikationsbyråer). The secondary data have in this study been used, as suggested by Malhotra et al. (2012), to be functioning as a help in the development for the research problem, research approach and as well for the research design. The researchers of the study have been using secondary data in order for validation of the results in the interviews, which also are suggested by Malhotra et al. (2012).

### 3.2.1.3 Sampling

Denscombe (2010) explain that there are two main different ways of sampling, probability sampling and nonprobability sampling. Probability sampling is closely tied to a representative sample since a probability sampling is chosen at random. This randomness is based on statistical theory where there should exist a “normal distribution of events”. As opposed to probability sampling, non-probability is suggested to be used when a researcher would want to retrieve data from an exploratory sample (Denscombe, 2010 p. 24). This meaning that there are no way to account for the probability in each element being selected. A researcher is
suggested to be choosing a nonprobability technique when there it is exceedingly difficult to contact the sample (Saunders et al., 2012).

This is the case in this study, since the people who are needed for the study are decision makers at a high level within a company and is therefore hard to reach and have restricted amount of time, making it difficult to create a large volume in the sample. This would infer that this study should be using non-probability sampling techniques to retrieve data.

**Non-probability Sampling - Snowball- and convenience sampling**

To achieve sufficient results to answer the research question, while using non-probability sampling, one should put a deep focus into the study, with a small number of cases for a specific purpose which would end up in an explorative study with theoretical insights. The number of interviews needed is recommended to be around five to twenty participants (Saunders et al., 2012). However, it the size is debatable and is dependent on the objective and research question and it is suggested by that one should keep collect data until researchers have collected enough to reach so called data saturation, where none or very little new information is surfacing (Saunders et al., 2012).

A sampling technique that was used to retrieve participants for the study was convenience sampling, where companies were chosen out of convenience. This was done through contacting companies within the Småland region. The companies were retrieved through the company database called AMADEUS, which has compiled a large number of companies in Europe, together with their external information and, most importantly for this study, their contact details. This tool would therefore utilize the possibility of not only find a large set of companies quickly but also to retrieve general information about the companies such as revenue, amount of employees and telephone number.

The search of potential participants was done with a desired profile, where the criteria were that the companies should be large enough to have at some point purchased advertising services. Therefore was a criteria set to have at least ten employees while searching on Amadeus. This makes the search for the authors of this study to save time and more efficiently find companies suited to the profile. Companies that have fewer employees’ runs in the risk of being too small, meaning that they might not be large enough to afford purchasing advertising services from an external actor. The profile would therefore be set as companies that have now, or previously, been purchasing advertising services where there have been an agency-client relationship involved. Other criteria were that mainly companies within the Småland area was considered since the interviews were preferably made face-to-face. This is argued by the authors to ease the interview process and the ability to perform the projective- and probing techniques.

This study has also been using a snowball sampling technique where the authors have been asking a contact company within the advertising agency industry for information of clients to contact. This company have given the authors of this study contacts from past customers, current customers and prospects, thus professionals within the field of selecting advertising agency. However, in order to keep the responses biased and honest, this was not mentioned when the researchers contacted the companies and conducted the interviews.

**Participating Companies**

The companies included in this study consist of nine different companies, where each interview was made with the person most active in the decision process of advertising agency selection. This was secured through the initial contact on telephone where the respondent
was asked if the individual were the one making the decisions in regards of advertising agency selection. All of the companies were varying in sectors and industries, and all of them have their headquarters situated in the Småland region. When using the definition made by the European Commission (see key terms), one could conclude that in this study, around half of the companies could be considered medium sized and half is considered large.

<table>
<thead>
<tr>
<th>Company</th>
<th>Sector</th>
<th>Position of Participant</th>
<th>Yearly Turnover (in Sek)</th>
<th>Number of employees</th>
<th>Definition of Size**</th>
<th>Duration of Interview</th>
</tr>
</thead>
<tbody>
<tr>
<td>Company A</td>
<td>Private</td>
<td>Group Manager of Marketing Department</td>
<td>Over 2,5 billion</td>
<td>600-700</td>
<td>Large</td>
<td>51 min</td>
</tr>
<tr>
<td>Company B</td>
<td>Private</td>
<td>Market- and Sales Manager</td>
<td>350-450 million</td>
<td>100-200</td>
<td>Medium</td>
<td>41 min</td>
</tr>
<tr>
<td>Company C</td>
<td>Private</td>
<td>Marketing Manager</td>
<td>150-250 million</td>
<td>30-50</td>
<td>Medium</td>
<td>70 min</td>
</tr>
<tr>
<td>Company D</td>
<td>Private</td>
<td>Market- and communications manager</td>
<td>400-500 million</td>
<td>250-350</td>
<td>Medium/Large</td>
<td>51 min</td>
</tr>
<tr>
<td>Company E</td>
<td>Private</td>
<td>Marketing Manager</td>
<td>600-700 million</td>
<td>10-20 (At HQ)</td>
<td>Large</td>
<td>45 min</td>
</tr>
<tr>
<td>Company F</td>
<td>Private</td>
<td>Marketing Coordinator</td>
<td>150-250 million</td>
<td>50-60</td>
<td>Medium</td>
<td>53 min</td>
</tr>
<tr>
<td>Company G</td>
<td>Governmental</td>
<td>Graphic Coordinator</td>
<td>100-500 million*</td>
<td>Over 1000</td>
<td>Medium/Large</td>
<td>59 min</td>
</tr>
<tr>
<td>Company H</td>
<td>Private</td>
<td>Marketing/PR Manager</td>
<td>650-750 million</td>
<td>550-650</td>
<td>Large</td>
<td>59 min</td>
</tr>
<tr>
<td>Company I</td>
<td>Municipal</td>
<td>Marketing-Communications Manager</td>
<td>850-950 million</td>
<td>200-300</td>
<td>Large</td>
<td>45 min</td>
</tr>
</tbody>
</table>

* According to solidinfo.se

** As defined by the European Commission

Table 1 - List of participating companies

3.2.2 Interviews

3.2.2.1 Semi-structured interviews

The design of an interview can vary in many different structures and it is therefore important to choose the best-suited interview for the objective of the study (Saunders et al., 2012). A
way interviews differ is in their formality, where one extreme is a standardized interview and another is unstructured interviews. A structured interview is an interview conducted with a clear set of questions and is often referred as “interviewer-administered questionnaires”. In contrast, an unstructured interview is the opposite where there are no clear sets of questions for a researcher to ask, but the researcher instead have clear objective on which aspects he/she would like to cover. In between of these two sets of interview dimension, is the semi-structured interview where the researchers have a set of questions and themes they want to cover, however do so freely and are agile to the flow of conversation and ask questions and follow-up questions based on the answers (Saunders et al., 2012; Denscombe, 2010). It is argued that the semi-structure interview is flexible and that even if there is a set of themes in which the interviewer want to cover, the importance lie in the interviewee and its’ open ended answers and to let him/her to develop ideas and speak freely (Denscombe, 2010). Since this study is of an exploratory nature, the interviews were broad and open-ended. However, this study is basing its question on previous theory and models to frame the main themes and topics, which the study is covering. The study was therefore conducted with the help of a semi-structured interview.

3.2.2.2 One-to-one interviews

There are many advantages associated with one-to-one interviews, where one of them is the fact that it is very easy to arrange and that there are very few people involved that have to agree upon a time, as compared to group interviews where multiple people are involved. An additional advantage is that a one-to-one interview is easier to control, compared to group interviews where there are multiple opinions that might steer the interview in a non-relevant direction. It is suggested by Malhotra et al. (2012) that the most suitable method, while interviewing professional people, is to do one-to-one interviews. Doing this is most certainly applicable in the case of this study as well, since the interviews are decision makers with time constraints and might be discussing sensitive information. It is therefore preferable to interview these managers one-to-one, since this will allow the interview to potentially be anonymous and also to have an easier time to fit their tight time schedules.

3.2.2.3 Preparing and conducting the Interviews

Denscombe (2012) suggests that it is important to firstly cover the main topics for discussion, which is derived from the researcher’s understanding of previous theory within the subject. Importance is underlined that even if a qualitative study is supposed to be open ended and unstructured, there still needs to be a predetermined set of topics in which the researcher have to account for in beforehand. It is also important for the researcher to have a high level of knowledge surrounding the given topics, in order for the researchers to further build questions upon the open-ended answers made by the interviewee (Denscombe, 2010; Saunders et al., 2012). Through this, is the topics this study based its open-ended semi-structured questions on is derived on knowledge and theories from previous literature.

The interviews have to get to a deeper level than just on the shallow surface of the topic. It is therefore important that the interviewing technique is constructed in a way that is using the interview questions appropriately (Saunders et al., 2012; Denscombe, 2010). Saunders et al. (2012) suggest that one should ask the questions in an open-ended way, to allow broad, extensive and developed answers. Questions suggested to be avoided is leading questions that could lead the respondent into being forced to answering in a way that is deviating from the truth (Saunders et al., 2012). Furthermore have this study, since it is a semi-structure interview, been dynamically adapting towards increasing quality in the interview flow and also potential answers. This meaning that the first couple of interviews where educating the
researchers of the study and the interviews were later refined over time. What also should be mentioned, is that to each questions there was a probing technique used as follow-up questions, where investigating question was in accordance to questions like “why is that”, “this particular topic is interesting, tell us more about that”. With this technique, a projective technique was used for a couple of questions to make the participant evaluate his/hers criteria of agency selection on a more creatively and deeper level, as suggested by Saunders et al. (2012).

The structure of the questions is divided into the different theoretical categories and is all aimed towards either answer the research questions directly or to get a deeper understanding of the surrounding topics, affecting the answers of the research question. Therefore is the first set of questions aiming towards getting a general understanding of the company and the person interviewed. Knowing this would give a deeper understanding of who we are talking to and the character of the company, and in that sense categorise them so that differences could be studied between categories. The second set of questions is aimed towards getting an understanding of what the relationship looks like with the advertising agency and the client, which would reveal how close they work with them, why they use them and what is important when it comes to the ongoing relationship with the advertising agency, followed with a short set of questions regarding how long the client and agency are involved in this relationship and what would make them break it up. Naturally, the following set of questions is trying to answer what the process look like when the when purchasing new agency services or engaging in a new relationship. After this, in the last section are the main questions regarding what the underlying reasons are for a certain advertising agency purchase. Within these questions, adapting the Webster and Wind (1972) and Ellis (2011) model, the authors have constructed the questions while evaluating multiple different of approach towards the reasons of choosing a certain agency. These are crossed with probing question, trying to compare the model in importance and thus be given a deeper understanding of why a certain criteria are more important than another. The exact questions are attached in the appendix 2.

3.2.3 Data Analysis - Content Analysis

It is noted that to be able to analyse qualitative data, it is important that there is a preparation of analysing the data. The fact that most data one receives from qualitative research is in the form of words and images, there are methods in which one could make the data more tangible. Firstly, as suggested by Denscombe (2010), this study has prepared the data, while interviewing, in the form of audio recordings. Secondly, were the recordings transcribed into text. This is to increase the readability of the data and to make searches and comparisons more accessible and easier to handle (Denscombe, 2010).

Even if qualitative data consist mainly of words or images, there are multiple ways in which the data could be analysed (Denscombe, 2010; Saunders et al., 2012). The analysis used for the used for this study is referred as a content analysis, where the results is categorised into sets of different categories. This is a classical way of analysing text where there are a set of categories in which the aim of the analysis is to reduce excess data and through this structure the result by highlight the most occurring categories. The content analysis is in that way used in a very tangible way to analyse text where the data (transcribed text in this thesis) is analysed in its explicit meaning and through this categorized quantitatively. This approach is suitable when the researchers need to structure a large amount of data consisting of text (Malhotra et al., 2012; Denscombe, 2010).

Practically in this study, does this mean that the categorisation of the results is done through table-coding, where the main categories discussed in the interviews and is highlighted as a
recurring criteria or as a minor important characteristic. This approach is done so that the data is better displayed, excess data is reduced and that an initial analysis of conclusion could be drawn (Denscombe, 2010). The result is then carried forward into a validation towards the existing theory to check for similarities and differences. The previous parts of the analysis do however only answer the “what” part of this study. In the last part of a content analysis, according to Denscombe (2010), lies the emphasis on that there should be a more sophisticated analysis where the relationships between these categories are explored and explained, which would answer the “why” and “how” part of this study. Therefore is the main themes later carried forward into an analysis which aims to include the surrounding discussion and thus explain the contextual nature of the first part of the analysis. Content analysis could therefore have the chance to reveal disclosed aspects of a theory, which was the aim of this study and to explain the nature of the affecting criteria and why they behave like they do (Denscombe, 2010).

This means that the authors will analyse the text in the light of the framework developed by Webster and Wind (1972) together with the adaption made by Lichtenthal and Shani (2000) and other research done regarding advertising selection.

3.2.4 Quality of the study

One could always argue about the best suitable method and all the advantages associated to a particular method, but it is equally important to realize the drawbacks of the chosen method and discuss what role the drawbacks might play in the chosen method. When discussing the drawbacks of this study, one should evaluate the credibility of the study (Saunders et al., 2012). The reliability of a qualitative study is considered to be accounted for in four different terms: validity, reliability, generalizability and objectivity.

The validity (or credibility) means that one should argue how well the data is accurate and if it is appropriate for the research question (Denscombe, 2010). According to Lincoln and Guba (1985), it is impossible to prove that the answers are completely right, while conducting
a qualitative research. One way of validating the data, proposed by Denscombe, (2010), was to validate the data with the respondents. This was done in a way where several of the answers occurred more than once in an interview or that unclear answers were clarified. Further is a strength of this study that the interviews are carried out in different industries, validating the answers from multiple set of sources and as well validated from other sources such as previous theory. The interviews transcribed as well, in order to be able to go through the interview thoroughly and understand the context and the meanings of unclear themes. The transcripts and its transparency is however, a minor drawback of this study. Because of the anonymity the researchers of this thesis cannot give out full transcripts of the interviews and that in turn decrease transparency and in that sense validity. Although, additional and specific information could be given out when not threatening the anonymity, this to have as much transparency as possible without jeopardizing the anonymity of the respondents.

Another point regarding the trustworthiness discussed in the method is the dependability (or reliability). This means that one should assess for the ability to remake the study and through techniques and methods be able to repeat and retrieving the same results (Denscombe, 2010). A way for the researchers to make sure that the study was consistent was to include a set of questions, which were more or less asked in the same order, making the interview fairly standardized. The only modifications done were through the first couple of interviews, where some minor alterations were made. The order of the questions also leads to a “natural” flow in the conversation, making each interview much alike the other without that many surprising alterations.

While discussing the ability to remake the study, the method could be reviewed in terms of how companies were selected. This since there was multiple selections made from the researchers out of convenience. An example of this was to set search criteria while searching for companies in the AMADEUS search engine. Excluding some companies could alter the dependability, however the contacting was made with companies in a systematic manner through a list, making the sample as structured as possible.

The third aspect discussed by Denscombe (2010) is the generalizability of the study where the low number included of studied in a qualitative research could become an issue. However, since this is a qualitative study, viewed in the philosophy of interpretivism, one is suggested to discuss if the research could be referred to other instances (Denscombe, 2010). Since this study was conducted it over multiple industries, making it possible to be generalizable over various industries.

When discussing the last section, while referring to the trustworthiness of a study, one should discuss the objectivity of the study. Since this study is done with the help of interviews, there are multiple factors in which a researcher would have to discuss. Examples of this would be that the question could be misunderstood by the interviewee. Therefore was the interviews held as clear and concrete as possible, all to delimit the risk of misinterpreting the questions. Also, a drawback while interviewing specifically managers would be the fact that the researchers always have to adapt to the participants, making environment and external factors difficult to account for. Additional to this, a difficulty while interviewing managers is to find the balance in which the researchers are informal enough to create an open and “at ease” atmosphere, while still being seen as professional and not perceived as inappropriate. This balance is something that the researchers of this study have accounted for when it was important to create a setting in which there was a friendly, yet professional environment. An additional matter that could bias the managers is that they would feel insecure that their company se-
crets would be leaked. This is something that was taken into consideration and the participants were therefore well informed in the beginning of each interview that all results are strictly anonymous and that their information will be treated accordingly.

### 3.3 Summary of the Method

To summarize the method, this is an interpretive and exploratory study. The study is abductive since it moves to and from theory, when adding knowledge to theory and also validating or questioning existing theory. The study is conducted through semi-structured interviews with nine managers, who all are decision makers of what advertising agencies to choose. The managers were chosen from companies, which were large enough to potentially have a clear relationship with one or more advertising agencies. The results of the interviews were conducted face-to-face and on a one-to-one basis, where the location was selected in accordance to the suitability of the respondent. What was said in the interviews was then audio recorded and thereafter transcribed. These transcripts were then analysed in categories and cross-referenced between each other to find emerging patterns of relational explanations.
4 Result

In this section are the findings from the semi-structured interviews presented. The findings are regarding what the relationship looks like between the agencies and clients. It further describes what the process of selecting agencies looks like and is then followed with a depiction of what the relationship life-cycle looks like. The section is then rounded off with a presentation of the most frequently mentioned affecting criteria in the client’s selection of advertising agency.

4.1 The agency-client relationship

What became evident through the interviews, with regards to the agency client relationship, was that understanding for the client organization and personal chemistry was of great importance (further discussed later in the analysis). This was mainly due to the ease of the continuous work and time-saving, as a result of great understanding of the client’s organization. Moreover, the personal aspect was a recurring subject since a closer business relationship would make it easier to modify the production, know where the organizations have each other and thereby enhance the results.

This became especially recognizable when participant A stated “It is all about the relationship and that the two parts understand each other and have reactions toward each other. If I say something, I like to see that the counterpart understand why I say it and the other way around. If I have to explain myself every time I say something, will the relationship take a very long time thus be very time/energy consuming.”

Additionally the authors of the thesis got the impression that the ease and functional communication between the agency and client was of great importance and beneficial, which is especially evident in participant E saying “It is more likely that the results are good when things are working in the relationship”.

All of the above mentioned characteristics were greatly emphasized by participant D: “When you need an outside perspective and something new and fresh, since what we do in-house usually are of the same concept. We hire an agency when we need a “fresh fan” and new perspective in larger and wider investments. This time for instance we needed digital strategic help, so this is a digital campaign, in which they have the competence we might not have ourselves”.

4.1.1 Short-term vs Long-term

Regarding the terms of the agency-client relationship and rather it was short-term or long-term, both answers was presented. However, what was frequently mentioned and reappearing from the interviewees was the long-term alternative. The reason for several of the participants preferring relationship of a more extensive character was mainly due to the enclosed advantages, such as increased understanding between the agency and client, which thereby become less time-consuming and more efficient. Participant A supports this by declaring “I am not at all interested in one stunt, but instead see my relationship in the long-term. I like to see that companies commit to a certain level and that would lead to a prosperous relationship”.

Although the majority of the interviewed organizations wished for and preferred long-term relationships some favoured and found it more suitable to operate in short-term relationships. In example participant D stated “We have never had any agreements or “grab on” with any agency. That can be re-tested before every project. I have worked with three different agencies here in the city (Jönköping).

The participant was also asked whether there was a difference in preference of the term of the relationship dependent on if the task at hand was a project or continuous endeavour. If
the interviewee were working with a project, the importance of understanding each other and personal chemistry become of lesser importance. Since the project usually have a stated start and end date, the participant highlighted that in such scenario the outcome and results was of greatest importance. This was due to the relationship not continuing over time in that case. This became evident in several interviews:

Interviewer: “If you were to work in a shorter project which demand something rapidly or in a long-term aspect, for instance 3 or 5 years, would that change your thoughts regarding short- and long-term and what kind of agency it is change?”

Interviewee: “Yes, it does. For a single assignment I can hire whoever.”

Interviewer: “What is it that is most important then?”

Interviewee: “It is the result.” - Participant B.

“...after that it is not as important in short-term projects if the result is what we expected, then that is what is interesting.” - Participant F.

Hence, majority parts of the interviewed organizations prefer long-term relationships since it enable several advantages. However, depending on the size and length of the task that changes, suggesting that in short-term projects the result and outcome is more important than the understanding and chemistry between involved persons, which was important in long-term tasks.

4.2 The advertising selection process

4.2.1 Nature of the selection process

It became evident that the process of selecting an advertising agency progress through several steps, although these steps might slightly differ, a general understanding of the process could be made. Foremost the marketing/communication manager specify what kind of problem they need a solution for, what the actual task if for the agency to solve, and what the client organization want to achieve.

Thereafter, the organizations do their own research for advertising agencies, for example, Participant B explained that “It start with me sitting in my office writing a requirement specification on what are we going to do and what do we want to achieve the next period. For example, today we do not have a responsible webpage”. Heavily involved in this process was the references of the advertising agency, who they had and have as clients. Another aspect that comes to be mentioned several of times was that the marketing/communication manager “listens around” to see what advertising agency other organizations, friends and so on suggest. However for the authors of this report, it was quite clear that some participants came to have a more well-thought and precise selection process than others, for instance participant F explained “We would send out a basic idea of what we want help with, and then we might not know how we should invite them (the agencies), so we would probably just invite two to three agencies, now I guess since we have not done this.”

After this initial research process the agency select a few, usually two to five agencies to get in contact with and invite to the organization. Commonly the selected advertising agencies get a task and/or a brief, to work with and present ideas and solutions. “Then we made a brief for the agencies, explaining that we have this problem to be solved and we need help with this, and then you send them out to these three agencies we selected. After that we schedule a meeting where they got back to us after two weeks with a presentation” - Participant D.
After that presentation, which involved thoughts, ideas, opinions etc. the client organization choose the most suitable and preferred agency and started to work. Hence, it is worth stating that within the advertising selection process, two separate selection processes is incorporated. The first one in the initial research and the other one in the selection of what agencies to further pursue, which will be further discussed in the analysis.

4.3 Agency-client life-cycle

The interviews suggest that the agency-client relationship develops through the agency-client lifecycle. However, in a slightly different way, which will be further discussed in the analysis. It was found out that the relationship initiate with a pre-selection process, in which the marketing managers started their research. This pre-relationship phase were in some cases more extensive than others, meaning that some of the participants had well-developed ideas of how this process would take place, while others was not as clear. It became evident that the pre-relationship phase is characterised of the personal chemistry, gut feeling and personnel competence. This phase consist of a profound process, which will be further discussed in 5.2 in the analysis.

Continuously, the development phase was something that was not frequently mentioned but recognized by various participants in some extent. For instance by participants explaining that the relationship was favourable and affectionate within this phase. The next phase, the maintenance phase, was not mentioned enough to draw any clear conclusions, however, it was suggested by some participants that if the agency keep delivering satisfying work the relationship would probably continue.

The interviews displayed that there are several of different reasons for changing and terminating the relationship, which also was highlighted by the interviewees. It is difficult to draw any obvious conclusion of what really determines the agency-client relationship. However, most recurring answers was that the organization might wanted new and fresh ideas, as well as the agency not performing as wished for. Performance refers to the agency not upholding the quality, being unpleasant and standardized in their solutions. “It could be multiple of things. It can be the fact that they do not work in the direction that we choose. It could be that the quality of their work, is not good enough. It could also be that they are delivering the same type of setup time after time and we mention that we want it in another way but if there is no change, then one might feel that there are nothing more to get from this relationship and that we would then start looking around for other things” - Participant E.

4.4 Important criteria affecting the selection of advertising agencies

Following is the most recurring topics and answers presented regarding the criteria of selecting advertising agency (without any particular ranking). The researchers of this study perceived these criteria as frequently discussed among almost all participants. A frequency table of amount of participant mentioning which criteria is displayed in appendix 3.

4.4.1 Personal criteria

What was often displayed early on and strongly suggested from the interviews was the emphasis on a personal chemistry between the involved people within the both parties. Two recurring quotes that were mentioned commonly by the participants were that the parties should “click” (fit as personalities) and that they should “talk the same language”. However, it was mentioned that the personal chemistry would be needed with the person(s) that the
decision maker would be in contact with and work with on a day-to-day basis. This since in almost all cases of the study, were the marketing manager (decision maker) the only one working in close contact with the advertising agency. It was therefore explained by one participant that the marketing manager only wanted a personal chemistry with the person, in this case the project leader, that was handling their account at the company and who were handling the projects.

“In the second point I have written workforce. Where we needed personal chemistry, it is super important that we work well together and that they are creative in their work.” - Participant C.

The reason for the participants putting large emphasis in the need of personal chemistry between the involved parties is that they need the agencies and involved people to understand them, what they are saying and that they are participant in their manner. Participant E explains that “Those things (results and personal chemistry) go a little bit hand in hand. I think that an agency feels that way as well. It is more likely that the results are good when things are working in the relationship…”

The participants need these characteristics of professionalism that this ties to having an understanding for the organisation. This would in turn create a long-lasting and efficient work climate and thus increase eventually the results through the efficiency. Here it was however a conflict going on, while there was often mentioned a need for an agency that understood the company, they also need an agency that can challenge them and see the company and its’ problem with new eyes. They need to understand the structure of the company since they need to adapt to a certain way of working, whatever that way of working may be. This conflict was exemplified by participant D, who said “You can almost compare to a “love-relationship” between the company and the agency. It must work, you need to understand each other, be able to communicate and be critic to each other, determined in what you want when you are satisfied and not satisfied, and therefore the dialogue must work. I would say it is quite the personal cooperation.” One could thus conclude that there is a need for a balance between adapting to the client and challenging the client.

Although personality is important, it was further said that the outcome produced could be more important than the relationship itself, since the outcome of the good relationship is the good results, where participant D said “…I think you know how it is to work with group-projects; it is always hard to work with someone who is “unsch” (meaning unpleasant). But if the results come to be very good then one might have to put up with that”. Therefore one should not discard eventual results as a sole criteria for the need of personal chemistry.

4.4.2 Competency

An occurring theme when it comes to influential criteria of the purchase of advertising services was the competency involved in the advertising agency. The delivery of a quality product was by many participants of great importance and that the companies were knowledgeable. The expected competency was said to be something that generally was reaching beyond the already existing competency within the participant’s company. This was clear when for example participant D said, “Mm, yes, that is why we are hiring an agency, when there is something we feel that we cannot handle ourselves”.

What further was expected when it comes to competence, was explained by participant A, when asked “What is the “right way” for an agency to think?” said “It is all about you, as a planner(s) you should know about my needs, where I am in the industry, and what I need to do to meet the customer where no one else is meeting them - “How do I find them, how do I talk to them?” Thus, competency could mean that the participants were looking for a deeper understanding from the
agency. The deeper understanding would for example be regarding the client’s customer, where the client expected the agency to understand how the clients end consumer works. The participants also expected an understanding of the agencies about what the market situation is for the client and in what type of situation they were in. These were things like what the competition looks like, how the specific industry works and how the market trends affect the client’s business.

However, the expected knowledge of the clients could vary in importance. Competency could also mean competency within an agency, such as frequently mentioned technological competence. Participant D explains, when asked “What is it you mean by competence”, it was explained that “If we are going to produce five commercials, for instance, then we are going to work with an agency in which we can see that there is competence in motion pictures… this time for instance we needed digital strategic help, so this is a digital campaign, in which they have the competence we might not have ourselves”. However, sometimes the technological competence was not met, where participant E explains that - “sometimes have I been in a situation where I have been in contact with an agency and I have been forced to do a proposal of my own since they do not understand what I have been looking after or it is worse than I myself can do. I am not in any way good at production and then I start to question why I spend so much money in something I can do better myself”. Additionally, another competency that was mentioned and expected from the agency was the use of the agency’s ability to look at a problem from a new or at least different angle. As explained by participant I - “We hire an agency when we need a “fresh fan” and new perspective in larger and wider investments”. It was therefore emergent that within this heading of competency, there are a couple of sub genres related to competency. The expected competency could therefore be multiple of things, where one could conclude that competencies expected from companies selecting advertising agencies is of a strategic and conceptualising nature, together with a general understanding of the nature of the company, its situation and the customer of the client. Furthermore there is a technological competency expected together with the ability to see the problem or task at hand from an additional view or angle.

Including to this variety of competencies, is that many participants had a preconceived idea that many agencies have a specific key competence. Participant D said “Every agency is good in different ways, sometime you might need help with a website, next time a print campaign or a print brochure or something. And the time after that maybe we need digital strategy help”. The participants explained that this meant that they acquire services from an agency, not because they have many competencies, but that they have one or few specific competency of which they are recognized. Contradictory to the need of specific of competencies, some of the participants also mentioned that there was a need of having most competencies under one roof, meaning that they did not want too many people involved and that this made the relationship more effective. As participant C explains “We did not choose the other agencies that we met since they had to purchase external services … I wanted that all services would be available under the same roof.

Noticeable was that many of the participants explained that often agencies had a misconception about what competency means, where they explained that the focus of competency often lied in the wrong area. As was explained by participant A “In resumé (an advertising/communication industry magazine) doesn’t it say really anything about what we have been discussing here, but instead “this was cool done” and very little about results, which is something I believe this industry needs to learn”.

The expected competence of the agency could therefore be seen as off scope of the actual assignment and that instead of offering a solution to the actual problem. This was further explained by participant C who said “The agency we chose is extremely good at solving the REAL problem. So when I met them, I felt a lot of trust towards them and those people working there”. Meaning
that many agencies, through their competencies, fail in creating a solution for the actual problem and is therefore underachieving while working with the client or is not selected at all because of this incongruence in competency for the problem.

### 4.4.3 References, Experiences & Referrals

Commonly it was mentioned that the participants were using some kind of referencing to validate previous experiences and competencies, suitable for their given task and that this was affecting their choice of agency, especially in the beginning of the selection process. It was explained by participant D that “So, then I look at which ones I have been working with previously, are they suitable yes or no. Is there any interesting new one, which we have not been working with? Then I made a list of those of interest.” Another example of using that type of reference was explained by participant B, who said “In this case was it that they had a strong brands (as customers), which was successful, and therefore led to a security for us that they understand our selling process and how we go from initial contact to closed deal. Hence, you felt a security there, the previously agency could not display that quality.

This therefore means that they could check for referencing in many different ways. The emerging pattern in which it was seen that the participants could use referencing was where they could go through own previous experience, be influenced by previous work, contact previous friends or customers to the agency and/or look what type of work or customers they have been worked with previously. This process of referencing is made to check for backed up information regarding the agencies competency, together with their workability and thus create evidence for trustworthiness and security of the chosen agency.

A contradicting opinion made by participant G however, explained that “we want work samples since that, and references, are the only thing you can judge an agency from. However, references feel kind of useless, since the agency is leaving the customers they know are satisfied as reference, not the dissatisfied ones”. Meaning that the opinion of this participant is that if she was not bound by governmental rules, she would not be affected by references made by the agencies themselves, since it was argued to be subjectively biased.

### 4.4.4 Additional occurring affecting criteria

Here will we mention the further affecting criteria for the participants. These criteria are believed not be as frequently mentioned or of as strong importance while affecting the decision of agency, however, the authors recognize these criteria is affecting as well.

#### 4.4.4.1 Size of the agency

Size of the agency is a criterion that by some participants were said to play a fairly small role into the choice of agency. Participant D explains that, when asked “Does the size of the company matter and influence the selection?”: “Not really. A smaller agency can produce something at least as good, and commonly they might have more “heart and glow” if they feel like “wow, now we got the large client”, and therefore work a little harder”.

However, the general opinion is still that there is a certain requirement of what is demanded of the agency. Participant C explains the nature of the sizes of agencies when it is said that “I wanted that all services would be available under the same roof. The problem with many agencies we met was that otherwise it was too small, few middle sized agencies had all the services under one roof as we required.

Contradicting to the participants push for the advantages of large agencies, does participant E say that “we do a lot here so we might be purchasing an idea from an agency and then do the production
here. So generally is a smaller agency of less cost.” This being in a context where the company requires few and not as complex projects from the agency, meaning that cost is what is affecting the size of agency. This is explained by participant C, while discussing the disadvantages of large agencies, who says that: “The disadvantage with large agencies is what is also their strength; which is the structure and process. So let’s say that we have a smaller ad that needs to be done quickly, and then the process involves fewer people. The smaller agency is quicker and cheaper.”

It was also mentioned that smaller agencies might be more niched, in comparisons to larger agencies, this was suggested by participant I “If it is a larger agency they have a combination of competencies. If it is a smaller agency, than they would have a niche, in my opinion.”

One could therefore conclude that when there is a need for a lot of competencies, since the project is complex, then a large agency is more preferably used. However, when the tasks are few and of less complex nature, then a smaller agency is to prefer since they are of lower cost and more efficient. The general opinion was that time demand of the project and complexity of the project created a scale pan in which price was the reason to lean towards small agencies.

4.4.4.2 Geographic location

According to participant A while selecting agencies, it was said that “geographic location is important…” This was something that was evident all through the research, where many participants mentioned that the geographic location of the agency played a role on their initial selection of agencies. However, the preference of a certain location varies and is scattered, depending on the situation. Participant B explains that “I like to be able to go into the advertising agency and see what they are doing; therefore we are currently not working with advertising agencies located in Stockholm or Gothenburg. We are operating here around, for instance from Jonköping to Vimmerby to Västerås. Hence one can go there by car and we can look at the same things when we go through them”. Adding to this did participant D say “We are in a quite small market here, so we chose a local agency in order to have a close relationship, instead of choosing one in Stockholm or Gothenburg.” As oppose to the previous statements, did participant C say “I had some agencies that I knew of and were interested in, in the local area. I felt that I those that I met were good, but I felt that none of where really the right one... We needed someone who had a passion and knowledge for the industry and had contacts within the industry. We found that this made it hard to find a suitable agency within the smaller cities, but instead looked in the larger cities”.

One could therefore conclude that there are different preferences towards in what way the geographic location affects the decision while selecting advertising agency. Although one could see that clients that want to have a close relationship with close communication with their agencies, also wants to have their agency close in geographic location. This opposes to the clients who struggle to find the needed competence in the smaller cities and does therefore look at the larger cities for a broader choice. This does however not mean that the latter clients do not care about having the agency close, but it play a smaller role than for example the needed competency.
5 Analysis

In the analysis section, the findings will be carried forward and analysed through previous research in order to either validate previous research or find new emergent categories. These emergences are then discussed to evaluate the underlying reason of their existence, as well as relational bonds between those categories. Through this, proposed models are later presented.

5.1 The agency-client relationship

As stated in the theory chapter 2.2, agency-client relationship exists of a principal hiring an agency to engage in activities in the principal’s interest (Bergen et al., 1992). Furthermore, the agent support and assist the principal by carrying out their ideas and implement them into production/action. The whole reason for the agency-client cooperation existing is to create win-win situations in which both parties benefit (Durkin & Lawlor, 2001). Derived from the interviews, it became clear that for the clients to hire the required competencies and get an additional perspective is beneficial, since it ease the ongoing operational activities, and is cost- and time-saving. What emerged from the semi-structured interviews, was that the clients utilized the services of advertising agencies mainly since they lacked the necessary and required competence themselves and needed an another additional perspective, so called “fresh eyes”, as well as personal chemistry.

Additionally, personal chemistry within the relationship is preferable since it enhances the easiness of adjusting the production, create an understanding of how each organization work, which in turn were believed by the participants to improve the results. Furthermore, in order to maintain the organization and utilize their competencies, the agency is dependent on the principal providing them with work tasks, hence the involved organizations is dependent of each other. This aligns with what Fam and Waller (2008) state when explaining that it must be of in the client’s interest to develop and encourage a functional relationship with the agency, mainly in order to support the management of their promotional activities.

Duhan and Sandvik (2009) explain that the agency-client relationship must include trust, commitment and cooperation in order to be successful. The trust is essential since it might be difficult for the clients to evaluate and judge the purchased service, which also was mentioned throughout in the interviews, for instance by participant C stating “The agency we chose is extremely good at solving the REAL problem. So when I met them, I felt a lot of trust towards them and those people working there”. This statement, among several other from the conducted interviews, confirm trust as fundamental in the relationship in order to be successful, especially since Duhan and Sandvik (2009) states that the lack of trust being the largest reason for termination of agency-client relationship. Furthermore, Duhan and Sandvik (2009) declare that commitment is vital in a relationship, due to the perceived significance of the collaboration being revealed. Although this was not mentioned and particularly eminent through the interviews, it was occurring, for example participant A explained that the agency must commit to his level. However, the authors of this report suggest that even though it was not frequently mentioned, commitment to the relationship is necessary in order to be functional and maintained, which is to some extent supported by many participants when declaring that they do not want standardized solutions, rather see solutions adapted to their needs. Otherwise the client might feel overlooked by the agency, and as a result terminate the collaboration.

In addition, it is proposed that the cooperation is the fundamental characteristics that connect all components (Duhan & Sandvik, 2009). Although cooperation might not being recurring extensively in the interview answers, it relates to the collaboration in general. There-
fore one could argue for the cooperation being of great importance since the personal chemistry and geographical location was considered highly influential in the selection of advertising agency which relates and refers to the closeness and functionality of the cooperation.

In addition, Fam & Waller (2008) declare that in order to maintain and manage a functional relationship the contact must be honest, meaningful and regular. This is supported by our interviews as well, since the importance of involved people “clicking” (fit with each other) and the related closeness to the agency was highly mentioned.

5.1.1 Short-term vs Long-term

It was stated by West (1997) that a relationship can be of either short-term or long-term perspective, where short-term generally refers to problem-solving projects and progress through a fixed amount of time. Further, West (1997) explain that potential advantages for utilizing short-term relationships is to reveal and gain innovative solutions to the problem at hand, as well as being open to different solutions from different agencies. However, as pointed out in chapter 2.2, these kind of relationships commonly lacks coordination and dedication from the involved parties (West, 1997). The findings from conducted interviews suggest that short-term relationships are not as preferable and desired as long-term relationships. However, there were some participants who stated that the short-term was more suitable since it gives the opportunity to hire different agencies, depending on the upcoming task. Furthermore, explaining that different advertising agencies are superior in different areas creates a situation in which the client utilizes the agency, which is perceived as best at that specific task (for example digital marketing, film production etc.). In addition to this, it became evident that several of the participating interviewees evaluated and altered the main important factors when the relationship were of project character, changing from personal-oriented in long-term relationships towards more goal-oriented in short-term. (This is especially obvious in 4.1.3) Hence, in projects the results and outcome is of greatest impact, since the objective is to solve an identified problem and commonly is specific in its time-frame and thereby putting less emphasis on the actual relationship. It therefore became quite clear that the main importance with the agency-client relationship changes whether the cooperation is carried out through a longer perspective or just a specific project.

However, the majority of the participants declared that long-term relationships is preferable since it lead to several desired advantages, such as developed understanding of each other’s organizations, which in turn generate increased efficiency and saves time. Moreover, the long-term relationship is according to West (1997) mostly recurring in medium/large organizations, which is in accordance with our research, with almost all agencies being of medium size and preferring long-term relationships.

5.2 Agency-client Lifecycle

As discussed in 2.3, the client-agency lifecycle progress through four stages: Pre-Relationship, Development, Maintenance and Termination (Wackman et al., 1986). Wackman et al. (1986) explain that the pre-relationship occurs previous to any contractual agreements, and therefore mainly consist of included organizations trying to get to know each other and the agencies persuading to why they should be selected by the client. In this stage an initial pre-selection occurs where the client chose which agencies gets the possibility to persuade them and learn of another. In this initial stage Chevalier and Catry (1976) propose that not all agencies base their selection on conducted research, rather that the agency mirror their organization and share the same existing strengths, putting less focus on providing comple-
mentary services and strengths. This was strongly contradicting to what the conducted interviews displayed, where focus was on enhancing the client services while becoming effective and efficient in the process, and as a result of the strengthened relationship experience advantages in terms of time-saving and enhanced understanding of each other’s organization. Therefore this report oppose what Chevalier and Catry (1976) declare and suggests that the selection of advertising agency is based on conducted research and is heavily founded on how the agency cooperation will benefit the client. The similarities and mirroring was not discussed or mentioned by any of the interviewed participants, rather the opposite, several of them explaining that such thing is not affecting at all.

The second phase in the agency-client relationship is the development phase, which usually progress through a year and involve the process of creating the first task together. This phase is usually referred to as the honeymoon phase and is characterized by excitement and high-energy (Wackman et al., 1986). Although, this was not frequently mentioned enough to establish a pattern where one could notice that this honeymoon phase was briefly mentioned in some cases. In which the participants generally explained that in the beginning of a relationship the client is treated favourable, which aligns with what Wackman et al. (1986) suggests. Several of the interviewees explained that they want closeness and a personal chemistry with their agency in order to develop the relationship, which one can relate to the development phase since it relates to how the cooperation will improve. This indicates that there is a development phase, however, it is not referred to as the honeymoon phase, rather a “get-to-know-each-other” phase. For example, participant G explained that it takes approximately one year before the routines are set, which the authors of this paper suggest is referring to the development of the relationship. As a result one can distinguish that the agency-client relationship still progress through a development phase, however, to call in honeymoon phase is not accurate. It rather relate to how long it takes for the organizations to get to know one another, and thereby developing a successful relationship.

The next phase, the maintenance phase, usually continues through numerous years and is the most profitable phase of the client-agency lifecycle (Wackman et al., 1986). Throughout the interviews it became clear that it is the personal chemistry and agency performance that maintain the relationship. As long as the relationships consist of functionality between the two organizations and the performance from the agency is functioning, the relationship continues. However, when the relationship starting to lack one (or both) of these aspects the relationship is turning towards termination, which is the last phase in the lifecycle.

As mentioned above from our participants, and strengthened by Heekin (1983), the reason for terminating the agency relationship can be due to personal or performance related issues, for instance because of personal chemistry problems (as cited by Wackman et al., 1986). Furthermore, Dowling (1994) declare that the main reason for terminating a relationship is due to desiring new creative ideas, want a new marketing approach and experiencing poor account service, as one can see all of the aforementioned criteria relate to the performance of the agency, as stated by Heekin (1983) as well. Although personal chemistry and agency performance might be important to maintain the relationship, the most recurring answer to why a client would change agency was that they wanted new and fresh ideas, hence the assumption that the client is dissatisfied with the current agency’s proposed ideas and solutions.

It is argued by Fam and Waller (2008) that termination of an agency-client relationship might be costly, especially in terms of effort, time and money, mainly due to it taking approximately two years to create and develop a new cooperation.
Additionally, it became apparent that these stages identified by Wackman et al. (1986), is still relatively accurate in the agency-client relationship and progresses through these four stages. However, in the impression of the authors of this paper, in a slightly different route due to clients identifying “new” reasons for switching agencies (such as different agencies being good at different things due to technological development).

5.3 The selection process

The executed interviews infer that in comparison to what previous literature and especially Fill (2009) and West (1997) suggest in regards to how the selection process is carried out, there are no large differences. Van der Valk and Rozemeijer (2009) declared that there are three existing problems one has to take into consideration when selecting an advertising agency. First, specify the service. Second, specifically define the content of the service agreement. Third, evaluate the performance of the agency. Even though the process of selecting an agency slightly differed among the interviewed organizations a general understanding could be made. It was found that the organizations commonly conducted a requirements specification in order to specify and determine the organization’s goal and objectives when hiring an advertising agency. Moreover, larger parts of the interviewees explained that they set up a plan for the content of the cooperation, including what they want to produce. However, this was not strongly highlighted but nonetheless mentioned at times, indicating that in some cases the organization were very aware of what they wanted to produce and achieve, while in other cases they were more open towards ideas and suggestions from the agency.

After putting down the requirements the search starts, where West (1997) and Fill (2009) propose a similar process for how the clients could select their advertising agency. Initially this process involves a primary search in which the agency selects six to seven agencies, commonly based on personal recommendations and public references (Fill, 2009). The performed interviews strongly correlate with this process and the indication of a pre-selection stage, in which the client evaluate and select agencies to potentially start a relationship with. In accordance to what Fill (2009) suggests, our interviewees declared that this initial selection was founded on previous references and recommendations from friends, acquaintances etc. Continuously, with regards to evaluating the agency performance, references, recommendations and experience was frequently mentioned. Hence, for the authors it became clear that larger parts of the interviewed people were quite distinct and thoughtful in the selection process.

Following this initial selection, the clients meet the agencies and evaluate how suitable their organization is to the task at hand. After this a second gathering occurs, in which three to four agencies remain. These remaining agencies get a brief with a task that is similar to the actual one the client required agency services for, and thereafter get to present their solutions (Fill, 2009). Although Jones (2004) and Whethey (2006) suggest that pitches might not be the best option all interviewed organizations conducted some variant of a pitch, after which the final decision is made (as cited by Fill, 2009). In the end our interviews suggest that the proposed process of selecting an advertising agency by Fill (2009) and West (1997) is still valid and have not experienced any major changes.

To sum it all up the process consist of two selections, a primary one where the client choose potential cooperation agencies. Thereafter, the actual selection where the clients choose which agency is most suitable, occurring after presentations, pitching etc.
5.4 Analysis of the important criteria of decision makers

As suggested by Lichtenthal & Shani, (2000) the Webster and Wind, (1972) framework, explaining organizational buying behaviour, could be used in the context of selecting advertising agencies as well. This part of the analyses will therefore analyse the given results of what the most occurring (that will say most important) criteria of decision makers is, while selecting between advertising agencies. As explained by the Webster and Wind (1972) framework, there are four main perspectives in which one could evaluate the behaviour of an organization while purchasing services or goods: the environment, the organization, the buying centre and the individual participants. Therefore will the following sections analysing the most occurring criteria through the lens of this model.

5.4.1 The environment

According to Webster and Wind (1972), the environment is basically external factors that is subtle and is therefore difficult to identify. They bring up examples of environmental forces affecting the buying behaviour of organisations, which is for example the cultural-, legal-, political-, environmental-, physical- or technological environment. This was then taken into consideration by Lichtenthal and Shani (2000) within the advertising context where they found that forces of this character is the least influential, while asking managers purchasing advertising services.

While analysing the participants’ results of the external and environmental factors, one could firstly conclude, in accordance with Webster and Wind (1972) and Lichtenthal and Shani (2000) that there were very few evident signs of directly affecting factors. Few of the participants asked could see any direct signs after being asked questions regarding these criteria, which aligns well with what theory suggest. Few of the interviewees could answer this question, however could come up with something that affected them, where a pattern could be emerged where economic reasons could affect their purchases. That will say, when the general economic situation is bad, the budget for advertising purchases will get constrained.

What was said by the vast majority of the participants, however, was that they have noticed that the company have been changing their service need. This was mentioned however without being asked about affecting environmental factors. Example of this was that many have shifted their orders from print media and other traditional Medias, to almost exclusively digital media. This shows that, without noticing it, while being asked a direct question of the issue, the managers are greatly affected by the technological environment. As further explained by Lichtenthal and Shani (2000), the technological environment is an affecting factor among the environmental factors, however not the most affecting. Here there are a clash between this study and previous theory, where importance in acknowledging the impact of the technological change in the latter years, cannot be emphasised enough. The technological development has basically revolutionized the demand of purchases.

Another environmental aspect that was often mentioned in the study was regarding the physical environment, where the geographical proximity proved to be influential. As oppose to this, Lichtenthal and Shani (2000), which claimed that there are little affecting forces of the physical place of the agency. With this, they paired the client marketing goals of the client with the proximity of the agency, as a (weak) affecting factor. In this study however, this was not the case. In the study one could clearly see a strong affecting link of what agency is selected and why. The link is explained in the way that larger clients is more likely to have larger and more complex tasks, thus demanding a more competent agency of larger size and thus seek these among the larger cities. If the task however was of a smaller size, which could
occurred of smaller and as well larger companies, they would prefer a smaller agency which is located in the local area, since they look to have faster, more efficient and more personal contact. This therefore explains the linkage made by Lichtenthal and Shani (2000) and Semenik and Tao (1994) of that the marketing goals affect the selection of agency when it comes to geographical proximity. One could through this conclude (based on the assumption made by the participants) that generally large agencies is located in larger cities and small agencies are located in smaller cities. Hence, the physical environment affects the size of the agency, which in turn is related to the goals and objectives established by the client (which is further discussed on the organisational level).

We could therefore validate, in accordance to the proposal by Lichtenthal and Shani (2000), which the environmental factors affecting the selection of agencies are underlying factors that arrives externally of the company. Thus, the affecting forces are pre-set before the initiative of changing/pursuing a new agency is made.

5.4.2 The organisation

The Webster and Wind (1972) framework described that there are organizational forces that also affects the purchases of a company. These are forces that are directed by the company’s goals and values, together with financial, technological and human resources (Webster & Wind, 1972). In the light of selecting advertising agencies, did Lichtenthal and Shani (2000) explain that the mix of these forces are current as well, where it is highlighted that goals and objectives of the client’s campaign and the internal structure of the client’s organization is what is affecting the choice of agency.

5.4.2.1 Goals and objectives of the client’s campaign

When it comes to the buying task the participants primarily said that the choice of influencing criteria depend on what they need to purchase, relating this to the goals and objective of the client’s campaign, which was found by Lichtenthal and Shani (2000). The participants explained that the choice of agency could differ, depending on the tasks complexity, where a complex task require a lot of different competencies, thus should the offering be larger. Since it was mentioned by many of the participants that they required that all or at least larger parts competency should be under one roof, thereby referring to the size of the agency. Further the participants required that the agency should possess specific positions such as strategist, market planners and researchers. Opposite of this, if the complexity of a task was said to be smaller, there were a smaller emphasis on the competency of the agency and the authors could see that instead criteria such as price becomes more affecting, together with the speed and efficiency of the communication. The size of the task and its’ complexity would then impact what type of agency they sought after, since many of the participants mentioned that a large sized agency has a greater chance of having the right set of competencies. What was further mentioned here, was that the larger agencies, with a broader set of competencies were most likely to be located in larger cities, where Gothenburg and Stockholm were often mentioned, which currently lacks support from previous theory.

While discussing the competency, something that were often mentioned within the sought after competency within a company was that they had competency about the client’s business and industry, and thus had an understanding about how their client “do things”, both structural internally and also within the industry. What is surprising however is that this notion have little support from previous theory, where only West (1997) and Na et al. (2003) is explaining that clients seek to highly value criteria such as “Understanding the client’s need” and “Agency’s willingness to learn client’s business”. In this study however, it was found that this is a
desired competency among agencies and might result in agencies being chosen just because the clients had a preconceived idea that an agency could have a “niched” competency. Both when it comes to a particular technology (e.g. branding, digital media or print) whereas some agencies had a pre-set understanding for the clients’ agency, since they have had customers similar to the client's industry previously. These “niched” competencies are seen as structural core values of the agency, and therefore is a selection made early on in the process, where the “niched” competency needs to correlate with the buying task.

It is suggested by Lichtenthal and Shani, (2000) that one should, on the organisational level of the Webster and Wind (1972) framework, discuss the multiple sources of which a company manage risk-uncertainty reduction in order to make their selection. This sourcing is as well expressed by West (1997), who said that key purchasing criteria of services are related to recommendations, reputation and previous experiences, where the purchasers of advertising services are talking between themselves and the recommendation from someone alike reduces the risk and thus increase trust (West 1997; Lichtenthal & Shani, 2000). This study could relate to this point of view, where multiple of the participants claimed that they use recommendations, references or previous experience in order to evaluate agencies. It was explained that recommendations were used while talking to other people within the industry or business, who then would suggest a suitable agency. Further, were references of either previous or current clients used, where they could be called up by the potential client to give their opinion about the given agency. Lastly was previous experience used in three ways: the clients have previously worked with the agency, the clients had previously seen or noticed work from that agency that caught their attention or the clients have previously been contacted from that given agency that impressed them and thus were noticed. These three (recommendations, references & experience) was used to reduce the perceived risk and thus to invoke trust. Therefore were these methods exclusively used in order to start off the search of agencies in the beginning of the search process.

5.4.2.2 The internal structure of the client's organization

While discussing the organisational structure and buying centre, one could see that this were also affecting the choice of agency. In previous theory regarding the buying centre and organisation structure of the client (while selecting advertising agency), theory suggests that there are multiple people involved and that there is a clear flow of communication through many people that is involved in the process (Marshall & Na, 1994). Furthermore, Marshall and Na (1994) and Lichtenthal & Shani (2000) suggest that the buying centre consists of around three people, were the most influential role is kept by the marketing manager/director, but that the role of the decision maker could vary between functional roles and that the evaluation criteria could thus vary between the functional roles.

The initial thought, after conducting the study, is that the structure is very simple and short. In most cases is the initiator, the decision maker, the user and the gatekeeper the same person, namely the marketing/communications manager. Although, the CEO be could the decision maker as well, whilst the influencers also could be CEO and/or related staff. The communication flow was thus between the marketing manager (also in this case the “decision maker”) and the agency, where then the information flow continued to CEO and/or staff from the marketing manager. One could therefore suggest that there should put a lot of more emphasis on the importance in the next coming two sets of parts in the Webster and Wind (1972) framework (the buying centre and the individual participants), where there are fewer individuals to consider, making the importance of tying a relationship with each of this/these individual/s more significant.
The reason for this difference of structure between the studies in the number of involved individuals in the buying centre has most likely to do with the size of the company. As oppose to our study, the study conducted by Lichtenthal & Shani (2000) and Cagley (1986) only included Fortune 500 companies, making them much larger than the companies in this study. The size could therefore be the reason why their purchasing processes are much larger. Further, what our study found was that the largest participating company had more than one involved, however that the decision maker (e.g. marketing manager or participant) was the person with the most influence. However, there were a lot of large companies as well that still only had one person involved in the process, making this assumption weak and thus speculative.

5.4.3 The buying centre

While discussing the “group” level of the Webster and Wind (1972) framework, one should look deeper into the buying centre and evaluate the business relationships involved. According to Bonoma (1988), knowing these individuals and their roles in the buying centre, would manage advertising agencies work and communicate much more efficiently. To evaluate these individuals further, one would have to take a look into the different roles of the users, buyers, influencers, deciders & gatekeepers (Webster & Wind, 1972).

As mentioned previously, unexpectedly there were surprisingly few members in each of the participants buying centre, which one could speculate has to do with the size of the companies participating in this study. However, the proposed relationship dynamics between the people involved in the buying centre looks very much the same between the study and theory (Lichtenthal & Shani, 2000). For the most, the marketing manager (or alike) was the person initiating a project, pursuing to the choice of purchasing advertising services and thus is progressing the whole process of selecting the agency. They do this since, as was depicted by Participant I, that they are the people that is going to use and work with the advertising agency. The CEO function as a cooperative decision maker, however this was mainly formal. In some cases, the marketing manager was the person creating the selection where the CEO, together with the marketing manager, makes the selection. In other cases, the decision making of the CEO was strictly formal and the decision was made almost solely by the marketing manager. If there were to be conflicts between the two units, which rarely (if ever) was the case, then the two parties would discuss in order to come to a meeting point with their opinions. To conclude, the marketing manager (or alike) is then essentially the user, the decision maker, the influencer and the gatekeeper. Depending on the internal structure in the company however, is the authority of the CEO different, where some have total trust and, consequently, authority invested in the marketing manager is thus the buyer as well. This was the case for participant B that called his purchasing process a “one man show”. If the CEO however holds on to the final authority as a buyer, the two units rarely disagrees on a decision, making the marketing manager very much involved as a buyer as well.

5.4.4 The individual participant

The interpersonal aspect of the Webster and Wind (1972) framework discusses how the people within the buying centre individually affect the choice of the selection of advertising agency. Here does the individuals’ understanding, personality, perceived role and experience play a large role into the decision. Most of the research done regarding criteria of agency selection, shows plenty of signs that there are multiple of criteria regarding importance of the interpersonal relationship between the individuals of the agency and the client (Cagley & Roberts, 1984; Cagley, 1986; Na et al., 2003; Marshall & Na, 1994; Lichtenthal & Shani, 2000; West, 1997).
What was found in these researches was mainly a focus on the fact that there should be a “management chemistry” and “compatibility of agency and client personnel” (Cagley, 1986 p. 40). This became evident early on in the study. Multiple of the participants mentioned that there should be a sort of chemistry, where the relationship should in some way “click” or that they should be “talking the same language”. The reason for this, as was mentioned previously by Participant E, was that through personal communication a more efficient relationship evolves where results are optimised.

The efficiency, compatibility and the chemistry was suggested by the participants to come from the fact that they needed people from an agency that they could call “professional”. This point of view is supported by much theory, however not as highlighted as in this study where multiple of studies have explained this to be a quality companies seek in their advertising agency (Cagley, 1986; Na et al., 2003; Marshall & Na, 1994). Professionalism in this sense means that the agency should have the ability to both agree and disagree, while doing this in a mutually beneficial way. This is where the need of a “fresh” perspective and a “new set of eyes” comes in, since there should be someone challenging the ideas from the client. They should do this, while also adapting to the client and understand “how the client do things”. One could thus conclude that there is a conflict here and this balance between the both is what the participants refer to as being professional and to have a good personal chemistry.

One should therefore see this issue in the light that a well-established relationship with “straight forward” communication is enhancing the efficiency and thus the outcome. However, the conflict between adapting and challenging is something that could obstruct the efficiency of the work and the ability to handle, this is referred to as professionalism. At this point, what was also suggested by the participants is that here is where the discussion about short- and long-term relationships comes into play, where a short-term relationship have a more difficult time establishing this understanding. The long-term relationship however creates time to build upon the relationship between the client and agency, and thus making communication easier to understand and thus making communication more effective.

5.4.5 Proposed models based on the analysis

With the previous analysis in hand, one could see that there is a relationship between all of these aforementioned components. This has lead up to a point where the authors of the study proposes a couple of models, based on previous research within the study and their understanding from the conducted semi-structured interviews.

The agency-client relationship in the process and lifecycle

When looking at the agency-client relationship, it is evident through the analysis that the entities consisting in the agency-client relationship is of a personal character and that these characters are mainly highlighted in the end of the selection process and as well in the development and maintenance of the lifecycle. A decline in cooperation, trust or commitment is what then leads to the termination. The relationship between the process, agency-client lifecycle and agency-client relationship is depicted in figure 6.

As visualized in figure 6, the selection process, the agency client lifecycle and agency-client relationship are interlinked. The selection process consists of the search, alternative evaluation and the choice, as explained by Fill (2009) and West (1997). This choice occurs within the initial stage of the agency-client lifecycle (the pre-relationship). After the search and evaluation is finished, the client initiates the interpersonal connection with the agencies, meaning they meet each other. Here the agency-client relationship is initiated and aspects such as
personal chemistry start to affect the selection. Thereafter, depending on what agency is perceived as most suitable, the final selection is made, and an agreement is established. When this advertising selection process is finalized, the relationship continues within the agency-client lifecycle stages, into the development, maintenance, and if not orderly managed, to the termination phase. In which the relationship is terminated and pursuing a new selection process, hence, starting all over again.

Figure 6 - Proposed model over the agency-client relationship in relation with the process and lifecycle
The process and the Webster and Wind (1972) framework

While using the Webster & Wind (1972) framework and the discussed criteria while evaluation the selection of advertising agencies, one could see a clear relationship with the selection process suggested by Fill (2009) and West (1997). While compiling the theories, it is evident through our study that there is a relationship between the two theories through the dimension of time. The authors of this thesis suggest to relate the two theories in the sense where the beginning of the Webster and Wind (1972) model and the selection process relates in a way where the entities with widest macro perspective is what affects the most early on in the process, while the entities of the framework that is more of a micro perspective affect later on in the process. This is clearly evident when we look at the fact that the environmental factors affect the criteria set, before the problem of selecting a new agency is even made. Further it becomes clear that the organisational factors (such as size, type of agency etc.) are only evaluated by the clients before the brief is made. Likewise, it becomes evident that the group- and interpersonal factors are mainly evaluated ones the meetings and during the pitch (or alike). Down below is figure 7, explaining the relationship between the two theories.

![Proposed model over the process and the Webster and Wind (1972) framework](image)

Figure 7 – Proposed model over the process and the Webster and Wind (1972) framework.
Important criteria and the selection process

While comparing the important criteria found in this study and the selection process, one could firstly see that there are a couple of key criteria, based on the organization of the client, which affects the task size. In turn, this affect the competency demand which as discussed in the analysis could be found in different types of agencies, depending on what type of competency the client is after. If the client is looking for a niched agency, then they are going to choose a smaller and local agency. This whilst if the client have a task of large size and requires a broad set of competencies, all under one roof, and would thus require a larger agency, that is situated most likely in the larger cities. With this in hand, there is a selection made based on referencing, recommendations and previous experiences. This in order to create a set of alternatives of agencies for the next selection. This relationship between organization, task size, competency demand (with or niched competency), agency size, referencing, recommendations and experiences is visualised in the figure 8.

![Figure 8 - Proposed model over the important criteria and the selection process](image-url)
**Important criteria and the agency-client relationship**

As discussed in the analysis, the reason for there being a need of a, so called “personal chemistry”, is since the clients need the agency to adapt, while also be challenging. This means that they need an agency that have “fresh eyes” and a new perspective and can thus challenge the client, while still adapting to the client’s way of working and through this there is commitment and cooperation created. Further, through personnel competence, there of course must be a technical competence, but also a strategic competence (varying on the task size) and as well and understanding for the business/industry in order to create trust and commitment. If the dynamics of this relationship is working, this is thus what is considered as a good long-term agency-client relationship, which would then lead to an efficient and effective work. This relationship between personnel competency, personal chemistry and the agency-client relationship is visualised in the figure 9.

![Diagram of the agency-client relationship](image)

**Figure 9 - Proposed model over the important criteria and the agency-client relationship**
Combining the important criteria with the agency-client relationship, the selection process and the agency-client life cycle

When assembling all these proposed models, the authors propose a compiled model in which the agency-client relationship, agency-client lifecycle, selection process and important criteria (in the light if the Webster and Wind, 1972 framework) is combined.

Included in this model are the environmental factors, since according to Webster and Wind (1972), these factors always affecting the selection. Although, most importantly is the environmental factor recognized since development within this factor affect the utilization of advertising agencies, for instance the development of the technology requires clients to develop their online activities. Following, dependent on the client organization size, turnover, industry and so on, goals and objectives are specified. Here the client clarifies what they want to achieve with the support of an advertising agency. Dependent on the task at hand and its size, the client selects either a large agency (with a wide range of services) or a small agency (where the agency is more niched). Affecting in this decision is the geographical proximity, where the selection of a large agency put less emphasis on the locality, and a small agency put more emphasis on the locality. After this, the agency search is made, which include using past experiences, recommendations and references to get a set of alternatives of potential agencies. These are used to invoke trust in the decision. In this stage, the first selection is made, since the marketing/communication manager have to select what agencies he/she consider as an alternative and will initiate an personal interaction with (meaning an initial meeting). When the manager has selected a set of agencies, the client and agency meet each other, here the personal chemistry and quality of the people start to affect the final decision. This since there is a need of the decision maker to see how well the agency can adapt to the client organization, while still challenging them (relate to personal chemistry) and what their specific personal competencies are. Both of these, competency and personality, are vital in order for the client to start a relationship which is built on trust, commitment and cooperation, as suggested by Duhan and Sandvik, 2009.

Since, if the agency “click” and “talk the same language” with the client, the personal chemistry is high, which invoke trust, commitment and a willingness to cooperate. Additionally, if the agency is perceived to employ high quality people, the client is more likely to trust and commit to the cooperation with the agency. If the trust, commitment and cooperation is developed and established, there is great potential in the relationship of becoming successful and long-term, which makes the final decision. As theory suggest, these three components are vital for a successful long-term relationship, and therefore the agency with the best potential long-term relationship is selected. This combined model can be seen in figure 10.
Figure 10 - Proposed model over combining the important criteria with the agency-client relationship, the selection process and the agency-client life cycle.
6 Conclusion

In this section the research questions are presented again in order to fully answer them. What was discussed in the analysis is comprised, carried forward and then explained, where each research question is answered in a systematic manner.

As discovered by Cagley and Roberts (1984), Cagley (1986), Marshall & Na, (1994), Na et al., (2003), Lichtenthal and Shani (2000), and confirmed by this research, there are multiple criteria affecting the selection of an agency. However, little (if none) of previous research regarding the selection of advertising agencies have tried to link the different criteria affecting the selection of advertising agency to the selection process and agency-client lifecycle. What this research therefore set out to find out was to investigate and validate which criteria that is of importance (RQ1) and why and how they are of importance (RQ2).

**RQ 1: Which criteria are the most important for a decision-maker while selecting advertising agencies?**

One of the most discussed criteria during the interviews was the fact that there should be a personal chemistry and synergy between the individuals involved. Meaning that the client need the advertising agency to understand the client's way of doing things, while also challenging the client's perspective influential in the selection and adding an additional perspective.

Other important criteria that have been discussed during the interviews was the fact that in order for the clients to make a selection of agencies to choose from, one could see that it is very important with the right mind-set for agencies when it comes to the right competency and what they should deliver to the client, other than the actual product. Furthermore, to invoke trust, the participants explained that they must have come across some kind of referencing, experiencing or recommendations in order to see the agency as a potential selection.

In addition the geographic location and size of the agency was recurring as important criteria, however not in such extent that a clear pattern and understanding could be established.

**RQ 2: Why and how does the most important criteria influence the buying behaviour of decision makers while selecting advertising agencies?**

With the above analysis in hand, the authors could conclude that there is relationships and explanations of why some criteria exist, what function they play and how these functions work in the selection of advertising agencies.

**Personal chemistry** is important in that sense that it if the organizations understand each other, “talk the same language” and “click” the possibility of the relationship becoming successful is enhanced. Further, personal chemistry is of great importance since it develops a relationship in which the agency understand the client (their organization, industry, customers etc.), while being able to challenge them at the same time. If the agency has the ability to meet these requirements the relationship will prosper and develop a strong commitment, cooperation and trust, which in turn generate a long-term successful relationship.

It is important the agency distribute the “right” competence (mostly referred to as technical competence, strategic competence and client related competence) in order to fulfil the client need, which is associated with competence of the agency personnel. If the agency personnel dispose the required competence the relationship will invoke trust and commitment, which is vital in order continue the cooperation.
Competence could also work in an organisational level, where there is a preconceived idea of what type of competency an agency is associated with the agency and therefore affect the alternative selection.

In regards of referencing, experiencing and recommendations, it became evident that these were the most recurring ways of pre-select the advertising agencies. This since if the agency have good references and came up when the client “listen around” it indicate that the agency is good and trustworthy.

Furthermore, this study also found out that criteria could be explained differently dependent on stage in the process of selecting an agency. In the beginning of the agency selection process, there is a search for multiple alternatives of agencies, where a pre-set evaluation criteria are set, during which it was evident that competency demand, size of the task, referencing, recommendations and experiences where predominant criteria. Following this pre-selection process, another selection is made, the “alternative selection”, where the most predominant criteria are personal chemistry, professionalism, and competence. Hence, there are different selection criteria depending on what stage of the selection process the client is in, as well as relating the different criteria and the selection process to the agency-client lifecycle. Additionally, as one can see there is an affecting relationship, as suggested by the Webster and Wind (1972) framework, from the top of environmental factors to the bottom of individual factors.
7 Discussion

This part of the thesis will be discussing the study in general, while carrying forward the thought of contribution, both practically and academically. After this, there will be a short discussion about the limitations and potential shortcomings of this study. The discussion will then round off with proposals of future research.

This study has led to the researchers gaining a deeper knowledge within the field of advertising agency selection and has thus set out to research the buying behaviour of decision makers when it comes to the selection of advertising agencies. This was done through qualitative, semi-structured interviews with relevant people within this area, which the authors of this study would consider to be the real strength of the study, since it is very difficult to obtain these interviews. This research area is, as mentioned in the introduction, a well-established area, but however had multiple of gaps in which the authors identified both during a literature review and as well during the study. The findings of this study are claimed by the authors to be of good, overall quality and will thus be of good use both academically and practically.

7.1 Contributions

Because of the findings made in this study, regarding the underlying reasons of certain important evaluation criteria among decision makers while deciding upon and advertising agency, the authors would like to acknowledge certain contributions derived from the key aspects made in the analysis of the research.

The authors of this study argue that this research contribute to the academia with the regards of the discussion of the criteria while selecting advertising agencies. The literature consist of a large amount of suggested criteria marketing managers take into account when selecting advertising agency, this research contributes to additional suggestions of criteria, while also explaining the existence and mechanics of previous identified criteria. This contribution also have a practical implication, where it will give advertising agencies a good understanding of the most important criteria, how they work and why they exist, thus giving advertising agencies a tool to understand why it is important to focus on this particular criteria.

Moreover, this research contributes to the discussion of the selection process and when the criteria are important, and in that light also explain the existence of those criteria. This have both an academically and practical implication. The academic contribution proposes that the two established models of the selection process and the organisational buying behaviour (OBB) could be explained together and how each of them work in symbiosis in the dimension of time. This contributes as well practically where advertising agencies now knows when to focus on what criteria to satisfy the clients.

This study has practically contributed with an understanding on how the connection between important selection criteria and the agency life cycle could be explained. Understanding the reason for starting or declining a relationship is of importance for advertising agencies when designing an offer that should cater towards sustaining a long-term relationship.

7.2 Limitation

Even if the authors of this study argue that the research performance is of good quality, one have to recognize that there are limitations associated with all studies. This of course holds true for this study as well.
Fortunate for this study the participants very talkative and helpful in giving information. This however creates a limitation where there are created an incredible amount of excess data. This excess data was handled with care, through both listening to recordings, writing the transcripts, coding the transcripts and put into the results. Unfortunately, this does not take away the risk of some important data to be overlooked and therefore being left out for analysis.

Furthermore, one would also have to recognize that there is no way for the agency to account to all criteria making the retrieved information biased. There is always potential for the risk that there could be external factors making the interviewee biased. Examples of this would be that the person in question would for example be having a bad day or being stressed.

Also is there a limitation that the study was only carried out within the region of Småland, making the geographical aspect important consider. Results could for example be different when it comes to companies from other cities. The authors could imagine the aspect of having differences on locality, while discussing geographical proximity, where marketing managers from larger cities could be considering the local issue less important than companies from rural/semi-urban areas.

Another limitation of this study is that primarily it was set out to investigate the differences between governmental and private organizations as well. This however turned out to create too large of a study, making us investigate the governmental organisations with the lens as a general organization, instead of a specific governmental entity.

### 7.3 Suggestions for future research

The findings presented previously in results and analysis does not cover all the observations made during this study, which the authors of this study would therefore like to carry forward in order to look further into in the future.

The first suggestion that the authors would like to carry forward, is the fact that even if this study was lacking enough data to do any conclusions regarding governmental and municipal organisations, were there observations of significant differences worth mentioning and to investigate further. What was observed was that there is a much clearer structure of the selection, especially when it comes to the selection criteria and the structure of the buying centre and that the most prevalent criteria is price, as oppose to the other, private organization. This created a higher emphasis on price and this notion would therefore be interesting to look further in to.

Further suggestions worth taking a deeper look into, was the fact that more companies have created a clearly defined criteria of a digital competence, naturally created from the vastly increase of technological development. This development could therefore mean that both the technical and strategic competency required would change, compared to what was previously expected. What this does to the selection process, while having digital competence as a context, is worth investigating further.

As a last suggestion for future research, this study has additional findings regarding the discussion if the offerings of an advertising agency should be unbundled or bundled, as discussed by (Horsky, 2006). According to (Horsky, 2006), have the research regarding unbundling or bundling agencies been discussing whether to bundle the agencies services of an advertising agency (where all services are included within the agency, which is called full-range agency in this thesis), or to unbundle the service (which is called niched agency in this thesis). This study have explained that, more generally, is the smaller agencies expected to be
niched, while larger agencies are expected to have a broad set of competencies. This means that smaller agencies should therefore emphasise their offerings in what they are known to be good at and/or to meet a specific demand, while large agencies should put emphasis in their offerings of having a wide range of services, “all under one roof”. However, since this study did not set out to discuss this particular phenomenon, is it worth taking a deeper look into while discussing in more specific terms.
List of references


Smeltzer, L. R. & Ogden, J. A. (2002). Purchasing professionals’ perceived difference be-
tween purchasing materials and purchasing services, *Journal of supply chain management, 38*(4), 54-70.

Solidinfo.se, Retrieved May 10, 2015. (In order to keep the anonymity the direct webpage cannot be linked).


# Appendix 1 – List of criterias while selecting advertising agencies

<table>
<thead>
<tr>
<th>Article</th>
<th>List of proposed Attributes/Forces/Evaluation Criteria</th>
</tr>
</thead>
</table>
| Cagley & Roberts (1984); Cagley, (1986) | – Quality of people assigned to account  
– Complete agreement between the agency and client on goals and objective  
– Need for agency personnel to thoroughly learn the characteristics of the advertiser’s business  
– Reputation for integrity  
– Willingness of agency to make recommendations and to object to advertiser decisions when the agency perceives them to be wrong  
– Stability of agency  
– Creative and marketing philosophy  
– Cost consciousness of the agency  
– Tailoring of compensation plan to fit advertiser needs/desires  
– Ability of agency to buy media at favourable rates  
– Business management of the agency in handling and accounting – media buying and paying  
– Experience with advertisers that produce similar products  
– Size, range, and balance of agency’s accounts  
– Ability of agency to handle all marketing research for the client  
– Compatibility of agency and client personnel  
– Management chemistry/synergism  
– Quality of agency research and degree to which the agency integrates research with the agency creative and media  
– Extent of top management participation in client service  
– Marketing analysis and consultation  
– Full range of agency services  
– Sales promotion ideas and capability  
– Assistance in development of marketing plans  
– Billings growth and record of performance |
| Lichtenthal & Shani (2000) | Individual:  
– Client experience with an agency influences its chances to be selected in future The expertise of agency personnel affects agency selection  
– The trustworthiness of agency personnel affects agency selection  
– A favourable predisposition makes a client more receptive to marketing  
– communication from agency  
– Agency selection is based on the agency’s ability to develop programs that  
– meet the client’s needs |
Appendix

- By obtaining more information about the agency, client personnel reduce risk
- in agency selection
- A favourable predisposition helps a client to remember more marketing
- communication from the agency
- Client personnel involved have a constant need to be reassured
- An ongoing client-agency relationship leads to habitual reselection of that
- agency
- Risk reduction motivates clients more so than other factors to prefer one
- agency over another
- Client personnel are confident individuals
- Client personnel “hear what they want to hear” regardless of marketing
- communication from the agency
- In selecting an agency, client personnel, regardless of what they believe, act
- based on company expectations
- Client personnel change campaign objectives in order to reduce their individual professional risk
- Personal recognition motivates clients more so than other factors to prefer one
- agency over another
- Personal advancement motivates clients more so than other factors to prefer one agency over another
- In selecting an agency, client personnel regardless of company expectations act based on their own beliefs
- In order to reduce risk in agency selection, client personnel are loyal to an
- agency
- Personnel involved in agency selection formulate their preference independent of each other
- In order to minimize their risk in agency selection client personnel reduce their personal involvement
- Client personnel involved are able to tolerate

**Group:**

- There is a person who controls the flow of agency related information to other client personnel
- The opinion of the main negotiator for the client tends to align the expectations of others involved
- The person who initiated the process for agency selection can be easily identified
- Among client personnel involved one individual has ultimate decision authority to select an agency
- There is a person who sets the requirements of the campaign
Appendix

- There is an individual who negotiates the requirements of the campaign
- Internal bargaining is used by client personnel to resolve conflicts in selecting agencies
- There is an individual who negotiates but does not set the financial terms for the client
- Once the agency is selected, there is one person in the client firm who acts as liaison
- All those involved at the client firm, simultaneously listen to an agency presentation
- There is an individual who sets but does not negotiate the financial terms for the client
- There is an individual who develops a list of qualified agencies but does not participate in negotiation
- People involved in agency selection have roughly equal status in the formal organizational hierarchy

Organisational:

- Personnel involved from client departments are concerned with different aspects of the agency’s offering
- The client’s corporate marketing goals affect agency selection
- Those involved in agency selection are more loyal to their own department’s preferences
- The selection of an agency is centralized rather than decentralized in the client firm
- The client’s campaign objectives influence agency selection
- Client personnel involved engage in extensive information search about agencies
- The search for agencies is based on past experience with the process
- Formal authority is used by client personnel to resolve internal conflicts concerning agency selection
- The formal authority of those involved varies over the process of agency
- More than one agency is used in order to reduce uncertainty in agency selection
- Informal authority of those involved varies over the process of agency selection
- Coordination among client personnel involved is achieved through effective communication
- More than one person at the client firm has formal authority to decide on agency selection
- More than one agency is used in order to reduce the client’s risk
- Most client personnel involved are well informed about the issues concerning agency selection
- The interaction pattern among agency selection personnel is influenced by the procedures and paperwork followed
Appendix

- Client personnel use persuasion rather than authority to advance their preference for an agency
- Financial rewards based on formal evaluation of client personnel affects agency preference
- Non-financial rewards based on formal evaluation of client personnel affects agency preference
- Client personnel involved have latitude to deviate from company rules concerning agency selection
- Client personnel change campaign objectives during the agency selection process
- A client’s conflicting goals are resolved in the process of agency selection
- Manipulating client organizational factors is more effective than direct persuasion of their personnel

**Environmental:**

- Competitive intensity in client industry affects the extent of agency services used
- General availability of capital affects the extent of agency services used
- Client industry business practices and norms affect the extent of agency services used
- Changes in client industry technology affect the extent of agency services used
- Level of optimism or pessimism affects the extent of agency services used
- Expectations of price changes for agency services affects the extent of agency services used
- Changes in client industry technology affect the way clients select an agency
- A client’s preference for an agency is influenced by its proximity
- Govt economic activities affecting the client industry influence the extent of agency services used
- Govt regulatory activities affecting the client industry influence the extent of agency services used
- U.S. economic growth rate affects the extent of agency services used
- Client industry trade associations affect the extent of agency services used
- U.S. unemployment rate affects the extent of agency services used
- Firm’s ecological concerns affect agency selection
- Seasonal weather changes have an impact on agency

<table>
<thead>
<tr>
<th>Marshall &amp; Na (1994)</th>
<th>Quality of personnel on account</th>
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<tbody>
<tr>
<td></td>
<td>Interaction with client while developing creative strategy</td>
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<td></td>
<td>Cost-consciousness of agency</td>
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<tr>
<td>Na, Marshall &amp; Son (2003)</td>
<td>Complete agreement about goals/objectives</td>
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<td></td>
<td>Agency’s willingness to learn client’s business</td>
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<td></td>
<td>Reputation for integrity</td>
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<td>Creativity of agency and client personnel</td>
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### Appendix

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<td>- Management chemistry/synergy</td>
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<td>- Willingness of agency to make recommendations and object to advertiser's decisions</td>
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<tr>
<td>- Tailoring of cooperative plan to fit advertiser's needs/desires</td>
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<td>- Price of services</td>
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<td>- Business management of the agency</td>
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<tr>
<td>- Extent of management participation in client services</td>
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<td>- Marketing analysis and consultation</td>
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<td>- Full range of agency services</td>
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<td>- Sales promotion ideas and capability</td>
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<td>- Assistance with development of marketing plans</td>
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<td>- Personnel qualification</td>
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<td>- Experience with advertisers that produce similar products</td>
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<td>- Referral by satisfied clients</td>
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<tr>
<td>- Agency’s self-advertising</td>
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<td>- Personal solicitation</td>
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<tr>
<td>- Understanding the client’s needs</td>
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<tr>
<td>- Relationship and communication skills</td>
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<td>- Quality of people assigned to the account</td>
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<td>- Sharing of information</td>
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<td>- Trust</td>
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<td>- Cooperation</td>
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<td>- Willingness of the agency to adapt</td>
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<tr>
<td>- Understands our product/service</td>
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<tr>
<td>- Rapport with agency staff</td>
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<tr>
<td>- Professional agency’s formal presentation</td>
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<tr>
<td>- Agency’s advertisements display a creative flair</td>
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<td>- Direct contact with agency principals</td>
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<tr>
<td>- Display strong cost awareness</td>
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<tr>
<td>- Extensive resources and experience</td>
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<tr>
<td>- General reputation of agency</td>
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<tr>
<td>- Agency fits with current marketing strategy</td>
<td></td>
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<tr>
<td>- Agency offers media buying</td>
<td></td>
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<tr>
<td>- Proven track record in our market</td>
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<tr>
<td>- Agency suggests new marketing strategy</td>
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<tr>
<td>- Size of agency</td>
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<td>- Agency suggests research to the advertisements</td>
<td></td>
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<tr>
<td>- Agency offers design services</td>
<td></td>
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<tr>
<td>- Prior experience with agency</td>
<td></td>
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<tr>
<td>- Prior experience with an individual employee</td>
<td></td>
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<tr>
<td>- Agency offers direct marketing</td>
<td></td>
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<tr>
<td>- Part of an international group</td>
<td></td>
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<tr>
<td>- Good track record in creative awards</td>
<td></td>
<td></td>
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<tr>
<td>- Small, specialized agency</td>
<td></td>
<td></td>
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<tr>
<td>- Convenient location of agency</td>
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Appendix

<p>| |</p>
<table>
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<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>– Agency offers sales promotion</td>
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<tr>
<td>– Age of agency</td>
</tr>
<tr>
<td>– Agency offers public relations</td>
</tr>
</tbody>
</table>
Appendix 2 – Interview Questions

General Categorical
1) What type of company are you?
   a) Location?
   b) Size, turnover?
   c) Industry?
2) What is your role at the company?
3) What type of help to you purchase from advertising agencies?

Agency-Client Relationship
4) What is your relationship with your advertising agency? What role does your advertising agency play? Is the relationship for the long-term or short-term? Does the choice of advertising agency differ between the amount of time and money invested?
5) What is your most occurring advertising service purchase?
6) Do you look an agency that is in a certain size or stage? Is it necessary to be in the same stage as you are in development (reminds you of your own organization), or do you look for a more established firm (with experience and their way of doing things)?
7) What is important in your relationship with the agency?
   a) Personal contact? Performance?
   b) Does the importance of a relationship vary if the long-short/short-term varies?

The Life Cycle (What makes the relationship decline?)
8) What would make you end a relationship with your agency?
9) To what extent are you considering the switching cost?

Agency Change
10) Are there certain situations when you purchase less services then before? Examples?
11) When selecting an agency, did you utilize the provided guidelines or consultation? (Ex. KOMM)

Process of Agency Selection
12) When you purchase an advertising service, what does it look like, from problem to solving (Pitch? Brief?)

OBB & Selection Criteria
13) Generally, what is you initial though of what you look for in an agency? Do you have certain parameters you work after, or is it your gut feeling?

14) If you were to select the most important criterion in you selection of agency? If you were to describe the most ultimate agency, what would it look like?
   a) Why those?
   b) Does your choice of agency vary between tasks?
      i) Print, Webb, Strategy, Brand etc.?

Environmental
15) Could you see that there are any environmental factors constraining you of your choice?
   a) Legal
   b) Political
   c) Macro-economic etc.?
   d) Stakeholders? Etc.?

Organizational
16) Are there norms/policies/rules affecting your choice of agency selection? (CSR, Size?)
Appendix

a) If so, how do you work to meet these guidelines?
17) What is your thought on price? Cheap is good value or expensive is good quality?
18) Does the selection criterion vary between the people in the business centre?
19) Do you have in-house activities affecting your choice of advertising agencies?

Social (interpersonal)
20) Is there different decision makers involved in the process? Could the criteria change between the different decision makers involved? How do you solve these conflicts?
21) What does the relationship look like between the decision groups? What is this relationship preferred to be like?

Individual
22) What is your personal opinion about agency selection?

23) If you were to give another agency service buyer and could give him/her advice, what would it be?
   a) why?
### Appendix 3 – Frequency table of the criteria mentioned

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Frequency of participants mentioning a particular criteria</th>
</tr>
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<tbody>
<tr>
<td><strong>Interpersonal relationship</strong></td>
<td></td>
</tr>
<tr>
<td>Compatibility between the agency and client personnel (Personal chemistry) (Cagley, 1986)</td>
<td>9</td>
</tr>
<tr>
<td>Willingness to recommend/object (Na et al., 2003)</td>
<td>7</td>
</tr>
<tr>
<td>Willingness to adapt to the client (West, 1997)</td>
<td>6</td>
</tr>
<tr>
<td>Chemistry leads to efficiency and result</td>
<td>4</td>
</tr>
<tr>
<td>Sharing of Information (Transparency) (West, 1997)</td>
<td>3</td>
</tr>
<tr>
<td>Chemistry to a comfortable working environment</td>
<td>2</td>
</tr>
<tr>
<td><strong>Competency</strong></td>
<td></td>
</tr>
<tr>
<td>Wide range of service offered (Na et al., 2003)</td>
<td>6</td>
</tr>
<tr>
<td>Understands the product/service; Learn clients business (Marshall &amp; Na, 1994; Semenik &amp; Tao, 1994)</td>
<td>6</td>
</tr>
<tr>
<td>Need of digital competence</td>
<td>6</td>
</tr>
<tr>
<td>Small, specialized agency (Semenik &amp; Tao, 1993)</td>
<td>4</td>
</tr>
<tr>
<td>Conceptual/Strategic competence</td>
<td>4</td>
</tr>
<tr>
<td>Agency experience with similar clients (Na et al., 2003)/ experience within same industry</td>
<td>4</td>
</tr>
<tr>
<td>Quality of personnel assigned to the account (West, 1997)</td>
<td>3</td>
</tr>
<tr>
<td>Competency client/advertising incongruence</td>
<td>3</td>
</tr>
<tr>
<td>Incongruence between agency/client in understanding competency</td>
<td>3</td>
</tr>
<tr>
<td><strong>Reference, recommendations and experiences</strong></td>
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<tr>
<td>Observed past experience of agency from previous successful projects (Passive)</td>
<td>6</td>
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<tr>
<td>General reputation of agency (Semenik &amp; Tao, 1993) Recommendations from the network/acquainted (Actively seeking)</td>
<td>5</td>
</tr>
<tr>
<td>Referral from satisfied clients, (Na et al., 2003) (Actively seeking)</td>
<td>3</td>
</tr>
<tr>
<td>Call from agency that would lead to meeting</td>
<td>3</td>
</tr>
<tr>
<td>Previous direct experience of agency from previous successful projects</td>
<td>2</td>
</tr>
<tr>
<td><strong>Size of the agency (Semenik &amp; Tao, 1994)</strong></td>
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</table>
### Related large size to range of competency (See above)

<table>
<thead>
<tr>
<th>Reason</th>
<th>Rank</th>
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### Smaller preferred of reason regarding interpersonal relations

<table>
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<th>Reason</th>
<th>Rank</th>
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### Smaller preferred of reason regarding efficient reasons (few number of people in the process)

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<th>Reason</th>
<th>Rank</th>
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### Small, specialized agency (Semenik & Tao, 1993) (Taken from above regarding competencies)

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<thead>
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<th>Reason</th>
<th>Rank</th>
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### Balance of agency’s account (Cagley, 1986)

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<th>Rank</th>
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### Large sized agencies cost more

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<th>Rank</th>
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### Geographical Proximity (Lichtenthal & Shani, 2000)

<table>
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<th>Rank</th>
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<td>Using large city agencies</td>
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<tr>
<td>Using local agencies</td>
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