

**THE ADVERTISER'S PERSPECTIVE ON
ADVERTISING AGENCY-CLIENT RELATIONSHIPS:
A SURVEY OF LEADING ADVERTISERS IN TURKEY**

TANSES YASEMİN GÜLSOY

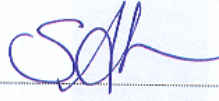
Submitted to the Graduate School of Social Sciences
in partial fulfillment of the requirements for the degree of
Doctor of Philosophy
in
Contemporary Management

IŞIK UNIVERSITY

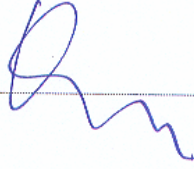
2006

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Prof.Dr.Sedef AKGÜNGÖR
Supervisor



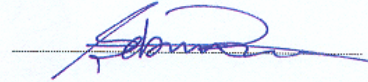
Prof.Dr.Toker DERELİ



Prof.Dr.Metin ÇAKICI



Prof.Dr.Selime SEZGİN



Assoc.Prof.Şebnem BURNAZ

**THE ADVERTISER'S PERSPECTIVE ON ADVERTISING AGENCY-
CLIENT RELATIONSHIPS:
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Abstract

This dissertation focuses on the relationship between advertisers and their advertising agencies, in an effort to understand what drives advertiser's satisfaction in this relationship which can have considerable impact on the business success of both parties. The research develops a model of relationship satisfaction positioned within the conceptual framework of Wackman, Salmon & Salmon (1986/87). This conceptual framework has been extended with additional variables to account for the complexities of the agency-client relationship in the Turkish advertising industry today.

A survey of Turkey's largest advertisers was conducted, using the face-to-face interview method. Factor analysis and regression analysis (of factor-scores) were then used to test the proposed framework.

All of the dimensions of the model were found to significantly influence the advertiser's satisfaction with the agency. The results suggest that advertisers principally value the agency's creativity and the relationship with the agency. Compatibility, agency's cost-consciousness, service breadth, leadership capability, and perceived contribution to advertiser's sales, market share, and brand targets were also found to be important for satisfaction. Other significant predictors are people-related attributes, strategic input, trust, cooperativeness, and prestige and full-service capability.

The empirical findings are consistent with the theory and confirm the importance of relationship attributes in advertiser's satisfaction. None of the control variables was found to be significantly associated with satisfaction.

The findings contribute to research concerning relationship marketing and have managerial implications.

**REKLAMVERENİN PERSPEKTİFİNDEN REKLAM AJANSI-
REKLAMVEREN İLİŞKİLERİ:
TÜRKİYE’NİN EN BÜYÜK REKLAMVERENLERİYLE ANKET**

Özet

Bu tez çalışması, Türkiye’nin en büyük reklamverenlerinin reklam ajanslarıyla ilişkilerini incelemektedir. Bu ilişkinin başarısı, her iki firmanın iş sonuçlarına ciddi katkılarda bulunduğu için incelenmesi önem taşımaktadır.

Bu amaçla, reklamverene odaklanarak, Wackman, Salmon ve Salmon (1986/87) modeli çerçevesinde bir memnunluk modeli geliştirilmiş ve günümüz Türk reklam sektöründeki ajans-müşteri ilişkisinin karmaşık yapısını yansıtabilmesi amacıyla modele yeni değişkenler eklenmiştir.

Veriler, Türkiye’nin en büyük reklamveren firmalarındaki yöneticilere yüz yüze anket yöntemi uygulanması yoluyla toplanmıştır. Önerilen model, faktör analizi ve bunu izleyen çoklu regresyon analizi yoluyla sınanmıştır.

Modelin bütün boyutlarının, reklamveren memnuniyetini etkilediği görülmüştür. Araştırmanın sonuçları, reklamverenlerin en önem verdiği faktörlerin, ajansın yaratıcılığı ve ajansla ilişkilerin niteliği olduğunu ortaya koymuştur. Ayrıca, memnunluğu önemli derecede etkileyen faktörler arasında, ajansın reklamveren firmayla ilişkilerdeki uyumluluğu, maliyette gösterdiği titizlik, hizmet yelpazesinin genişliği, reklamvereni yönlendirebilme gücü ve reklamverenin satışlarına, pazar payına ve marka hedeflerine yaptığı düşünülen katkı sayılabilir. Ajans çalışanlarının nitelikleri ve kişiler arası ilişkilerden memnunluk, ajansın reklamverenin pazarlama planlarına stratejik katkısı, reklamverende uyandırdığı güven ve işbirliği duyguları, itibarı ve tam hizmet niteliği de reklamveren memnuniyetini etkilediği belirlenen diğer etmenlerdir.

Görgül bulgular kurama uygundur ve reklamveren memnuniyetinde ajansın yaratıcılığı kadar ilişkisel etmenlerin de rol oynadığını kanıtlamaktadır. Kontrol değişkenleriyle reklamveren memnuniyeti arasında önemli bir ilişki görülmemiştir.

Sonuçlar, ilişkisel pazarlama araştırmalarına bir katkı niteliğindedir. Elde edilen bulgulardan yola çıkılarak, reklam ajansı-reklamveren ilişkisinin iyileştirilmesi için gerek reklam ajanslarına, gerekse reklamverenlere birtakım önerilerde bulunulmuştur.

Acknowledgements

There are many people who helped to bring about this dissertation. First and foremost, I thank Professor Sedef Akgüngör of Dokuz Eylül University, my dissertation supervisor, academic advisor, and dear friend. Having the opportunity to work with her over the years was an intellectually rewarding experience. I also thank the members of my dissertation committee, Professor Toker Dereli, Professor Murat Ferman, and Professor Metin Çakıcı, all three of Işık University, who contributed much to the development of this research starting from the early stages. I thank Professor Ahmet Niyazi Koç of Işık University and Associate Professor Şebnem Burnaz of Istanbul Technical University for their insightful comments and suggestions on the early drafts of my survey questionnaire. Special thanks go to Professor Yavuz Odabaşı of Eskişehir Anadolu University for sending me helpful resource material as well as for offering precious guidance in the early stages of this research.

I would like to offer special thanks to the respondents of my survey, who took time off from their busy schedules to fill out my questionnaire and share with me their valuable opinions during our interviews, each of which was a goldmine of information and insight. Without the kind participation of these fine professionals, this dissertation could not have come into being. I owe each and every one of them a debt of gratitude. I am also grateful to the Vice President of the Advertisers Association Ms. Dilek Erkey, of Unilever, for her prescient guidance at the incipient stages of this research.

This list of thanks would not be complete without the following individuals, who contributed by reviewing early drafts of my questionnaire, making useful comments, suggesting respondents or providing data sources: My thanks go to the General

Secretary of the Advertisers Association Ms. Deniz Güven, of Dođuř Holding; Ms. Ayřegöl Molu and Ms. Fisun Bargu Soner of the Advertising Foundation of Turkey (Reklamcılık Vakfı); Mr. Çetin Zıylan of the Advertising Association of Turkey (Reklamcılar Derneđi); Assistant Professor Dođan Yıldız of Yıldız Technical University; Mr. Nejat Selkan, Mr. Bora Esenli, Mr. Fikret Yıldırıcı, and Mr. Kemal Birol of Tamek Gıda ve Konsantre San. ve Tic. A.ř.; Mr. Hayri Cem of Bileřim Medya; Ms. Pelin Özkan of the *MediaCat*; Ms. Sara Stein of the US Association of National Advertisers; and my family's dear friend, Ms. Jülide Urgancı.

The final thanks go to my family. I thank my parents Tuna and Turgut Gülsoy and my brother Taner Niyazi Gülsoy, who have solidly stood behind me in this difficult as well as immensely gratifying endeavor. This dissertation is a tribute to their unfailing support, patience, and love. Teřekkür ederim.

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CHAPTER 1

INTRODUCTION

The relationship between the advertising agency and the advertiser may be one of the most illuminating in terms of the insights it offers into the nature of business-to-business relationships. Judging by press reports, the agency-client relationship may also be one of the most interest-arousing, with its formation, dissolution or even its problems making headlines all the time. As advertising is a key element of marketing, selecting an advertising agency as well as choosing to maintain the ongoing relationship with the incumbent agency is a key marketing decision, and much rides on the successful outcome of this relationship for both the advertiser and the agency. For the advertiser, a successful agency relationship may mean increased market share and a stronger image for its brands. A breakup, on the other hand, may cause disruption of the advertising campaigns, undermine the hard-won position of the brands, and even result in a score for the advertiser's competition. There is even some empirical evidence that suggests firing an agency or switching agencies results in stock price decline for the advertiser (Hozier & Schatzberg, 2000; Kulkarni et al., 2003; Mathur & Mathur, 1996). The consequences of an agency-client relationship gone wrong may be even more serious for the agency. The loss of an account may mean not only lost income, but depending on the circumstances, diminished prestige, personnel losses, and in some cases, demise of the agency. Studying the dynamics of the agency-client relationship with a focus on what creates the advertiser's satisfaction / dissatisfaction with the agency may offer insights into the prevention of such a costly outcome as well as implications for business-to-business relationships in other contexts.

Apart from the sparing of the costs associated with breakups, long-term business relationships provide many potential benefits for advertising agencies and their clients. It is generally less costly for a firm to maintain and develop an existing client relationship than to attract a new client (Grönroos, 1990, as cited in Halinen, 1997). For the advertiser, a long-term relationship may become a competitive advantage based on the agency's understanding of its business and markets. For the advertising agency, the long-term relationship may also create a competitive advantage by turning the agency into a hard-to-replace relationship-specific asset for the advertiser. An examination of what drives advertiser's satisfaction with the agency is therefore interesting from a theoretical point of view. For practitioners, a deeper understanding of the factors of satisfaction and dissatisfaction in the relationship may help improve current relationships as well as avoid relationship deterioration. In this study, these issues are addressed within the context of Turkey's advertising industry.

1.1 Background: The Context of Advertiser-Agency Relationships in Turkey

Advertising agency-client relationships are played out against a backdrop of legal regulations, institutional norms, macroeconomic conditions, and historical precedents. In order to provide a better understanding of agency-client relationships in Turkey, it is necessary to offer a brief explanation of this background, starting with the definition of an advertising agency.

An advertising agency is an independent service organization that contracts with advertisers to manage their advertising (Imber & Toffler, 1987: 12). According to Turkey's Association of Advertising Agencies, there are around 100 established advertising agencies in Turkey, with the capability to prepare communications strategy, develop creative ideas and designs, and provide creative executions (Reklamcılar Derneği, 2006a). The earliest advertising agents on Turkish lands emerged around the turn of the 20th century.¹ From then to the present, several milestones can be identified in the development of Turkish advertising: the beginning of radio broadcasting (1927); beginning of cinema advertising (1940s); the opening

¹ A business directory published in 1912, *Annuaire Oriental*, listed at least six advertising agents (Koloğlu, 1999: 171).

up of the first - and at the time only - television channel (Turkish Radio Television) to advertising (1972), the establishment of the advertising industry's first association (Turkey Chapter of the International Advertising Association, 1972), formation of the first foreign affiliations of Turkish advertising agencies (1980s), establishment of the first private television (1990), and the establishment of a new legal framework (1990s).

Today the Turkish advertising industry is a 2.22 billion dollar industry (2.997 billion YTL – or new Turkish liras – in 2005). This figure includes both advertising spend in measurable media (i.e., national television stations, national magazines and newspapers, national and some regional radios, cinemas and outdoor) as well as advertising production expenditures, print material expenditures, advertising agency commissions, and nonmeasurable advertising income of local media (Reklamcılar Derneği, 2006a). This advertising spend goes mostly to TV and newspapers, which accounted for 64% of the total amount of money spent on advertising in 2005 (ibid.). (For a brief overview of the ad industry, please see Appendix A.)

The Turkish advertising industry is not big by national standards. Its contribution to the total GDP is less than 1% (around 0.61% in 2005). In developed countries, the ratio of adspend to GDP is about 1% (Waterson, 1992 as cited in O'Donovan et al., 2000: 317). Measured by the total amount of adspend, the Turkish advertising market ranked 36th among the world's largest advertising markets in 2000; and measured by adspend per capita (US\$15.9), it was ranked 61st (World Advertising Research Center, 2002). However, the Turkish advertising industry has been one of the first to adopt the standards of the General Agreement on Tariffs and Trade. As one industry observer has put it: "Today very few industries can claim to have reached Western standards. The [Turkish] advertising industry is one of those rare industries that can hold its own with the West" (Özkan, 2004: 9).

Yet, the Turkish advertising industry may also be one of the country's most fragile industries, bearing the brunt of economic downturns. Over the past twenty years for which media advertising expenditure data is available, the fluctuations of media adspend can be traced year by year. (Please see the figure below.)

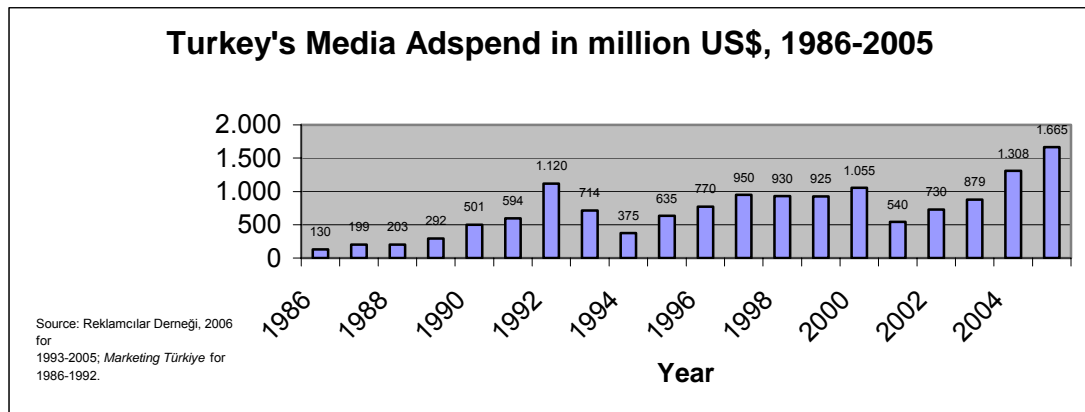


Figure 1.1-1: Turkey's Media Adspend by Year, 1986-2005

Over the 20-year span between 1986 and 2005, the industry has averaged a year-on-year growth rate of 21.17%. The economic downturns that Turkey experienced in 1994 and 2001 are reflected by the contraction of the industry in those years. In the lowest downturn experienced over the past 20 years, the industry advertising expenditure in measurable media reduced nearly by half in 2001, from \$1.06 billion in 2000 to \$540 million. There are signs of a rebound, however: In 2005 industry adspend in measurable media reached one-and-one-half times the size of 2000, the year before the general economic crisis (a growth of 57.82%).

The industries that accounted in 2004 for the biggest advertising spending in television and print are given in Table A.2 in Appendix A. On television, the biggest spenders were telecommunications/GSM operators, newspapers, and manufacturers of beverages/ nonalcoholic drinks. In print, tourism companies, again telecommunications/GSM operators, and radio and TV stations were the biggest spenders.

In the preceding section a brief overview of the historical development and the present state of the advertising industry has been provided against which the present study on the agency-client relationships can be read.

1.2 Existing Empirical Evidence on Agency-Client Relationships in Turkey

Advertising agency-client relationships in Turkey is an area of relatively scarce research. The two main academic studies belong to Odabaşı (1992) and Koç, Toduk-Akiş & Alakavuk (1993). Both of these studies examined satisfaction / dissatisfaction factors in the agency-client relationship, both were carried out in 1991, and both used the Wackman, Salmon & Salmon (1986/87) model. Wackman et al. propose that the agency-client relationship is composed of several stages that resemble the product life cycle.²

The Odabaşı study (1992) focused on Turkey's top advertisers of 1990. The 21-item questionnaire employed in the study used 17 of the Wackman et al. (1986/87) items (with the exception of one) and Verbeke's (1988/89) additional three items. Among a sample of 93, this study factor-analyzed the agency attributes to determine which attributes belonged together. The principal component analysis revealed six factors, which together explained 71.1% of the variance in the data. These were: service expertise (which included the variables of media planning, advertising research, marketing research, full-service capability, leadership, and personnel experience); managerial efficiency (which included the agency's ability to keep to the advertiser's strategy, agency's approval efficiency, responsiveness, clear delineation of responsibility among agency personnel, and meeting productivity/efficiency); service and service creation (creativity, ease of access to account executives, relations with the account and creative people); planning (the agency's ability to keep to deadlines and budget constraints); low agency turnover; and agency's price. Odabaşı (1992) also examined the effect of the length of the agency-client relationship on advertisers' satisfaction and found that advertisers who had been with their agencies at least five years or longer reported greater satisfaction both with the agency overall and with several specific attributes including the quality of the agency's creative work.

² As this model forms the conceptual framework of the present study as well, it will be explained in detail in Chapter 3.

The Odabaşı study (1992) formed the basis of a later study by Kaynak, Küçükemiroğlu, and Odabaşı (1994), where the same data was examined for possible effects of industry, client's advertising expenditure, years of association with the agency, respondent's position in the client company, and respondent's education level and age. Advertisers in durable products, computers, and automobiles were found to be more satisfied with their agencies than petrochemical products companies, health/grocery/cosmetics (FMCG) companies or banks/insurance companies regarding various aspects of agency service such as timing, clarity of assignments, and personal relations with the account people. Longer agency-client relationships were associated with higher client satisfaction, as was higher adspend of over 3 billion dollars (though satisfaction level slightly decreased above 7 billion dollars). Higher educational level was also related to higher satisfaction with the agency. In addition, following the factor analysis, a regression analysis of factor-scores was performed to determine which of the satisfaction dimensions were significant in predicting advertiser's satisfaction, and the factor that incorporated the service behavior variables of efficiency, adaptability and full-service capability turned out to be the most important predictor of agency satisfaction. Next came the "friendliness" (relationship) factor (an R^2 square of 0.84 was achieved, with all factor coefficients revealed to be significant).

The Koç et al. study (1993) investigated both advertisers and agencies for their satisfaction with various aspects of their relationship. They used a 37-item questionnaire with the advertisers and a 24-item questionnaire with the agencies to determine the importance of various evaluative criteria proposed to impact on satisfaction; the questionnaires incorporated several Wackman et al. (1986/87) and Verbeke (1988/89) items. For the advertisers, the most important attributes were the agency's keeping to deadlines, agency creativity, agency's ability to react quickly, and the efficiency of the agency approval process. For the agencies, on the other hand, the most important attributes for relationship satisfaction were advertisers' having a specific marketing and promotional policy, the existence of trust and respect between advertiser and agency, the agency's keeping to deadlines, and the efficiency of the advertiser's approval process. Agencies gave the least importance to the flexibility of the advertiser's budget, agency's ability to provide marketing research, the experience of advertiser personnel, and formalization of the advertiser company.

For advertisers, agency's capability in media buying, consulting, marketing, and sales promotion, agency formalization, and personal friendship with the agency's top management were the least important attributes.

The Koç et al. study (1993) also explored the criteria for selecting an ad agency and the reasons for switching agencies. Carried out among advertisers only, this part of the investigation revealed the most important criterion in agency selection to be creativity, followed by qualified personnel and full-service capability. In line with research in other countries, Turkish advertisers reported dissatisfaction with the work product as the primary cause for ending their former agency relationship.

The findings of the above studies provide empirical evidence that relationship aspects and agency service behaviors form an important factor in advertiser's satisfaction with the advertising agency. It should be noted, however, that the two studies differ from each other in several respects. For example, the Koç et al. study (1993) used 4-level importance ratings while the Odabaşı (1992) study used 5-level satisfaction ratings. Another notable difference is associated with the analytical methods used in the two studies. While the Odabaşı (1992) research and its supplementary study (Kaynak et al., 1994) conduct a factor analysis of the independent variables of satisfaction followed by a regression analysis, the Koç et al. (1993) research explores a greater variety of aspects in the agency-client relationship without similar analyses. As a result, although both studies make important contributions to our understanding of agency-client relationships, it is difficult to compare their quantitative findings.

The present research tested the Wackman et al. (1986/87) model with an extensive questionnaire that was aimed at addressing all of the variables included in the model plus some additional variables proposed to account for the developments in agency-client relationships in the intervening 20 years. These additional variables proposed for inclusion in the model of advertiser satisfaction have been drawn from agency-client relationship studies that have emerged in the interim. Furthermore, as the Turkish studies outlined above were carried out in 1991, a lapse of 15 years exists between them and the present study. Therefore, a revisiting of the agency-client relationship may reveal the nature and direction of the changes in the Turkish market

as well as uncover a fuller picture of the agency-client relationship. This was the major objective of the research. Several other objectives were also sought as listed in Section 1.3.

Below is a presentation of a summary of the studies in the Turkish context:

Table 1-1: Literature review of advertising agency-client relationships in Turkey

Literature Review of Agency-Client Relationships in Turkey				
	Year	Purpose	Data collection method	Analysis method
Odabaşı	1992	Discover the dimensions of agency-client relationships	Mail survey (21 satisfaction-related items, incl. overall satisfaction)	Factor analysis
Koç, Toduk-Akiş & Alakavuk	1993	Discover the dimensions of agency-client relationships	Mail survey (38 satisfaction-related items regarding advertisers; 25 satisfaction-related items regarding agencies, both sets incl. overall satisfaction)	Frequency analysis
Kaynak, Küçükemiroğlu & Odabaşı	1994	Discover the dimensions of agency-client relationships	Mail survey data collected by Odabaşı (1992).	Factor analysis, multiple regression

Two studies focusing on various aspects of the relationship - advertising appropriation methods by Kurtuluş (1973) and advertising agency selection by Onurlu (1983) - have also been located. Within this body of academic research, a master's thesis should also be included (Güler, 1992).

1.3 Research Objectives

This study concentrates on the relatively neglected research area of advertising agency-client relationships in Turkey. The objective of this study is to test in the Turkish advertising context an extended theoretical model based on Wackman, Salmon & Salmon (1986/87) that includes the major components and variables that should be taken into account in trying to understand the advertiser's satisfaction with the advertising agency. The specific problem that will be addressed is investigation of the dimensions of the advertiser's satisfaction with one of its advertising agencies

(the principal agency). Hence, the key research question is: “What are the underlying reasons that determine advertisers’ satisfaction with their advertising agencies?” An additional consideration will be determining whether any other factors outside of the agency’s control impact upon advertiser’s satisfaction. Also, this study will explore what advertisers look for when selecting an agency, what causes them to terminate relations with an agency, and what they prize when evaluating their incumbent agency.

The study aims to fulfill the research objectives cited above by extending Wackman et al. (1986/87) through the addition of new dimensions and new items to account for the variables specified in the model. The objectives of this research are to determine the independent variables that contribute to the advertiser’s satisfaction and to find out whether any control variables affect the dependent variable of advertiser’s agency satisfaction.

For the purposes of this investigation a survey with Turkey’s leading advertisers has been conducted. Details of data collection will be presented in Chapter 4.

1.4 Outline of the Study

The second chapter of the dissertation provides a literature review based on a framework constructed to categorize the theoretical and empirical studies conducted on advertising agency-client relationships as well as related subjects.

The third chapter presents the conceptual model, defines the variables and states the hypotheses. The fourth chapter presents the data collection procedures, operationalization of the variables, and the statistical analysis procedures.

The fifth chapter is about the findings obtained from a survey of Turkey’s leading advertisers. Statistical results will be discussed in this chapter. Finally, in the sixth chapter, conclusions will be drawn from the findings obtained. This chapter also includes a discussion of the implications of the study, its limitations, and directions for future research.

CHAPTER 2

LITERATURE REVIEW

2.1 *Emergence of the Agency-Client Relationship in Advertising Literature*

The first books on advertising appeared before 1900; the growth of the literature on advertising, however, is dated to begin after 1903 (Bartels, 1976: 35), and by the 1930s some of these books began including discussions on the relationship between the client and its advertising agency (ibid.). The first of these were probably Hotchkiss (1933) and Haase et al. (1934), as noted by Waller (2004). Bartels (1976) suggests that Hotchkiss's 1933 book *An Outline of Advertising: Its Philosophy, Science, Art, and Strategy* dealt with, among other topics, the advertising department and the agency (p. 41). The book by Haase, Lockley and Diggess that appeared a year later, in 1934, dealt specifically with the compensation of the advertising agency as suggested by its title: *Advertising Agency Compensation in Theory, Law, and Practice*. One of the first comprehensive books on advertising, *Advertising Procedure* by Otto Kleppner, which, appearing in 1925, would serve as a textbook for decades, included a few paragraphs on the relationship between the agency and advertiser in its 1950 edition³: These referred to the importance of reaching an agreement on payment before work started (presumably given as a warning to the advertising agency) (p. 649), the confidential nature of the agency/client relationship

³ The 1950 edition was the earliest edition that could be located. This book is still published under the title *Kleppner's Advertising Procedure*, with its latest edition appearing in 2004. It should be mentioned that even in later editions, such as the 1990 edition, the agency-client relationship is treated only in relation to account conflicts and with respect to watershed events that established the legal basis of the relationship (Russell & Lane, 1990: 105, 106, 114.)

that made handling of competing accounts inadvisable for the agency (p. 651), and the criteria on the basis of which an advertising agency should be selected (p. 652).

The first books focusing on the advertising agency *per se*, as opposed to advertising, seem to have appeared in the early 1950s. A 1952 book called *Advertising Agency Practice* has a chapter devoted to agency-client relationships alongside agency-media relationships (Graham, 1952: 73-88). This chapter opens with the to-the-point observation: “Since the agency is primarily a service organization with no physical goods to sell, the relationships established between agency ... and client ... are of utmost importance” (p. 73). Although the majority of the chapter deals with the agency’s relationship with the client as opposed to that with the media, the agency-client relationship is still not seen at this point as warranting a full chapter. A 1958 book called *Advertising Agency Success* (by Groesbeck) lists for suggested reading two books on the management of advertising agencies: the above-mentioned *Advertising Agency Practice* by Irvin Graham (1952) and *Advertising Agency Operations and Management* by Roger Barton (1955) (Groesbeck, 1958: 254). It is in books focusing on the advertising agency that the agency-client relationship finally begins to be treated in its own right: Groesbeck has several chapters devoted to the management of the relationship with the advertiser: “The Care and Feeding of Clients,” “How We Look To Advertisers,” and “New Business – The Agency’s Life Blood.” The book brims with advice on how to treat clients so as to have mutually satisfying relationships with them; however, as yet, the agency-client relationship is not deemed worthy of mentioning as a topic in the book’s index.

Another 1958 book focusing on the advertising industry, *Madison Avenue, U.S.A.*, also discusses the advertising agency-client relationship (Mayer, 1958: 27-28). This journalistic account devotes only a few pages to the topic of agency-client relationships, but in those few pages accurately captures the insecurity of the relationship: “Commercially, advertising is a business in which there are no fixed relationships,” writes Mayer (p. 27). “The ties between advertiser and agency are personal and often insecure (some agencies still do not have written contracts with their clients, and most of the others rely on a single page which describes merely the bare bones of the relationship).” The author enumerates the many reasons that may cause this relationship to break up: “Death or departure of key people, mistakes in

advertisements or in client contact, changes in client policy or simply this desire to find ‘a fresh approach’ cost most advertising agencies several important accounts every year” (ibid., p. 28).

The early empirical studies on the subject, which began appearing in the 1960s, seem to have focused on the problems between advertising agencies and their clients. These articles made frequent reference to the trade press, which apparently reported from the front page one agency-client breakup after another. The titles of these academic articles are as alarming as those in the trade press that they refer to. A 1964 paper in the *Journal of Marketing* is titled: “How Stable are Advertiser-Advertising Agency Relationships?” (Twedt, 1964: 83). A 1967 paper in the *Harvard Business Review* opens by asking: “Why is there so often trouble between companies and their advertising agencies?” (Ryan & Colley, 1967: 66). More than a decade later, the titles had not changed in ominousness: “Signals of Vulnerability in Agency-Client Relations” read the title of a paper that became one of the foundations on which subsequent research on agency-client relationships would build (Doyle et al., 1980: 18).⁴ The following two decades, however, saw a rise in interest in the subject; and empirical studies by both academics and industry institutions (such as the Association of National Advertisers in the US and the Incorporated Society of British Advertisers in the UK) flourished. By 1996 there could be mention of the development of an “interesting, diverse and relevant body of literature on the agency-client relationship” (West & Paliwoda, 1996: 22).

This diverse body of literature is nourished by several theories and streams of research. The theoretical foundation of advertising agency-client relationship literature lies in agency theory (Waller, 2004); however, the majority of studies on the advertising agency-client relationship subscribes to relationship marketing theory. The topic also forms the subject of the literature on services marketing and organizational buying. In the following section the main streams of research are presented.

⁴ Neither had the portentousness of the titles of trade press articles changed: “Client-Agency Relationships Satisfactory, But Both Sides Point to Storm Warnings” read the title of an *Advertising Age* article in 1979 (as cited in Dart, 1980). The title of an *Industry Week* article asked of agency-client relationships: “Industry’s Most Fragile Marriages?” (as cited in Dart, 1980).

2.2 *Main Topics of Study*

Past studies on the relationship between advertising agencies and their clients have traditionally focused on *factors affecting agency selection* (e.g., Cagley & Roberts, 1984; Cagley, 1986; Marshall & Na, 1994; Dowling, 1994; Fam & Waller, 1999; Lichtenthal & Shani, 2000; Na & Marshall, 2001; with a related stream of research concentrating on activities used by agencies to attract new business, e.g., Wills, 1992; Waller et al., 2001); the dimensions of the agency-client relationship, or *factors of satisfaction/dissatisfaction* (e.g., Marrian, 1967; Ryan & Colley, 1967; Chevalier & Catry, 1978; Hotz et al., 1982; Wackman et al. 1986/87; Verbeke 1988/89; Johnson & Laczniak, 1990; Beltramini & Pitta, 1990; Halinen, 1997; Lace, 1998; Jancic & Zabkar, 1998; Na et al. 1999; Palihawadana & Barnes, 2005); and *reasons for account switches* (e.g., Doyle et al., 1980; Michell, 1986/87; Michell et al., 1992; Dowling, 1994; Henke, 1995; Durden et al., 1997; Baker et al., 1998; Keep et al., 1998; Ghosh & Taylor, 1999).

As the weakening or breakup of an advertising agency-client relationship represents a costly problem for both the agency and the client, researchers have tried to chart the determinants of *client loyalty* (e.g., Buchanan & Michell, 1991; Michell & Sanders, 1995; LaBahn & Kohli, 1997; Davies & Prince, 1999, 2005) in order to find ways of improving the agency-client relationship.

There is also a considerable body of research focusing on various aspects of the relationship. These include the following topics: agency compensation (e.g., LaBahn, 1996; Seggev, 1992; Pollay & Swinth, 1969; Spake et al., 1999); the impact of agency selection or termination on advertiser's stock performance (e.g., Mathur & Mathur, 1996; and, Hozier & Schatzberg, 2000; Kulkarni et al., 2003, respectively); and the impact of market/industry developments on the agency-client relationship (e.g., Chevalier & Catry, 1978; Howard & Ryans, 1988; Kassaye, 1997; Durkin & Lawlor, 2001).

Also within the domain of agency-client relationship studies, there are research areas that focus on the dynamics of the relationship and on the actors that create the dynamics. The topics include the demographic and attitudinal differences between agencies and clients (e.g., Krugman & Ferrell, 1981; Michell, 1984b; Delener, 1996; Murphy & Maynard, 1996; West, 1999; Ewing et al., 2001; Crutchfield et al., 2003; Devinney et al., 2005); the client's role in the agency-client relationship (e.g., Chevalier & Catry, 1978; Beard, 1996, 1999); and the nature and pattern of information flow between agencies and clients (e.g., Abratt & Cowen, 1999; Harris & Taylor, 2003; Grant et al., 2003; Sutherland et al., 2004). As these studies all deal with issues fundamental to the agency-client relationship and reveal implications for its improvement, they will be dealt with in detail in Section 2.2.2.

Below is a review of the main topics of the advertising-agency client literature under three generally examined sections (Waller, 2004): Factors affecting agency selection; factors affecting satisfaction and dissatisfaction (including the determinants of relationship longevity/advertiser loyalty); and factors affecting agency termination.

2.2.1 Factors Affecting Agency Selection

Agency selection literature identifies those attributes which are valued by clients when making an agency selection. The selection criteria therefore indicate advertiser expectations from the agency regarding the nature and scope of advertising services. An overview of the selection criteria as they changed over the decades provides as much insight into the evolution of the advertising/marketing industries as into the changing dynamics of the agency-client relationship.

The first lists of selection criteria that appeared in the advertising literature (such as textbooks and marketing handbooks) were the "ideal" criteria that an advertiser should look for in an advertising agency (as cited in Cagley & Roberts, 1984). These lists of criteria were drawn up usually with large advertisers in mind (as noted by Dart, 1980). In a survey of US advertisers Cagley and Roberts (1984) identified the criteria considered in agency selection, using a questionnaire of 25 attitudinal statements derived from the trade literature. These criteria are illuminating for the

insights they afford into the state of agency-client relationships two decades ago. The attributes seen as most critical in the overall evaluation/selection process were the “quality of the people assigned to the account,” followed by “complete agreement between the agency and client on goals and objectives” and the “need for agency personnel to thoroughly learn the characteristics of the advertiser’s business.” Also deemed important were reputation for integrity; interaction with the advertiser when developing a creative strategy (apparently, in those days advertising agencies did not consider it necessary to consult the advertiser when developing the creative strategy so that this aspect of the relationship had to be formulated as an attribute in the survey); and compatibility of agency and client personnel. These were all people-related attributes, underlining the inseparability of the service from the service provider.

The Cagley and Roberts paper (1984) is the foundation on which most other studies of agency selection factors are based (e.g., Cagley, 1986; Harvey & Rupert, 1988; Marshall & Na, 1994; Fam & Waller, 1999; Na & Marshall, 2001). Cagley (1986) replicated Cagley & Roberts (1984) with the agencies and reaffirmed the importance of the people factor in agency selection. In addition to the people-related attributes, both advertisers and agencies saw business and management skills of the agency as important. Agency personnel, however, gave more importance to “relationship” attributes than did advertisers. Advertisers, on the other hand, gave less importance to marketing consultation, sales promotion, and marketing planning assistance, which implies that advertisers were interested in a narrower range of agency capabilities than agencies perceived. This finding suggests that the full-service capability was already losing its importance in the US market in the 1980s.

Marshall and Na (1994; and Na & Marshall, 2001) corroborated Cagley & Roberts (1984) with advertisers in New Zealand and Korea. Cross-cultural differences emerged, however, in the ordering of importance of the criteria: In Korea there was clearly a stronger need for marketing-related service while there was a stronger need for an account and creative-related service in New Zealand. The most important attribute for Korean advertisers was the agency’s marketing analysis and consultation capability. The quality of personnel on the account, which had ranked topmost in the US and New Zealand studies (Cagley & Roberts, 1984; Marshall & Na, 1994), came

second to this. In other words, in a less developed market such as Korea, marketing and strategic input was valued more highly than in a more developed advertising market such as New Zealand, which valued creative input and account services more highly. These findings have important implications for market development: It can be inferred from the Marshall and Na studies, for instance, that as a market develops, advertisers become more savvy about marketing and marketing-related services, which they can either produce in-house or outsource to specialist companies; hence, they rely on their advertising agency only for those services that they cannot produce in-house or outsource to anyone else, e.g., creativity. This inference is supported by Chevalier & Catry's finding (1978) that as the marketing sophistication of French advertisers increased, they took over some of the tasks such as media buying that used to be handled by advertising agencies.

In another study Na et al. (1999) found that the creative dimension was the driving force in agency preference (and, consequently, market share) rather than account management. The same researchers also noted that market-oriented firms differed from nonmarket-oriented firms in the selection criteria they emphasized (Na et al., 2003). The factors of agency's customer orientation, reputation, and technical competence received greater importance by market-oriented advertisers while nonmarket-oriented advertisers emphasized relationship compatibility, service quality, management style, and comprehensiveness of service.

It is important to note, however, that this body of advertiser-focused research was conducted with advertisers who had not necessarily made a recent agency selection. Neither had these advertisers been asked to evaluate the importance of the criteria in the selection of their current agency. Thus, the responses obtained were by nature hypothetical since the respondents were asked to evaluate the criteria for what was in essence a hypothetical selection situation. Also, since respondents were not asked specifically how important those criteria were in the selection of their incumbent agency, the respondents could have considered the criteria as much for the selection of a new agency in the hypothetical future as for the evaluation of the incumbent agency, which was closer to their experience. Dowling's (1994) study of Australian advertisers is an exception to the general research on agency selection in that he queries the selection criteria of those advertisers who had recently made an agency

switch and those who were contemplating a change. As such, the findings of this survey can be considered to be more grounded in actual experience. No significant difference was found between the two groups on most attributes. The most important attributes in agency selection related to the agency's understanding of the advertiser's product as demonstrated in the creative execution of the advertising presented to the advertiser during the pitching process. "Rapport with agency staff" was ranked the second most important attribute, again confirming the findings of the previous research on the importance of the "people" factor. Whether or not the agency offered design, sales promotion or public relations services was not considered very important, pointing to the diminished importance of the agency's full-service capability, as noted by the researcher.

Along the lines of the Cagley (1986) study, Fam and Waller (1999) researched the agency side of the advertising agency-advertiser dyad for the important criteria in agency selection in New Zealand. Again, the "interpersonal relations" factor came out as the most important, incorporating the compatibility and degree of chemistry between agency and client personnel. The second most important factor related to creativity. The least important of the eight factors was the agency's research capability, which points to the devolution of this service from the ad agency to specialized research companies. Another research focusing on agency perceptions of reasons for selection again revealed that such people-related attributes as expertise and trustworthiness of agency personnel were among the most prevalent, as well as client's former experience with the agency, client's predisposition, and agency's ability to develop advertiser-tailored programs (Lichtenthal & Shani, 2000).

More recently, agency selection criteria were researched in Poland (Palihawadana & Barnes, 2005) from both advertiser and agency perspectives. While some differences were noted between the two groups regarding the importance ranking of attributes, both advertisers and agencies ranked professional/technical skills and level of creativity among the most important.

Structural factors have also been found to affect agency selection. Michell, who has been involved in many studies on the agency-client relationship since the 1980s, identified the advertiser's need for a fragmented range of advertising services, with

the end result that accounts were polarized into larger full-service and smaller specialist agencies (1984a).

A review of the agency selection criteria serves to show that while relationship attributes are important to advertisers in choosing an advertising agency, performance attributes such as creativity and business understanding as demonstrated in the agency's pitch and performance indicators (such as past work and reputation) are just as likely to dominate consideration. Some researchers have suggested that the discrepancy between the selection criteria and the factors that drive advertiser's satisfaction during the course of the relationship lies at the root of the problems between agency and advertiser (Wackman et al., 1986/87). Factors of satisfaction and dissatisfaction involve various aspects of the working relationship and form the thrust of the present study. Below, this research stream within the agency-client literature is presented.

2.2.2 Factors of Satisfaction and Dissatisfaction: Recurrent Themes and Issues

In his introduction to *Choosing and Working with Your Advertising Agency*, which would become one of the classics of the professional literature on the agency-client relationship, William Weilbacher (1983/1991) wrote: "Companies should not change advertising agencies simply for the sake of change. ... in many instances, the dissatisfaction of a company with its agency can be corrected by a clear-eyed appraisal of the causes of dissatisfaction" (p. xi). Those aspects of the agency-client relationship that cause satisfaction or dissatisfaction on either side forms the subject matter of some of the earliest studies on the agency-client relationship. Therefore, an overview of the literature on the factors of satisfaction and dissatisfaction also provides an overview of the major issues in the relationship.

The topmost issue discussed in the earlier professional literature is the payment of the agency. The commission system, which meant that agencies earned more money the more an advertiser ran an advertisement, made agencies' recommendations for higher advertising expenditures suspect in the eyes of their clients. One of the first books that dealt with the agency-client relationship was specifically on agency

compensation, as mentioned earlier (Haase, Lockley & Diggess, 1934, as cited in Bartels, 1976).

But, there were other issues as well. A 1958 article in the *Harvard Business Review* wrote of “a lack of understanding of the agency’s problems” on the client’s part and a “feeling of insecurity” on the agency’s part (Rubel, 1958: 107). The author noted that although the focus of the discussion was the payment of the agency, the issues were deeper and involved the difficulty of measuring the effectiveness of advertising, which made it harder to justify large advertising expenditures (a problem that would later be called “accountability”) as well as a mistaken belief in the “extravagance” of the agency’s operations (p. 110). Another observer, writing around the same time, mentioned that the current compensation system cast a “shadow” over agency-client relations (Groesbeck, 1958: 134).

A related issue was the apparent lack of congruity between the goals of the advertiser and those of the agency. While advertisers advertised for the purpose of selling goods and services, agencies – especially the creative staff – regarded the ad itself as more important than the success of the advertised product and viewed with “distaste” the businesspeople who measured the value of their “art” only in terms of “dollars paid and dollars received” (Mayer, 1958: 29). Mayer noted the difficulty of the agency’s standing behind its own ideas when it was “somebody else’s money” that the agency was spending because “that somebody else [could] always tell [them] what to do” (ibid., p. 28). In other words, the relationship suffered from a lack of equal footing, lack of accountability, lack of understanding, lack of agreement, and lack of trust.

A decade later there were indications of “a more sympathetic attitude” between clients and agencies but there was still “mistrust” (Marrian, 1967: 4-5). A survey of British advertisers and agencies (36 advertisers and 23 agencies) revealed that the chief issue continued to be the agency’s compensation, which caused clients to distrust agency recommendations concerning advertising spending, and the problem was compounded by the difficulties in measuring the effectiveness of advertising. In other words, the problem of agency accountability still persisted. Advertisers were also concerned about the rate of high personnel turnover at the agencies. The

improvement in attitude, on the other hand, was attributed to the “conscious” effort on the part of the advertising industry to “tighten up” operating standards, as evidenced by the voluntary actions of agencies, media owners, and advertisers. The main finding of the survey was that the majority of advertisers (78%) had no formal written contract with their agencies. The recommendation that came out of this study was the establishment of agency-client relationships on the basis of formal contracts that specified areas of responsibility, conditions of work, expectations, and the boundaries of activities.

When Ryan and Colley (1967) surveyed US advertisers for *their* level of satisfaction with their advertising agencies, 77% rated the performance of their agencies as satisfactory – either “outstanding” (30%) or “good” (47%) (based on a sample of over 150 advertising managers). That there was still “discontent” led the researchers to conclude that trouble in agency-client relationships had little to do with the capabilities of the advertising agency, and that many of the problems could be corrected and a split be avoided through regular, systematic performance appraisals. Thus, in the same year, in both the US and the UK, two concrete suggestions were put forward for the improvement of the agency-client relationship: formal contract (Marrian, 1967) and formal, systematic performance evaluation (Ryan & Colley, 1967). Ryan and Colley’s suggestion for agency performance evaluations received support from the results of a later survey which found that the breakdown in agency-client relationships occurred as the end point of a process of growing dissatisfaction on the client’s part, which could be detected and perhaps remedied through regular appraisals (Doyle et al., 1980: 18).

As research into the agency-client relationship deepened, it became apparent that dissatisfaction existed on both sides of the dyad, and both advertiser and agency contributed to the problems. While clients complained of lack of agency cost-consciousness, unstructured agency procedures and high personnel turnover, agencies lamented advertisers’ lack of marketing knowledge, the scarcity of relevant information disclosed and the many layers of client approval that diluted the strength of creative ideas. In fact, even in the earliest research evidence of problems from the client’s side had already surfaced. One of the first major studies of agency-client relationships was undertaken for the Association of National Advertisers in the US in

order to determine the problems in the relationship (Booz, Allen and Hamilton, Inc., 1965, as cited in Waller, 2004). This study identified two major problems: poor communication between the two parties and the existence of multiple levels of approval on the client's side, which could slow the approval process and dilute the creative strategy. These findings were later confirmed by Hotz et al. (1982), who found agencies' main complaints to be too many approval levels, lack of clear-cut objectives, indecisiveness, poor communications, lack of timely and accurate information, and lack of knowledge about advertising and marketing. The importance of communications between agency and advertiser has been underlined by later studies, as well (Korgaonkar et al., 1984; Johnson & Laczniak, 1990; Beltramini & Pitta, 1991; West & Paliwoda, 1996). Advertisers' complaints of their agencies, on the other hand, centered around lack of cost-consciousness, failure to meet deadlines, personnel turnover and inexperience, and tendency to be defensive (Hotz et al., 1982).

The findings regarding evaluative criteria hold consistently across countries. A cross-country study that covered Chile, Japan, and the US showed agreement on the primary importance of "creative work that sells" and creative strategy, business understanding, and cost-consciousness in evaluating the advertising agency (Griffin et al., 1998).

2.2.2.1 The Agency-Client Life Cycle: Importance of a Good Relationship

While the studies discussed above have typically investigated a number of criteria for their import for advertisers, Wackman et al. (1986/87) differed by focusing on the antecedents and consequences of satisfaction in different phases of the agency-client relationship. A new light was thrown on the advertising agency-client relationship with their study which proposed that the dimensions of satisfaction in an ongoing agency-client relationship may be different from the dimensions taken into consideration during the selection of the agency. Wackman et al. (1986/1987) introduced the concept of the "agency-client life cycle" into the literature: Their model proposes that, similar to the product life cycle, the agency-client relationship life cycle has four distinct stages – pre-relationship, development, maintenance, and

termination – which place different requirements on the agency. The principal focus of their research, however, was on the development and maintenance phases. This piece of research was the first to treat the *ongoing* agency-client relationship as the unit of analysis rather than a terminated relationship or a hypothetical, not-yet-initiated one.

Wackman et al. (1986/1987) proposed four sets of factors that could influence the success of the agency-client relationship. These were: the primary output of the agency (called the “work product”); the day-to-day aspects of how the agency and client work together (called the “work pattern”); organizational factors such as corporate and agency policies, organizational structure of the client and agency, and corporate politics; and the “relationship” factor – the level of trust and rapport between agency and client personnel (pp. 23-24).⁵ In their study of 182 US advertisers, Wackman et al. (1986/1987) found that a relationship factor – the quality of the relationship with the account service people – was the single most important predictor of a client’s satisfaction with its agency. The key finding of the study was that while in the pre-relationship stage the client selects an agency primarily on the basis of work product factors, such as strong creative and knowledge and experience in the client’s market, in the development / maintenance phases, the dynamics of evaluation shift to relationship and work pattern factors. Furthermore, the study found that a relationship factor – agency’s ability to show strong leadership – was the strongest predictor of good creative work. In other words, perceptions that the agency showed strong leadership accounted for a sizeable amount of the variance (28%) in perceptions of the quality of the agency’s creative work.

The Wackman et al. (1986/1987) finding that there were distinct stages of development in the agency-client relationship was later reaffirmed by Henke (1995) and by Halinen (1997) although Halinen found that the stages did not follow any prescribed order and that in any relationship some stages could be skipped altogether. Michell (1987/88) found that although around half of the UK agency-client relationships he studied do go through a life cycle as proposed by Wackman et al.

⁵ As the dimensions in the model proposed by Wackman et al. (1986/87) will be discussed in detail in Section 3.2.1, under the conceptual framework, they will not be explained any further at this point.

(1986/87), the other half failed to fit the framework. Consequently, he proposed structural factors that might account for client loyalty in the other half. The importance of Wackman et al.'s research, however, lies in the establishment of the importance of a good working relationship on relationship outcomes rather than in the existence of a prescribed number of stages in the relationship.

Verbeke (1988/1989) replicated Wackman et al. (1986/1987) in the Netherlands and, contrary to the findings of Wackman et al. (1986/1987), did not find the relationship factor to be significant in the agency-client relationships in this country; this finding was attributed to the transactional orientation of firms in the Netherlands. The attributes of agency's price and the quality of the creative work, however, were important in both countries.

In a study based on the Wackman et al. (1986/87) finding that agency service behaviors have a significant impact on advertisers' satisfaction, LaBahn (1996) found that agency diligence and cooperativeness, judged by such behavior as the agency's quickly correcting its mistakes and acting as a team member, enhanced the client's perception that the agency was fairly compensated. As the issue of compensation has been one of the most contentious between agencies and advertisers, this finding is very important. LaBahn (1996) also found that diligence and cooperativeness on the agency's part increased not only perceptions of fair compensation but also perceptions of rapport, and these two sets of perceptions increased the client's trust in the agency, which in turn led the client to disclose more information to the agency. Judging by the importance of the client's information input in the creation of advertising (Hotz et al., 1982; Korgaonkar et al., 1984; Wackman et al., 1986/87; Johnson & Laczniak, 1990; Beltramini & Pitta, 1991; West & Paliwoda, 1996), these results imply that agency diligence and cooperativeness would also lead to better advertising and hence to greater client satisfaction. LaBahn's study documented for the first time the consequences of rapport felt by the client: trust, greater level of information disclosure, and a belief that the agency's price is fair.

In a subsequent study, LaBahn and Kohli (1997) focused on client behaviors that would affect the relationship outcome. Indecisiveness, which was noted by Hotz et

al. (1982) as one of agencies' major complaints of their clients, was found to undermine productive interaction and the quality of the creative work. The agency behaviors of accessibility, judged by the ease with which the advertiser could reach agency's key people, and assertiveness, judged by the agency's willingness to question advertiser decisions and offer its own opinions, were also the subject of this study; and they were found to have a strong influence on the working relationship and agency performance. This study confirmed earlier findings that a good relationship and a good product are created by the joint efforts of both the agency and the client: Productive interaction between the client and the agency, conflict, and agency's creative quality were found to be influenced by the behavior of both the agency and the client. This study lent support to Wackman et al.'s assertion (1986/87) that a good working relationship affects clients' evaluation of agency's creativity. Furthermore, these good service behaviors were found to influence client trust and commitment indirectly: As the agency performance increased, so did the client's level of trust and commitment, while conflict decreased the level of client commitment and agency creative quality. However, good service behaviors increased clients' trust and commitment only if clients were happy with the working relationship and agency's creative quality.

Similarly, Beard (1996) found that the role ambiguity experienced by managers in the client company increased their sense of conflict and poor relations in the agency-client relationship and lowered their satisfaction with the agency's performance. Again, the Wackman et al. (1986/87) finding that good work patterns influenced client satisfaction and client perceptions that the agency does good creative work was reaffirmed; here, however, the dissatisfaction stemmed not from the agency's work pattern but from the role ambiguity experienced by the advertiser. Furthermore, the client's satisfaction with the agency representatives was strongly related to the client's satisfaction with the agency's performance. Another Wackman et al. finding – that a good relationship positively affects advertiser's overall satisfaction with the agency as well as with the agency's creativity – was also confirmed. When the same study was repeated with small advertisers, these associations held true though the influence was not as strong and the associations were significant only for one rather than both of the role ambiguity variables (Beard, 1999).

Subsequent research revealed that a good personal relationship is as important to the agency as to the advertiser. In a qualitative study of the agency side of the dyad, Haytko (2004) found that agency representatives (account managers) defined the agency-client relationship in terms of their personal relations with their client counterparts, revealing a predominantly personal perspective on what is essentially a business relationship. Closer relationships were found to facilitate the work relationship in that the account managers reported many benefits to having personal relationships, such as faster approvals, more flexibility in scheduling, and the ability to request help from brand managers in solving conflicts (p. 326). In other words, good rapport between agency and client results in good work patterns, and this explains the rationale behind the Wackman et al. (1986/87) finding that rapport results in client perceptions of a better agency output. In effect, the output may indeed be better because the process leading to it had been better.

Similar to Wackman et al. (1986/87) and Verbeke (1988/89), Lace (1998) also investigated the factors that drive client satisfaction in ongoing agency-client relationships, by focusing on UK advertisers. This study diverged from previous research in its methodology: Whereas most of former research in agency-client relationships had used importance ratings of a given list of attributes, where respondents were asked to report their perceptions of the importance of each attribute, this study aimed to measure the respondent's actual recent experience of satisfaction (using a 5-point scale ranging from "Strongly Agree" to "Strongly Disagree"). Lace (1998) found that accessibility of agency management had positive influence on dissatisfied clients' evaluation of the agency performance measures of service excellence, value for money, creative output, and the agency's contribution to the achievement of the advertiser's marketing objectives. This finding is consistent with the Wackman et al. (1986/87) finding that strong agency leadership is a predictor of advertiser's satisfaction with agency's creative work.

An interesting perspective was brought to bear on the agency-client relationship when Beverland et al. (2004) applied the two-factor motivation theory to it. Herzberg's motivation-hygiene approach to work motivation proposes that some factors associated with work such as the work itself, recognition, and advancement produce motivation; whereas, the working conditions, the salary or job security are

hygiene factors that can prevent motivation from occurring (Herzberg, 1959, as cited in Rue & Byars, 2003: 252-254, and in Daft, 2006: 701-703). Using Herzberg's terminology, the researchers proposed that simply responding to customer desires is not enough to drive the relationship. Responding to customer desires was in effect a "hygiene" factor that reduced tension and curbed dissatisfaction. But, a more proactive attitude is needed on the agency's part to drive customer satisfaction. Agency-initiated change increases satisfaction and corresponds to the "motivator" in Herzberg's theory. This finding again lends support to Wackman et al. (1986/87) that a relationship factor (in this case, initiative) influences advertiser satisfaction.

The importance of the "people" factor had first surfaced in the Doyle et al. (1980) study of agency termination criteria, the Hotz et al. (1982) study of problem areas, and the Cagley & Roberts study (1984) of agency selection criteria. Wackman et al.'s findings (1986/87) threw this factor into bold relief: That advertisers' satisfaction with the relational aspects of the agency-client association could color their vision of the agency's performance served to show just how important the people dimension is, and its importance has been borne out by study after study. Some of these studies have focused on the differences and similarities of the agencies and clients in an effort to find reasons for the dissatisfaction in the analysis of the differences. Zaltman and Moorman (1988/89), for instance, found that agencies and advertisers differed in their attitude regarding the use of research, and that this difference in attitude generated "ill feelings" (p. 15). Ewing et al. (2001) found agency and client personnel to be significantly different in educational background and gender, which they suggested could be a cause for tension in the relationship. This implication was borne out by Crutchfield et al. (2003), who discovered that advertisers perceiving high similarity between themselves and their agency contacts rated their agency more highly than those who felt less similarity. Furthermore, clients who felt themselves to be more similar to their agency contacts also reported a greater intention to remain with the agency. Thus, the rapport established through agency and client people's similarity to one another was found to lead to important business outcomes: satisfaction and intention to remain with the agency.

While the Wackman et al. (1986/87) study took account of a large number of variables affecting advertiser's agency satisfaction, it did not empirically address the

possible influence of any structural factors. Realizing that some of the problems in the agency-client relationship could be arising from an organizational mismatch between agencies and advertisers in terms of size or from market factors, some researchers looked at the structural determinants of agency-client relationships, and the following section will provide a summary of this line of research.

2.2.2.2 Structural Determinants of Client Loyalty

While in studies of agency-client problems, satisfaction with the agency's performance is the dependent variable of the model, in studies of account loyalty, agency performance is proposed to be one of several independent variables which include among others such structural factors as client size or market competitiveness. Since these structural factors are outside the agency's control, they are treated as independent variables or moderating variables.

Even at the very start of investigations into the agency-client relationship, research was done on whether the stability of the relationship depended on the industry and size of the advertiser company. In a 1964 study of the length of agency-client relationships among the largest US advertisers, companies with a higher average net sales and a higher net current-earnings rate were found to retain their agencies longer (Twedt, 1964). In a series of analyses of relationship longevity data among UK advertisers and agencies, Michell (1987/88, 1988a) confirmed the finding that larger advertisers are more loyal. Another structural factor that seemed to increase stability in agency-client relationships was found to be the advertiser's industry: Clients in the fast-moving consumer goods category and other mature markets tended to be more loyal to their agencies, and this aspect of loyalty was found to hold true independent of the size of the account (Michell, 1988a).

Michell & Sanders (1995) developed the notion of the impact of the organizational context on advertiser loyalty further to include seven factors, and only one of these was actual account performance. The other factors were: large organizational size, a stable business environment, well-developed general policies toward suppliers, positive attitudes towards suppliers, effective processes involving suppliers, and

compatible interpersonal characteristics. The 7-factor, 57-variable model was tested among 29 UK advertisers who had at least 15 years of an ongoing agency relationship. Clients ranked actual account characteristics well ahead of the other six dimensions for remaining loyal. However, items with the highest mean scores were associated with the processes involving suppliers and interpersonal characteristics such as mutual trust, high caliber personnel, and mutual professional competence. Michell and Sanders (1995) reaffirmed the findings of Michell et al. (1992) that related loyalty to campaigns that are strong in image and sales effectiveness, with high creative standards and good marketing advice; compatibility with client's objectives; the agency's closeness to the advertiser's business; and such people-related factors as personal affinity and personnel continuity. The cause of breakups is the absence of these aspects. Michell & Sanders (1995) also found that successful partnerships tended to have processes such as periodic reviews and shared coordination and responsibility in order to be "vigilant to and forestall signals of failure before they become critical incidents" (p. 19). These findings provided support for Ryan & Colley's (1967) suggestion that formal periodic evaluations of agencies would go a long way towards preventing problems.

Other environmental forces with potential impact upon the agency-client relationship were proposed by Keep et al. (1998). These forces were economic growth, information asymmetry, entry barriers in one or both industries, dependence asymmetry, and economies of scale. Using historical case methodology, Keep et al. (1998) argued that, over the course of US advertising history, as agencies developed new skills, advertisers became more reliant on them and consequently more committed. When legal regulations and other environmental forces lowered entry barriers, however, competition increased, the agency-client relationship became more task-specific, and client commitment decreased. In a similar vein, and using event-history methods, Baker et al. (1998) argued that competition, though the weakest market force, always increases the risk of dissolution in advertising agency-client relationships; while institutional forces usually increase stability. Power, on the other hand, may be used to weaken or strengthen agency-client ties. Powerful clients were found to sometimes increase and sometimes decrease tie stability; whereas powerful agencies always increased tie stability. Status, for instance, is a source of power for

advertising agencies because it attracts new clients; and powerful agencies were usually maintained by their clients.

In a cross-cultural study of account longevity for the US and UK markets over a ten-year period (1982-1992), Davies & Prince (1999) studied agency-related structural characteristics and found that large agencies (large in terms of both billings and number of employees) enjoy greater account longevity than medium-sized or small agencies. Longevity also seems to be associated with agency age: Mature agencies seem to keep their accounts longer than new or experienced agencies. The researchers also found that the longer an account stays with an agency, the more likely is its loss, but at the same time the longer the account stays, the probability of its loss increases at a decreasing rate. The same researchers later proposed a model of agency-client relationships where trust plays a central role in achieving client commitment (Davies & Prince, 2005). According to the model, trust operates at every stage of the agency-client relationship: in the pre-relationship stage, by attracting potential clients; in the later stages of the relationship, by encouraging maintenance. If agency performance meets client expectations, trust follows.

None of the above studies investigated the impact of structural factors on advertiser's agency satisfaction. In the Turkish context, however, the Odabaşı study (1992) and its complementary study (Kaynak, Küçükemiroğlu & Odabaşı, 1994) had looked at the impact of advertiser's industry, adspend, length of association with the agency, and respondent position, age, and educational level on satisfaction and its various components. The findings were explained in Section 1.2 earlier.

2.2.3 Factors Affecting Agency Termination

Agency termination research examines which factors of dissatisfaction lead to an end of the relationship and reasons for the termination. Losing an account may have serious consequences for an advertising agency; it may even mean the agency's demise. An account move hardly affects the advertiser as much, but there is some evidence that switching an account may make an impact on also the advertiser's

financial performance (Mathur & Mathur, 1996; Hozier & Schatzberg, 2000; Kulkarni et al., 2003).⁶

As Michell & Sanders (1995) have noted, while the reasons for loyalty in agency-client relationships are general, the reasons for breakups are very specific. The 1980 study by Doyle et al. stands as the reference point for subsequent research on the subject. Doyle et al. (1980) identified those UK advertisers who had recently changed their agencies (Jan. 1976-Sept. 1977) and conducted a mail survey of 84 matched client/ex-agency pairs for the reasons of the switch. Dissatisfaction with the agency's performance was for advertisers the most important factor that caused the termination of the agency. The dissatisfaction was mainly caused by the quality of the agency's creative work. Creativity is clearly the first requirement of the advertiser. Poor account management and the agency's not being "close enough" to the advertiser's business were the next most often cited performance-related reasons for taking the account to a different agency. The quality of the marketing advice provided by the agency (i.e., strategic input) and weakness in campaign effectiveness (both in terms of sales and image) were also cited as important reasons for the termination.

One of the most important findings of the Doyle et al. study (1980) was the difference in advertiser and agency perceptions of the key reasons for the breakdown of the relationship. Agencies thought the main reason for their clients' leaving them was changes in client policy. Few agencies believed any deficiencies in their performance contributed to the client's decision to terminate the relationship. This perception "gap," interpreted as a lack of marketing orientation on the agencies' part, was the main finding of the study. Doyle et al. (1980) suggested that the process of

⁶ Mathur & Mathur (1996) found that the news of initiating a new agency relationship had a negative effect for the advertiser company's market value. The researchers suggest that the reason may be that investors were interpreting such announcements as an admission by managers that current marketing strategies were not producing desired results. However, when the new agency was a larger or older agency, investor reaction was found to be more positive. Announcements of engaging larger or older ad agencies were met with market value changes either not significantly different from zero or positive while they were significantly negative for both smaller and younger ad agencies. Hozier & Schatzberg (2000) reported a significant reduction in advertiser firm's stock price immediately preceding the announcement of the firing of the advertising agency, decay in firm sales growth before and after the announcement, decline in unadjusted operating income after the event, and decline in liquidity before the event. Kulkarni et al. (2003) replicated part of the work of Hozier & Schatzberg (2000) with one similar finding (that the market value of the common stock of the firms firing their ad agencies declines the three days before a public announcement is made).

dissolution of the agency-client relationship is not a sudden event but one of “creeping disenchantment,” preceded by clear signs to which the agencies were advised to be more sensitive (p. 18). These signals were listed as changes in client management, new marketing strategies, dissatisfaction with campaign results and agency service, and changes in agency creative and account management (p. 23).

Michell (1986/87) replicated Doyle et al. (1980) with US advertisers to explore the reasons why advertisers switch their agencies. Dissatisfaction with agency performance was found to be again the most important factor, followed by changes in client policy and management. A marketing audit was recommended as a way of forestalling account losses. Michell et al. (1992) and Durden et al. (1997) continued to replicate Doyle et al. (1980) with similar results. Dissatisfaction with agency performance continued to be ranked first. The “dissatisfaction with performance” variables received the highest percentage scores, with the standard of creative work revealed as the most important variable of all in the three studies. Other areas of greatest dissatisfaction with respect to agency performance appeared to be “not being close enough” to the advertiser’s business, standard of agency marketing advice, standard of account management, and relative image weakness of campaigns, in all three studies, in largely the same order. Other breakup reasons also showed similarities. However, the New Zealand study (Durden et al., 1997) indicated the stronger influence of group or international group dictate, which refers to the headquarters’ pressure on subsidiaries to change their advertising agency.

In his study of Australian advertisers who had recently changed agencies, Dowling (1994) found that the most important reason given for the account move was the need for new creative ideas – in other words, dissatisfaction with the standard of the creative ideas provided by the ex-agency. This was followed by the need for a new marketing approach, poor account service, and lack of sufficient attention by the agency’s senior staff.

While past studies in this line of research had concentrated on the reasons for account switches after the fact, a longitudinal study by Henke (1995) focused on the telltale signs of a switch in current agency-client relationships. Henke interviewed US advertisers in ongoing agency relationships for awareness of ad agencies, the

importance of the criteria used to evaluate agencies, and satisfaction with the current agency. A year later those advertisers who had switched in the meantime were identified. Agency switching could be predicted from a comparison of switchers and non-switchers. Compared with non-switchers, primary decision makers who would change agencies expressed less satisfaction with the size of their account relative to the agency's other accounts, expressed less satisfaction with the agency's media skills, and expressed *greater* satisfaction with the agency's creative skills but placed less importance on them as well as on the agency's ability to win awards. In other words, even though these clients, who apparently had the intention to change agencies when interviewed for the first time, were satisfied with their agency's creative quality, for them the service quality they received was of higher importance. This finding confirmed Wackman et al. (1986/87) that during the maintenance stage the parameters of satisfaction are different from those in the pre-relationship stage. Creative aspects are apparently important to winning the business but diminish in importance over the course of the relationship. This finding, however, appears to contradict the findings of Michell (1986/87), Michell et al. (1992), and Durden et al. (1997) that dissatisfaction with creativity was the number-one reason for breakups.

Rather than rely on advertiser perceptions of the reasons for account failure as past studies had done, Buchanan & Michell (1991) used a linear logistic regression model to measure the association between observable structural factors (i.e., account size in terms of billings, account age in terms of whether new or old, past switching behavior, agency and client size, product class) and the risk of failure. Client spending, agency size in terms of total billings, and product category were found to be significantly associated with the risk of failure. Thus, in the absence of key informant input, organizational variables rather than account variables (i.e., account billings and whether the account was a switched one or a maintained one) turned out to be more significant.

The influence of the people factor seems to run through every stage of the agency-client relationship. Broschak (2004) pointed to the importance of the people factor in the termination of the relationship. His analyses from a sample of US advertising agencies and their clients over a 12-year period, from 1986 to 1998, showed that the departure of managers from client firms increased the likelihood that market ties

dissolved. The same held true for agencies also: The exit of account managers significantly increased the number of relationship terminations. The results for the advertisers were contingent on firm size, however; the exit was likely to result in tie dissolution for large firms but had little effect for small firms. No such size-related influence was found for agencies.

As the literature review presented above shows, the advertiser's satisfaction with the advertising agency has a variety of dimensions that include agency performance with its concomitant components. The most important of these components may be the relational aspect due to its influence on the other components, especially the perceived agency performance. However, other factors may also be operating upon the advertiser's satisfaction with the agency that are beyond the agency's control, such as the advertiser's organizational size, adspend, product category, agency roster size, or the length of association with the agency. The present study will take into account some of these structural factors as well as the performance-related factors outlined in the Wackman et al. (1986/87) model.

The final section of this literature review will present the current state of agency-client relationships.

2.2.4 Current Literature: Agency-Client Relationships Today

The US industry body *Association of National Advertisers* released the findings of its latest survey on agency-client relations during a forum held on September 15, 2005.⁷

Conducted among 109 members of the Association, the survey revealed that an overwhelming majority of advertisers felt their lead agency met their expectations (75%) or even exceeded them (18%). The critical components of agency performance were found to be:

⁷ The researcher is deeply obliged to Ms. Sara Stein of the Association of National Advertisers (New York, NY) for making available a copy of the survey results presented at the Agency Relations Forum "The State of Client / Agency Relations" in New York on September 15, 2005.

- Knowledge of client's business and targets
- Overall creativity
- Strategic insights/planning
- Accountability
- Marketplace results.

Although the US advertisers surveyed seemed on the whole happy with the service they were receiving from their agencies, a closer look at the determinants of agency performance revealed pockets of discontent. About one-third (31%) felt that the agency was performing below expectations in operating efficiencies that would result in cost savings. Again, a cost-related attribute surfaced as the top area of dissatisfaction. In one of the aspects rated to be critical by the clients - strategic insights/planning - one-fifth thought the agency was performing below expectations. A close percentage (19%) felt the agency performed below expectations in providing thought leadership. The agency was found to fall below the mark also in its ability to "handle or add new services" such as direct mail, interactive, direct-response TV (26% of advertisers) and in providing integration across multiple disciplines (21%).

An earlier ANA survey conducted in 2004 (Davis, 2004) revealed that an overwhelming majority of advertisers primarily wanted outstanding service from their agencies; responsiveness; and effective campaigns. Satisfaction scores were given only for those attributes that were indicated by the advertisers as top-priority needs: Most advertisers were very or somewhat satisfied with their agencies' ability to have a team that understands the client's business; to develop solutions; and to develop effective campaigns. About one-fifth were dissatisfied with the level of ideas they were receiving from their agencies; the agency's cost-consciousness; and the team.

Based on this literature review, it is fair to say that the problems between agencies and clients have not changed much in nature, and advertisers still seem to be dissatisfied about some of the aspects that they value to be the most critical. Especially cost-related issues continue to haunt agency-client relationships.

A summary of the main empirical studies in the field is offered in the following table by topic. The topics covered are: agency selection criteria and a related stream of research focusing on agency service use; factors of satisfaction and dissatisfaction and three related streams of research (agency-client similarities/differences; impact of specific factors; and factors affecting longevity); and finally agency termination criteria.

**Table 2-1: Overview of Empirical Literature on Advertising
Agency-Client Relationships**

LITERATURE ON THE AGENCY-CLIENT RELATIONSHIP: EMPIRICAL STUDIES				
FACTORS AFFECTING AGENCY SELECTION				
Author(s)	Year	Country	Focus	Key Findings
Cagley & Roberts	1984	US	Agency selection criteria.	The attributes seen as most important in agency selection were: 1) Quality of the people assigned to the account; 2) Complete agreement between the agency and client on goals and objectives; 3) Need for agency personnel to thoroughly learn the characteristics of the advertiser's business. 7 most critical criteria dealt with a people orientation. Larger clients placed greater importance upon market planning and willingness on the part of the agency to make recommendations and to object to advertiser decisions when the agency believed them to be wrong. Larger firms were found to prefer associations with agencies similar in size and capability to themselves. While consumer firms placed more importance on creative interaction and input, and full-service capability, industrial advertisers appeared to have a stronger need for sales promotion ideas and capabilities.
Michell	1984a	UK	Trends in alignment of advertising accounts: Polarization vs fragmentation	Evolving and segmenting needs, reflecting increased professional sophistication on the client side, were found to polarize accounts into larger full-service and smaller specialist agencies. An increasing perception among clients of the importance of advertising creativity was thought to be the reason that increasingly led to a realignment of accounts from agencies with marketing reputations to agencies with creative reputations. The hypothesis that increasing client professionalism and developing needs, combined with environmental changes to the advertising industry, would result in increased demand for a fragmented range of advertising services which were complementary rather than substitutes for conventional advertising agencies could not be proven with statistical precision but found strong support from complementary analyses.
Cagley	1986	US	Agency selection criteria. The Cagley & Roberts study (1984) of advertisers is repeated with advertising agencies.	The importance of the people factor was reaffirmed; agencies showed agreement with advertisers that a primary concern should be the agency people that will have account responsibility. The second most important set of attributes related to business or management skills, such as agency stability and cost-consciousness. Agencies placed significantly higher importance on such relationship variables as compatibility of agency-client personnel, management chemistry/synergism, and top management involvement in client service than advertisers did. Advertisers were also found to be interested in a narrower range of agency capabilities than agencies perceived. On the other hand, advertisers rated their own involvement in the development of creative strategy and creativity of agency media plans more highly than did agencies.
Marshall & Na	1994	New Zealand	Ad agency selection process and selection criteria.	The importance of personal factors was found to be the key criterion in the evaluation process. Most important evaluative criteria were cost-consciousness, interpersonal factors, professional integrity, empathy, managerial skills, and personal compatibility of agency and client personnel. Marshall & Na's results followed closely those of Cagley & Roberts (1984), especially concerning the importance of personnel compatibility in agency selection.

Table 2.1 (continued)

Dowling	1994	Australia	Ad agency selection process, selection criteria, reasons for switching agencies.	The two most important reasons for changing agencies were found to be the need for new creative ideas and the need for a new marketing approach, followed by poor account service and insufficient attention by agency's top management. The four most important reasons for selecting an agency related to the agency's being seen by the client to understand the product/service to be advertised, and then demonstrating this understanding in the formal presentation and creative execution of its advertisements. Factors such as the size, location, and age of the agency were considered relatively unimportant as were whether or not the agency offered design, sales promotion, and PR services, suggesting that full service agencies may be becoming less important. The corporate as well as creative reputation of an ad agency was found to be an important marketing asset of that agency.
Mathur & Mathur	1996	US	Impact of new agency on advertiser's financial performance	The news of the establishment of a new advertising account was found to have a negative effect on the value of the firm making the announcement. Switching agencies sent a negative message to investors. Larger or older advertising agencies were viewed as more prestigious. Although wealth effects were either not significantly different from zero or positive for larger or older agencies, they were significantly negative for both smaller and younger ad agencies.
Nachum	1996	International	Factors determining the international competitiveness of advertising agencies	The most important explanatory variables for the difference between winners and losers were found to be years of operation abroad and share of revenues outside the domestic market. The winners were the agencies whose business was largely composed of international activity as well as agencies that had gone abroad earlier. Agencies that were more creative were found to be more competitive in the international market. Hence, the positive significant results for creativity provided empirical evidence for the economic value of this factor.
Janic & Zabkar	1998	Slovenia	Relationship development	The most important factors in the choice of agency were time schedule, the agency's understanding, creative personnel, marketing knowledge, and attentiveness. Among the least important factors were agency size, recommendations of friends or acquaintances, and the awards won by the agency. No significant differences were found between clients with a shorter history of working with agencies and those with a longer history. The only difference was in the importance clients with less agency experience attached to the agency's marketing expertise at the beginning of the relationship.
Na, Marshall & Son	1999	Korea	Assessment of agency service quality by top-of-mind recalls of service aspects	Agency service was found to have two dimensions: creative and account management. Accounts were observed to shift from agencies with marketing reputations to agencies with creative reputations. Thus, the creative dimension was found to be what drives market share rather than account management capability.
Fam & Waller	1999	New Zealand	Agency selection criteria according to agencies	In winning new clients, the most important factor was judged by agencies to be interpersonal relations, which incorporated the compatibility and degree of chemistry/synergy between client and agency personnel, followed by creativity and the quality of the account personnel. Consumer nondurables (fmcg) account directors rated "agency resources" as more important in winning new accounts than account directors of services, consumer durables or business products. Account directors in large-billing agencies valued reputation and marketing/strategy development more than their counterparts in smaller agencies. Full-service account directors tended to stress their agencies' creative ability and reputation more than non-full-service agencies. The agencies which were "very successful" in winning new accounts placed more importance on "integrity and shared purpose" and creative ability in winning new business than the quite successful and not successful agencies.

Table 2.1 (continued)

Lichtenthal & Shani	2000	US	Agency selection criteria according to agencies; agency service use	The four broad influences on advertisers' agency selection, as perceived by the agencies, were individual psychological factors, client's internal organizational structure and goals, roles of client personnel in agency selection, and the role of environmental factors. The most prevalent factors belonged to the category of individual psychological factors and included client's former experience with the agency; expertise, trustworthiness, and favorable disposition of agency personnel; and the agency's ability to develop programs that meet the advertiser's needs.
Cantore	2000	US	How can agency-client relationships be optimized? (MS Thesis)	No significant differences were found between clients and agencies regarding the importance of the criteria used in agency selection: The creative product, agency experience in the client's field, and the people assigned to the account were the three most important factors for both agencies and clients, with the clients placing utmost importance on the creative product and the agencies putting this in second place behind experience in the client's field (which was number two for clients). Client and agency responses regarding reasons for failure differed: Reasons which placed the blame on the agency were more often cited by the client than by the agency, and vice versa.
Na & Marshall	2001	Korea, New Zealand	Agency selection criteria, size and power structure of the selection team (the buying center)	The evaluative criteria used in Korea and New Zealand (Marshall & Na, 1994) were found to be very similar although some minor differences existed. For instance, while there was observed a greater need in Korea for marketing-related services, in NZ the advertiser was seen to place greater emphasis on creative- and account-related services. In agency selection, marketing capability, personnel quality, agency's marketing activity, and management systems appeared to be the main factors influencing selection in both cultures, with quite similar factor compositions.
Na, Marshall & Son	2003	Korea	How to segment the market for ad agencies	In their agency selection, market-oriented firms were found to emphasize customer orientation, reputation, and technical competence while nonmarket-oriented firms seemed to place greater importance on relationship compatibility, service quality, management style, and comprehensiveness of service.
Paliawadana & Barnes	2005	Poland	Agency selection criteria and retention factors from agency and client perspectives	Significant differences were found between agencies and clients regarding the importance placed on the criteria for agency selection. Most important attributes for advertisers in the selection of the ad agency were professional/technical skills; quality of service; and level of creativity. A shift of focus to client care was observed as the relationship moved away from the initial selection phase. Agencies, on the other hand, saw level of service during pitching, professional/technical skills, and reputation as the most important reasons for their selection by advertisers.
AGENCY SERVICE USE				
Author(s)	Year	Country	Focus	Key Findings
Ripley	1991	Canada	Structural determinants of in-house vs. outside agency use	Consumer firms were found to go to outside agencies for more advertising functions than industrial, service or retail firms, particularly for creative ideas and production of the actual promotional material or ads.
Horsky	2001	US	To bundle or unbundle agency services? (PhD Thesis)	Firms with larger budgets were found to unbundle media from creative; those with medium budgets bundled the two functions, and those with smaller budgets created an in-house full-service agency. Unbundling was observed to be the preferred mode when the advertising budget increased, TV was used as a medium, and more agencies were involved with the creative work (in other words, when the advertiser employed more than one agency). House was favored when the firm had creative abilities, was engaged in mail orders, and used catalogs, direct marketing, newspapers, and cooperative advertising. The decision to unbundle was analyzed to be motivated by the desire for higher media discounts.

Table 2.1 (continued)

Grant, Gilmore & Crosier	2003	Scotland	The role of account planning from the client's perspective.	Clients with a high propensity to take advantage of agency account planning expertise were observed to have a natural predisposition to cooperation and collaboration, "in a working partnership" to the common end of creative strategy and execution. They typically sought the agency's involvement as early in the creative development process as possible; but, recognizing that strategic planners are not the people to execute the ideas, they also sought to involve the creative team as early in the process as possible. Low-propensity clients (the retail style) were found to have a natural predisposition to in-house planning and control.
Hill & Johnson	2004	Australia	The nature of the advertising creative process from the brief to the production.	Two patterns of agency-client relationship were found: 1) True partnership, where the client takes the agency into its confidence as a business partner, with a high level of involvement of senior agency personnel in the setting of basic strategy; and 2) Master-servant relationship, where the client sees strategy as a corporate responsibility and simply expects the agency to meet the given strategy. Most relationships fit the master-servant type. The factors that were observed to encourage the development of this type of relationship: confidence level of the managers involved, unbundling of advertising services, type of media used, work culture within the client organization, and brand strength. For example, when the brand was seen to be in a very secure position, an agency was likely to be regarded as a supplier, especially when the client existed as a branch office for a big multinational with a centralized approach. The process delineation revealed the need for time to develop good creative, and the agencies' need for time as opposed to the client's tight deadlines was pointed out as a potential area of tension. The process was found to be intensely interactive.
FACTORS OF SATISFACTION / DISSATISFACTION				
Author(s)	Year	Country	Focus	Key Findings
Marrian	1967	UK	Formalization in agency-client relationships; satisfaction with the relationship	Advertising was seen to have become more significant for marketing operations. A majority of clients (54%) felt there had been a reasonable improvement in the professional standards for the ad business over the years 1957-62. Still, mistrust was observed between agency and client, stemming from agency labor turnover, account movements, lack of selection and evaluative criteria, and difficulty of accepting advice from agencies regarding appropriation levels. 78% of clients reported having no formal written contracts with their agencies. Formalization was thought to be "inhibited by strong forces from both agency and client sides".
Ryan & Colley	1967	US	How clients should rate agency performance	Wide disparity was seen among agencies in the degree of client satisfaction that they achieved. Although 77% of performance ratings were found to be satisfactory, pockets of discontent were observed. Regular performance audits were recommended as a way of solving potential problems.
Chevalier & Catry	1978	France	Role for the agency in campaign development	Over the course of the preceding 15 years, the advertiser was observed to have become more sophisticated, as a consequence of which advertisers had overtaken some of the traditional agency functions such as media buying. Large firms were seen to work with large agencies not necessarily known for their creativeness; small firms or firms not sophisticated in marketing were observed to feel more secure with small agencies short on marketing consulting capability.

Table 2.1 (continued)

Hotz, Ryans & Shanklin	1982	US	Problems between agencies and clients	4 factors were observed to lead to trouble: High agency personnel turnover; the client's inability or unwillingness to assist the agency in campaign development; the ineffectiveness of client organizations in dealing with advertising; and confusion concerning the role of the agency. On the agency side, the main shortcomings expressed by clients were found to be lack of cost-consciousness, high personnel turnover, tendency to be defensive, failure to meet deadlines, and inexperienced account personnel. On the client side, the major problems expressed by agencies were lack of clear-cut objectives, too many approval levels, client indecisiveness, poor communications, lack of timely and accurate information, lack of knowledge of advertising and marketing, lack of top management involvement, and too high expectations.
Wackman, Salmon & Salmon	1986/87	US	Factors of satisfaction / dissatisfaction	Overall, the relationship with account people (number one); compensation, meeting productivity, creativity, and good use of research accounted for 52% of the total variance in satisfaction; the additional 13 items accounted for only an additional 3%. In predicting satisfaction with the agency's creative output, again a relationship factor (agency's ability to show strong leadership) emerged as the strongest (accounting for 28% of the variance). In the pre-relationship phase, the client was observed to select an agency primarily on the basis of work product factors, esp. strong creative and knowledge and experience in the client's market. In the development and maintenance phases, however, relationship and work-pattern factors were found to emerge almost as frequently and were more often mentioned by advertisers as weaknesses of their current agency, esp. work-pattern factors. Relationship factors included not enough personal attention and involvement, lack of initiative and leadership, inflexibility, and high personnel turnover.
Verbeke	1988/89	Netherlands	Factors of satisfaction / dissatisfaction	Critical of the Wackman et al. (1986/87) study. Redesigned the methodology to include a 9-level scale to the 4-level scale of the earlier study and a "no opinion" answer; and disaggregated the research variable into 3 new questions. Factor analysis revealed six factors that explained 70.4% of the total variance in the data: transaction cost, quality, personal relationship, research, assignment of functions, and full service. Regression analysis of the factor-scores revealed the "Quality" factor (composed of the variables of "Quality of creative," experience of agency people, and leadership of agency), as the highest predictor of overall agency evaluation. This was followed by the factors of "Transaction Cost" and "Research". The other three factors were not significant, including the personal relationship factor. Evaluations of advertisers did not change over time; in other words, no time effect was found, contrary to Wackman et al. (1986/87).
Gagnard & Swartz	1988 / 1989	US	Advertiser perceptions of advertising and research	Advertising managers were found to believe that though expensive, money spent for ad agencies was well-spent. While agency's creative concepting and creative execution, media planning and media buying, and account service were rated highly, the market research and effectiveness research provided by the agency were graded less positively.
Odabaşı	1992	Turkey	Factors of satisfaction / dissatisfaction	Six factors were revealed that explained 71.10% of the variance in the data. The top factor was service expertise (37.9%), which included media planning, advertising research, marketing research, full-service capability, leadership, and personnel experience. Advertisers who had been with their agencies longer than five years were found to be more satisfied with their agency overall than those with an association of less than five years. Moreover, those who had been with their agencies for the longer duration were also significantly more satisfied with the agency's creative work, timing, advertising research, capability to keep to strategy, approval process efficiency, and relations with and ease of access to account executives.

Table 2.1 (continued)

Koç, Toduk-Akiş & Alakavuk	1993	Turkey	Factors of satisfaction / dissatisfaction from both agency and client perspectives	For both agency and advertiser two of the most important attributes were found to be the agency's timing and approval process efficiency. Advertisers also cited creativity and agency's ability to react quickly while agencies cited advertisers' having a specific marketing and promotional policy and the existence of trust and respect between agency and advertiser. The agency's capability in media buying, consulting, marketing, and sales promotion were given the lowest importance scores by advertisers. Agencies gave the lowest importance scores to the flexibility of the advertiser's budget, agency's ability to provide marketing research, the experience of advertiser personnel, and the formalization of the advertiser company. Both agencies and clients ranked ease of communication among the most satisfying aspects of the relationship. For the agencies, areas of dissatisfaction were the advertiser's approval process and organization structure. For the advertisers, the least satisfying dimensions were the agency's capability in promotional material distribution and sales promotion service. In agency selection advertisers ranked creativity at the top. In agency termination dissatisfaction with the work product was cited as the most important reason for the breakup.
Kaynak, Küçükemiroğlu & Odabaşı	1994	Turkey	Factors of satisfaction / dissatisfaction	Based on the Odabaşı study (1992), but uses a different level of analysis. Five factors were derived, which explained 73.5% of the total variance. Factor 1 (33.6% of variance): Efficiency and adaptation capability of agency, which included the quality of media planning, agency's keeping to strategy, agency's responsiveness, full-service capability, productivity of agency meetings, and agency's ability to show leadership. Regression of factor-scores revealed an R^2 of 0.84, with all factor coefficients revealed as significant. The factor with the highest beta value was the first factor of agency efficiency and adaptability, followed by the agency's friendliness factor.
LaBahn	1996	US	How agency work patterns influence relationship factors.	Diligence and cooperation on the part of the agency were found to improve the client's satisfaction with performance-related factors such as confidentiality and rapport as well as the belief that the agency is fairly compensated. Perceptions of confidentiality were observed to increase client disclosure while perceptions of rapport and fair compensation led to client trust, which also increased disclosure.
Halinen	1997	Finland	Agency-client relationship development	Advertising agency-client relationships were observed to form in a continuous and interconnected process of interaction, involving exchange, coordination, and adaptation. Openness of communication, formality of control, and investment initiative were found to be important elements of inter-firm interaction between advertising agencies and their clients. Favorable personal relationships and interfirm knowledge were seen to lead to satisfaction with assignment processes and with the relationship as a whole. Inter-firm roles and positions were also found to influence satisfaction; congruent role expectations and role behavior were observed to lead to satisfaction with the business relationship. The evolving relational bonds of attraction, trust, and commitment – which were seen to be interrelated – were found to make the relationship strong and potentially long-lasting. Six developmental phases were identified: pre-relationship, initial, growth, decline, constant, and troubled phases. Wackman et al.'s (1986/87) life-cyclical developmental model was not confirmed; the relationship was found to be likely to go into any stage. However, the existence of different stages during the relationship was reaffirmed.

Table 2.1 (continued)

Lace	1998	UK	Factors of satisfaction / dissatisfaction	The main drivers of client satisfaction were found to be the regular involvement of agency management and the quality and profundity of the thinking brought to bear. Accessibility of top management was observed to be especially important for dissatisfied clients and had positive influence on the four performance measures of agency's contribution to the advertiser's marketing objectives, creative output, value for money, and service excellence: When agency top management was accessible, clients tended to rate more highly the agency's creative output, value for money, service excellence, and even a measurable outcome such as the agency's contribution to the advertiser's marketing objectives. Two creativity-related attributes – regarding creative ideas and creative executions – were found to influence both the perceptions of the general quality of the agency's creative output and the factors of value for money and agency's contribution to the advertiser's marketing objectives. One relationship factor – “The agency is keen to achieve cost transparency/allow external audits” – was found to have a positive influence on service, value for money, and creative output. This was the only relationship factor that was seen to influence performance measures.
Griffin, McArthur, Yamaki & Hidalgo	1998	US, Chile, Japan	Agency evaluation criteria; sourcing of marketing communications services	The primary criterion used by advertisers in the US, Chile, and Japan in evaluating the performance of their advertising agency was creative work that sells; followed by understanding of the client's business, in all three countries. The least important criteria were involvement of top management, help with new products, full-range capability, and help with marketing plans. However, there were differences among countries. For instance, “creative work that sells” was significantly more important for US and Chilean respondents than for the Japanese. On the other hand, the Japanese placed greater importance on media buying than the Chileans or the Americans, perhaps due to the lack of media buying services in Japan at the time of the study.
Sanford & Maddox	1999	International	Key account management	For keeping major international accounts, the ability of senior agency executives to coordinate agency operations in multiple offices was rated as necessary. Formal account reviews were considered equally important for keeping both domestic and international accounts, but they were used more for domestic accounts. The ability to communicate with client executives, regular interaction, maintaining interpersonal relations, and professional rapport were all important for both domestic and international accounts. However, the need for senior account managers to maintain interpersonal relations with client executives was rated significantly higher for domestic than for international accounts.

Table 2.1 (continued)

<p>Curtis</p> <p>(Two successive reports of the survey by Marketing, ISBA, IPA, Relationship Audits & Management)</p>	<p>2002</p>	<p>UK</p>	<p>Agency-client relationships</p>	<p>Although 85% of clients rated the agency's overall performance as either excellent, very good, or "good in most areas," only 45% considered the agency "good value for money." Areas of dissatisfaction (even if applicable to only a minority of the advertisers) were the quality of creative ideas and creative executions, and the training level of agency personnel. Around 66% of clients were found to conduct a formal evaluation of their agencies. Just 31% were revealed to regard their agency as a "full partner." Agencies were on the whole happy with their clients, with 89% rating their biggest clients as excellent, very good, or "good in most areas." Agency issues focused on the lack of clear leadership by the advertiser, lack of constructive feedback, having to deal with junior personnel and lack of access to senior client personnel.</p>
<p>Davis (American Association of National Advertisers)</p>	<p>2004</p>	<p>US</p>	<p>How to optimize agency-client relations</p>	<p>The top 3 attributes that advertisers want from their agencies were found to be campaigns effective in meeting their goals (56%); outstanding ideas and implementation (40%); and strategic counsel and insights (35%). Some of the attributes that advertisers are least interested in were revealed to be initiative, creative awards, and insistence on risky work. Advertisers were most satisfied with their agencies' ability to have a core team that understands the client's business, develops solutions, and effective campaigns while they were least satisfied with the agency's ability to provide "outstanding ideas" and the "A" team for the advertiser as well as agency's cost-consciousness. The issues most frequently cited as troubling agency-client relations were disconnects from strategy to creative; failure to produce work on strategy; high production costs, and timing. The top 3 attributes that agencies want from their clients were found to be respect/trust (57%), fair payment (41%), and communications, including criticism (39%). According to the agencies, periodic meetings, defining clear expectations, and two-way evaluations were the best ways of having a good working relationship.</p>
<p>ANA (American Association of National Advertisers)</p>	<p>2005</p>	<p>US</p>	<p>Agency-client relations</p>	<p>Advertisers (all members of the US advertisers' association ANA) mostly (75%) rated their lead agency as meeting expectations. Knowledge of the client's business/targets and overall creativity were ranked as "absolutely critical" by more than two-thirds of the respondents. A cost-related item was ranked as the number-one area in which the agency was judged to be below expectations (31%); the next area of greatest disaffection was the agency's ability to handle or add new services such as direct mail or interactive (26%). Integration across multiple disciplines (21%); strategic insights/planning (20%); and thought leadership (19%) were also deemed weak areas. The services which increased in importance for clients were interactive and strategy development by far. 66% of US advertisers think the client has equal responsibility as the agency in getting great work from the agency; 33% think even that the advertiser's responsibility is greater than that of the agency. For 82% good, clear direction is absolutely critical in getting great work from their agency. Nearly half of all respondents (49%) acknowledge that sharing important information is also absolutely critical; and about as many consider as absolutely critical the right level of client involvement (47%) and consistent communication (44%) in order to get great work from the agency.</p>

Table 2.1 (continued)

IMPACT OF SPECIFIC FACTORS ON THE AGENCY-CLIENT RELATIONSHIP AND OTHER ASPECTS OF WORKING TOGETHER				
Author(s)	Year	Country	Focus	Key Findings
Beard	1996	US	How client role ambiguity affects agency client relationships.	The role ambiguity experienced by the client was found to diminish with longer time on the job and a longer association with the agency representative. When clients experienced greater conflict with agency representatives, they were observed to experience higher role ambiguity, which in turn was associated with higher relationship-related and job-oriented anxiety and tension. Conversely, good personal relations with agency representatives were observed to be associated with lower role ambiguity by the client. Lower client role ambiguity was seen to be associated with higher satisfaction with the agency's performance. Also, very strong correlations were found between the client's satisfaction with the relationship with agency representatives and satisfaction with the agency's performance.
Beard	1999	US	Impact of advertiser role ambiguity on agency client relationships in the small firm setting. Replication of Beard (1996) in the small-client setting.	Comparison of large and small advertisers with respect to role ambiguity and satisfaction with the agency revealed that the dynamics and characteristics of the relationships between small and large advertisers and their agencies were more similar than might previously have been thought. An important finding of the study is that individuals experience role ambiguity in an interorganizational relationship in much the same way they do within an organization. Goal clarity in the small account setting was significantly correlated with satisfaction/relationship, satisfaction/performance, conflict, and relationship-oriented tension/anxiety. But, role ambiguity was not found to have as strong an effect on client satisfaction with agency performance in the small account setting compared to the large account setting.
Harris & Taylor	2003	US	Extent of agency participation in the ad budget setting process.	The agency was seen to have no direct input at any of the advertiser companies' budget-setting process. Agency role ranged from providing benchmark information to drawing intermediate plans. Agency role was seen to change depending on the advertiser's industry; organizational structure; politics; tradition; compensation system; trust; and length of relationship. For instance, it was found that the greater the power of the marketing department within the client company, the greater input the agency had in the budgeting process.
Beals & Lundin (American Association of National Advertisers)	2003	US	Trends in agency compensation	The triannual survey of US advertisers (all members of the advertisers' association ANA; total of 112 advertisers surveyed) revealed that two key compensation trends were continuing: the ongoing shift away from commissions towards fee-based compensation and the steady increase in the use of performance incentives. The nearly complete disappearance of commissions over the last 15 years (in favor of fees) was noted. Fee methods of compensation were found to be used by 74% of respondents, commissions by 10%, and a combination of fees and commissions by 8%; another 8% were observed to use other methods of compensation. Fees were seen to be the dominant form of agency compensation regardless of the type of agency service. Also, a continual growth was observed in the use of incentive compensation, particularly by large advertisers. 38% of the respondents employed performance incentives.

Table 2.1 (continued)

Sutherland, Duke & Abernethy	2004	US	Information flow from advertiser to agency creatives	Study revealed that creative staffers do not always receive even the basic information about customer product usage and marketing strategy. Target audience demographic profile, customer product usage information, and client's product performance information were not provided as often as creatives would like. Failure to provide specific types of marketing information to creative staffers was seen to be a general problem throughout the industry. A consistent knowledge gap was observed between the information creatives receive and the information that they would like to have.
AGENCY-CLIENT SIMILARITIES AND DIFFERENCES				
Author(s)	Year	Country	Focus	Key Findings
Krugman & Ferrell	1981	US	How clients and agencies view each other's ethics	Corporate advertising managers were revealed to believe that their ad agency counterparts held lower ethical standards than their own. Ad agencies, however, did not feel that clients had lower ethical standards.
Korgaonkar, Moschis & Bellenger	1984	US	Features of successful campaigns from the agency's perspective	Overall successful campaigns were observed to have the following features: They were based upon market research findings; backed with adequate financial and managerial resources; based on careful media planning; and likely to use creative and unique messages. Features of campaign success varied with the intended outcome (sales, awareness or attitude). Competition and problems in the agency-client relationship were seen to have a negative effect on the success of the campaign. The advertising skills of the client's personnel were found to be significantly related to the success of a campaign.
Michell	1984b		Agency-client perceptions of creativity	Client and agency perceptions of creativity were found to be significantly different. While agencies placed greater importance on the creative environment and the personalities of the team, advertisers accorded higher importance to the actual creative process and the agency creative ethos.
Korgaonkar & Bellenger	1985	US	Features of successful campaigns from the advertiser's perspective	Advertisers were found to agree with agencies (Korgaonkar et al., 1984) on what constituted a successful advertising campaign: Overall successful campaigns, according to advertisers, were also based upon market research findings and careful media planning; as well as likely to use creative and unique messages.
Murphy & Maynard	1996	US	Differences in campaign evaluation criteria of agencies and clients	The specified judgements of both agencies and clients of what they deemed important correlated. Both groups rated the message/creativity factor as the most important campaign factor; the other factors being the ad budget, market research, agency-client relationships, and media planning. Both groups agreed on the primacy of message/creativity and ad budget; and both groups weighted media planning about as lightly. Agency professionals gave strikingly less weight to market research and considered the agency-client relationship much more important than clients did. Despite their apparent agreement on key elements, advertisers and agencies were found to believe that they do not think alike.
Ewing, Pinto & Soutar	2001	Australia	How similar are agency and client personnel?	Agency and client personnel were found to differ significantly in personality and some demographic factors. Clients, though drawn from diverse industries, were found to be fairly similar to each other psychologically.

Table 2.1 (continued)

Crutchfield, Spake, D'Souza & Morgan	2003	US	Impact of advertiser perceptions of agency counterpart similarity on advertiser satisfaction	Advertisers who perceived high similarity between themselves and their agency contacts rated their agency as superior to those who felt less similarity on the following measures: communication, performance, intention to remain with the agency, and defection following departure of agency personnel. Similarity had a positive effect on advertisers' evaluation of all performance variables except creativity; creativity was found to be independent of similarity. Education, ethnicity or age had no influence on the outcome variables; however, lifestyle compatibility (similarity of professional, personal, and social backgrounds) had a significant effect on advertisers' evaluation of the agency's performance. Advertisers who perceived themselves most similar to their agency contacts in terms of lifestyle also reported a greater intention to remain with the agency. The quality of the communication between the agency and client was also more positively rated by the respondents who perceived the greatest lifestyle similarity. The importance of similarity varied with the organizational level of the respondent: The impact of similarity was lowest for those at the vice-president level.
Devinney, Dowling & Collins	2005	Australia	Agency-client differences in advertising evaluation; mental models.	Agencies and clients were found to possess different mental models, but these differences in advertising evaluation, instead of leading to conflict, resulted in the same advertising being selected.
LONGEVITY AND LOYALTY				
Author(s)	Year	Country	Focus	Key Findings
Twedt	1964	US	Client loyalty; organizational factors	Largest industrial companies (their size measured by net sales) were found to be loyal to their main agency. The loyal companies were characterized by higher average net sales and a higher net current-earnings rate than those that switched during the same period.
Michell	1987 / 1988	UK	Advertising account loyalty	Larger accounts were found to be more loyal to their agencies; an almost linear relationship was observed between account size and loyalty. Mature consumer markets were also seen to be more loyal; esp. household stores, food, tobacco, toiletries, apparel, and household appliances. More fickle accounts tended to be leisure, agriculture/horticulture, charity, publishing, and office equipment. As this aspect of loyalty was independent of account size, it indicated that market factors had a considerable impact on the degree of account switching. A large proportion of all accounts were observed to progress through only the earliest stage of the product / account life cycle hypothesized by Wackman et al. (1986/87). Therefore, Michell offers an alternative hypothesis: segmentation by degree of loyalty: Clients could be segmented into loyal clients, occasional switchers, switch-prone clients, new accounts.

Table 2.1 (continued)

Michell	1988a	UK	Loyalty and organizational compatibility	All agency types, except very large agencies, were noted to gain accounts from small agencies (those under 10 million pound billings), especially medium/large and other small agencies. Media independents were observed to be taking business from small ad agencies; large ad agencies were seen to be gaining business at the expense of smaller agencies; and advertisers were found to be involved in other communications relationships in addition to the major ad agency that they had. A clear relationship was observed between client size, account size, and agency size. Advertisers tended to select a relationship that was compatible with their size and level of professionalism.
Michell & Sanders	1995	UK	Determinants of loyalty: Model testing. (Advertiser's perspective)	Actual account characteristics were ranked well ahead of other factors as the most important reason for remaining loyal to the ad agency for 15 or more years. "General Attitudes and Policies toward Suppliers" was ranked next. "General Business Environment" and "Client Organizational Structure" ranked lowest. Cluster analysis of the seven factors revealed four distinct clusters, two of which ranked factors other than account characteristics as the primary factor determining loyalty. Top-ranking variables were associated with processes involving suppliers and interpersonal characteristics: mutual trust; high-caliber personnel; and mutual professional competence, all of which were ranked even more highly than the standard of the creative work. Cluster analysis of the individual variables revealed that interorganizational and interpersonal variables were more important than satisfaction with actual agency performance. Loyalty was found to be primarily related to campaigns that are strong in image and sales effectiveness, with high creative standards, and good marketing advice. Two organizational variables – size and prestigiousness of the companies – also scored highly.
LaBahn & Kohli	1997	US	Maintaining client commitment in agency-client relationships (advertiser's perspective).	The key finding of the research is the mediating construct of creative quality/ implementation between good participant behaviors and client trust and commitment. Good service behaviors were found to influence client trust and commitment only as a result of improved working relationships and creative quality/implementation. While productive interaction was observed to lead to better creative quality and implementation, as a result of which client commitment increased, conflict had the opposite effect. Agency accessibility was found to decrease conflict, while it increased productive interaction and creative quality/implementation. Agency assertiveness increased productive interaction and creative quality/implementation. When clients failed to provide clear and consistent direction, conflict was observed to result, which impaired productive interaction and undermined creative quality/ implementation.

Table 2.1 (continued)

Davies & Prince	1999	US, UK	Structural determinants of client loyalty	Agencies were observed to lose about one out of three accounts per year. Only about 5% of US accounts and 2% of UK accounts survived a 10-year period. The hazard rate decreased with time; even though the probability of account loss increased with the age of the relationship, it increased at a decelerating rate. Size (as measured by number of employees and amount of billings) and organizational age were associated with greater longevity for large agencies compared to either small or medium-sized agencies (the latter two showed no significant differences for either measure). Older and bigger agencies tended to enjoy longer relationships with their clients (but, new agencies showed greater longevity than experienced agencies, though not as much as mature agencies).
Chuchinprakarn	1999	US	Structure of relationship commitment and its impact on cooperation and perceived performance (Ph.D. thesis)	Bonding factors under attitudinal (perceived value, trust) and structural bonds (switching costs, comparison level of the alternatives) had significant effects on the advertiser's intention to continue the relationship. Perceived performance was also found to have an effect on the intention to continue the relationship. Trust was found to have the strongest effect, followed by perceived value, comparison level of the alternatives, switching costs, and perceived performance (measured in terms of meeting the advertiser's financial objectives).
Haytko	2004	US	Nature and influence of personal relationships on inter-organizational relationships in the advertising agency-client setting	The account managers interviewed defined the interfirm relationship as the relationship between the members of the two firms rather than in terms of the history of the relationship (duration) or the outcomes of the relationship (e.g., successful campaigns, new product introductions). Different types of relationships were observed: Vendor; partner; and surrogate manager. At a different level, the relationships were characterized as either strict business association, business friendship, or personal. All of the account managers had each at least one relationship with an individual in the client firm that they characterized as "personal." All of the participants felt personal relationships made their lives easier and happier. The communication mechanisms used to govern the interpersonal relationships between the two organizations were found to be tied to long-term cooperation, trust, and commitment.
Beverland, Farrelly & Woodhatch	2004	Australia	Influence of agency behaviors (especially proactive behaviors) on the advertiser's intent to renew the relationship	The main finding: Meeting the client's demands for change keeps clients happy, but does not create satisfaction. Reacting to client demands for change is necessary for the agency to reduce tension and curb dissatisfaction (hygiene factor), but these actions are found to be insufficient in and of themselves to increase satisfaction with the relationship. What motivates clients to stay with their agencies is a proactive attitude on the agency's part that drives market action (motivator). In fact, relying solely on responding to client demands was found to influence the client's decision to terminate the agency. For instance, clients were observed to desire to have their agencies take a more proactive role in strategy development. Supplier's proactive attitude was found to help avoid "relationship decay" and eventual breakdown, significantly improve the prospects of relationship continuance over the long term, and remedy problems.

Table 2.1 (continued)

FACTORS AFFECTING AGENCY TERMINATION				
Author(s)	Year	Country	Focus	Key Findings
Doyle, Corstjens & Michell	1980	UK	Reasons for relationship failure. Study of UK agency-client breakups during 1976-77.	Top reason for agency-client breakups was found to be dissatisfaction with agency performance, especially creativity; followed by poor account management. Other performance weaknesses that led clients to end their agency relationships were campaign results and client service.
Michell	1986 / 1987	US	Auditing agency-client relationships: Reasons for relationship failure. Replication of the UK study (Doyle et al., 1980) with US clients for the period 1983-84.	Clients in both countries had very similar overall perceptions, with dissatisfaction with agency performance as the most important factor, followed by client policy and management. Top reasons for dissatisfaction with agency performance: 1. Creativity; 2. Not close to business; 3. Poor account management. Creativity is clearly the first requirement of the advertiser (dissatisfaction with creativity was rated as an important reason for switching agencies by 62% of US and 69% of UK clients). Dissatisfaction with other aspects of agency performance, which were rated as an important reason for switching agencies, included sales and image results of campaigns, account management, marketing advice, and generally being "not close enough" to the advertiser's business.
Buchanan & Michell	1991	UK	Structural risks of relationship failure	Total client spending, agency size (in terms of total billings), and category risk were found to be significantly associated with risk of relationship failure. Larger clients were seen to be less likely to switch than smaller clients. The risk of failure was primarily associated with organizational factors. An industry effect was found that was independent of agency or client size – the first such finding: Fast-moving consumer goods (FMCG) clients tended to have more stable agency relationships.
Michell, Cataquet & Hague	1992	UK	Reasons for relationship failure. Fully replicates Doyle et al. (1980) for the 12-month period preceding June 1989. Michell (1986/87) had replicated this study in the US for the period 1983-84.	The results, replicated both across time and between countries, were seen to point to a consistent picture in the clients' perceived reasons for switching agencies, both in the rank order and the means of the 5 broad categories: Dissatisfaction with agency performance was ranked first, followed by changes in client policy, changes in client management, changes in agency management, and changes in agency policy. Reasons for dissatisfaction with agency performance related to: 1. Dissatisfaction with creativity; 2. Agency not close enough to the advertiser's business; 3. Image weakness of campaigns. Results of factor analysis: 34 variables revealed 9 factors, which explained 67.1% of the variance in the data. Most important factor was again revealed to be dissatisfaction with agency performance. Termination was observed to be a process rather than a single decision.

Table 2.1 (continued)

Henke	1995	US	Reasons for relationship failure	The key finding is that criteria for selecting an ad agency differ from the criteria used in deciding whether to keep an agency. Comparison of switchers and non-switchers revealed significant differences on several variables: Dissatisfaction with the size of the account relative to other agency accounts; dissatisfaction with the agency's media skills; satisfaction with creative skills; less importance attached to awards and creative skills; and unaided awareness of ad agencies. Higher client satisfaction with an agency's creative skills was paradoxically found to be a predictor of agency change. Distinct stages of development were observed in the agency-client relationship that showed an original focus on creative potential shifting to a focus on performance and service skills involving the agency's ability to get results for that client in particular, not for clients in general. Thus, the study lent support to Wackman et al. (1986/87).
Durden, Orsman & Michell	1997	New Zealand	Reasons for relationship failure: Replication of earlier studies by Doyle et al. (1980), Michell (1986/87) and Michell et al. (1992) in the New Zealand setting and for the period 1993-1994.	Strong support was found for the assertion that the variables relating to breakups are remarkably consistent over time and across countries and moreover that the intensity of client dissatisfaction is deepening. Dissatisfaction with agency performance was again ranked first as a breakup reason. Client-agency personality conflict correlated strongly with variables related to dissatisfaction with agency performance. Dissatisfaction with the standard of creative work received the highest scores for a breakup reason. A comparison of the results for New Zealand, the UK (Michell et al., 1992), and the USA (Michell, 1986/87) suggests that breakups occur when the advertising account exhibits relative image and sales weaknesses in the campaign, and there is dissatisfaction with the creative work and the standard of the agency's marketing advice. Stronger influence of group or international group dictate was observed in New Zealand.
Baker, Faulkner & Fisher	1998	US	Dissolution of agency-client relationships	Researchers argue that the dissolution of interorganizational market ties between advertising agencies and their clients is a function of three forces – competition, power, and institutional forces. Most institutional forces – such as exclusivity and loyalty – were found to reduce the risk of dissolution of agency-client ties. Competition (as measured by the advertiser's agency roster size and the market structure) was observed to always increase the risk of breakups; although it was found to be the weakest market force, its influence was observed to be consistent and substantial. Length of association was also related to the risk of tie dissolution, which increased in the early years of the association and declined after about 11 years. Factors that increased tie stability were organizational size and financial status. Power worked to sometimes increase and other times decrease stability. Powerful advertising agencies mobilized resources to increase tie stability, but powerful clients mobilized resources to increase or decrease stability. An improvement in sales (i.e., perceived advertising effectiveness) lowered the hazard of dissolution. In the market for advertising services, the destabilizing effect of competition was observed to be curbed by the stabilizing influences of power and institutional forces. Change in GDP was negatively related to the hazard of dissolution; clients tended to stay with their agencies when macroeconomic conditions improved and drop them when macroeconomic conditions worsened.

Table 2.1 (continued)

Keep, Hollander & Dickinson	1998	US	Environmental forces impinging on relationship development and maintenance	Based on historical case studies, of which the advertising agency-client relationship formed one, market forces were seen to help foster or undermine agency-client relationships. Market growth was observed to strengthen partnerships. Information asymmetry, partially prompted by geographic dispersion, was found to increase dependence of one party on the other, thus fostering the relationship. High barriers to entry and dependence asymmetry were also seen as fostering relationships.
Bennett	1999	UK	Agency termination by small to medium-sized charities	Four reasons of agency dismissal predominated: the failure of advertising to generate extra donations; poor creative design of advertisements; agency staff not paying enough attention to a charity client's account; and failure to meet deadlines. Charities were found to be just as demanding of their advertising agencies as commercial firms.
Ghosh & Taylor	1999	New Zealand, Singapore	Reasons for agency termination	Dissatisfaction with agency performance was the top reason cited for agency-client breakups in both Singapore and New Zealand. Another important factor in agency switches was found to be changes in agency personnel. The standard of account management was revealed to be the most important factor causing agency termination in New Zealand, and not creative performance, which received even less emphasis in Singapore. Budget was found to be a strong reason in Singapore compared to other markets.
Hozier & Schatzberg	2000	US	Stock market reaction to agency terminations	Announcements of agency termination and agency review produced significant negative shareholder wealth effects for the advertiser company two days prior to the event date and were preceded by significant declines in both firm and financial market performance. In addition, a significant decay was observed in firm sales growth both before and after the announcements; decline in operating income was observed after the event, and significant decline in liquidity before the event.
Kulkarni, Vora & Brown	2003	US	Impact of agency termination on advertiser's financial performance	The firing of an ad agency was found to be preceded by a loss in the client's market share in the two immediate quarters prior to the quarter in which the agency was fired. Firms that fired their ad agencies were seen to be sensitive to a decline in market share even if it did not affect profitability and quick to react by dismissing the agency. Therefore, researchers suggest that sometimes the agency may be treated as the scapegoat. The stock market was observed not to react positively to the firing of an ad agency; in the three days prior to the firing of its ad agency, the advertiser firm's stock registered significant negative returns, and on the day of the announcement no stock market reaction was observed. Agencies that were fired were seen to experience a decline in the prices of their stock while agencies that were hired as replacements experienced an increase in their stock prices.

Table 2.1 (continued)

Broschak	2004	US	Effect of managers' career mobility on the dissolution of inter-organizational relationships	The exit of marketing managers in client firms was found to increase the likelihood of agency termination, but promotion of marketing managers had no disruptive effect on the agency relationship. For advertising agencies, the mobility of managers was observed to affect market tie dissolution, but the effects varied across managerial roles. The exit or upward mobility of managers who interact directly with clients was disruptive, but that of creative managers was not. In client firms, the effect of exits of marketing executives varied with firm size (as measured by annual gross revenue); the exit was likely to result in tie dissolution for large firms but had little effect for small firms (paradox of bureaucracy). For agencies, the disruptive effect of managers' mobility did not vary with size but diminished with increases in the number of market ties; the cost of mobility was highest when the agency had few clients.
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CHAPTER 3

CONCEPTUAL FRAMEWORK

This chapter develops a conceptual framework for the analysis of advertiser satisfaction with the advertising agency. First, the theoretical concepts in services marketing and relationship marketing on which the study is based are defined. Secondly, dimensions of the advertiser's satisfaction with the advertising agency are outlined and the variables defined, based on the model proposed by Wackman, Salmon & Salmon (1986/87)⁸. Then a revised model, incorporating a new dimension and new variables, is presented. Finally, the hypotheses are stated concerning the effect of agency performance and various aspects of the relationship on advertiser's satisfaction.

3.1 Services and Relationship Marketing

Relationship marketing studies draw heavily on research in services marketing. In fact, the term "relationship marketing" as a phrase appeared for the first time in the services marketing literature, in a paper published by Berry in 1983 (as cited in Berry, 1995). The reasons for this reliance lie in the nature of services.

In the early 1970s the marketing of services started to emerge as a separate area of marketing, with concepts and models of its own geared towards the typical characteristics of services (Grönroos, 1994). Services have four major characteristics that influence the way they are marketed: intangibility, inseparability, variability, and

⁸ Wackman, Salmon & Salmon will be shortened to WSS in various places of this document.

perishability (Kotler, 2003: 446-449). These intrinsic characteristics of services produce particular problems in their marketing. These problems, cited by various researchers, have been summarized by Zeithaml et al. (1985): Intangibility of services means they cannot be stored, readily displayed, or communicated; they are difficult to price; and they cannot be protected through patents. Inseparability of services from the service provider makes centralized mass production difficult, and involves the consumer (and other consumers) in the service production. Variability (heterogeneity) makes standardization of quality and quality control of services difficult. Perishability means services cannot be stored, making synchronization of supply and demand difficult. Difficulties in the marketing of services also arise from the expectations of the consumer. The expectations framework of service customers is complex and formed by a plethora of factors including implicit service promises and situational factors (Zeithaml et al., 1993, as cited in Bateson & Hoffman, 1999: 25-28).

Because of the intrinsic characteristics of services, the traditional four Ps of marketing – product, place, price, promotion – have been considered insufficient in designing marketing programs for services, and additional elements have been proposed for consideration: people, physical evidence, and process (Booms & Bitner, 1981, as cited in Kotler, 2003: 450).

The intrinsic characteristics of services also play an important role in the marketing of advertising. Advertising is any paid form of nonpersonal presentation or promotion of ideas, goods, or services by an identified sponsor (Kotler, 2003: 590), and advertising agencies are professional service organizations employed to create and oversee the production of advertising on behalf of the advertiser.

The service produced by the advertising agency is intangible; it cannot be evaluated before it is bought. In fact, even though this service has a critical impact on the business results of the buyer and the market standing of the buyer's products and services, usually it cannot be evaluated even after it has been bought. The intangibility of the advertising service creates, as for other types of services, problems in pricing. Especially where the service is knowledge-based, the pricing should be different from that of more traditional services (Dawson, 2000: 188). The

service produced by the advertising agency is perishable⁹; inseparable from the agency that produces it; and variable in quality depending on the agency that provides it. Also, advertising is custommade and created in concert with client personnel (Lovelock, 1981, as cited in Beltramini & Pitta, 1991: 152).

Mills and Margulies (1980) classify advertising agencies as a “task-interactive” service organization (p. 262). “Task-interactive” refers to the importance of the techniques in task accomplishment for this type of service organization (their other example is engineering firms), where customers know what they want but do not know how to accomplish it. The service organization is faced with the task of finding “novel solutions to unusual and even unique problems” (p. 263); and the decisions that need to be made by the service organization are independent of the previous decisions made. The relationship is described as “intense,” and there is usually little substitutability of service organization employees in the interaction (p. 264). Thus, the importance of the “people” aspect in the agency-client relationship comes out in this typology. In a similar manner, Lovelock (1983) proposes a classification category for services characterized by a high degree of customization and the necessity of contact personnel’s exercising judgement concerning the characteristics of the service and how it is delivered to each customer. In each instance, the customer purchases “the expertise required to devise a tailormade solution” (p. 16). According to Lovelock’s typology, advertising service would fall into this high-customization, people-based category.

Services (and goods) are also classified based on their evaluation by consumers on a continuum ranging from search qualities to credence qualities (Zeithaml, 1981, as cited in Kotler, 2003: 452). While most goods are associated with high search qualities, services are associated with high experience and credence qualities. Based on this classification, services high in search qualities are easier to evaluate before the purchase; services high in experience qualities can be evaluated after the purchase, and services high in credence qualities are difficult to evaluate even after

⁹ It needs to be noted that some advertising efforts, such as commercials and newspaper advertisements, can be stored for future use in the form of recordable media; advertisers could rerun these agency outputs for as long as they wished within the boundaries of their contracts. However, the strategic counsel and creative ideas embodied in the agency’s creative output usually cannot be stored for future use but have to be developed anew at a given time in response to the marketing situation faced by the advertiser at that time.

the purchase or consumption. The problem inherent in the reception of advertising services is that of measuring their quality. Often, the impact of the advertising service cannot be assessed before its acquisition and with difficulty even after its acquisition. Especially the creative service provided by the advertising agency can be considered to be high in experience and credence qualities and low in search qualities, as Hill and Johnson (2004) have observed (p. 289). Therefore, the purchase is associated with risk, and relational aspects such as trust become paramount in the selection as well as maintenance of an advertising agency.

Advertising is a service that is rendered on an ongoing basis; as a result, clients form relationships with the people that provide the service. As Berry (1995) notes, repeated contact between customers and service providers facilitates relationship marketing. Consequently, these aspects make it easier to place the provision of advertising service within the framework of relationship marketing.

The relationship between advertisers and advertising agencies is a form of buyer-seller relationship; and it shows many similarities to other types of buyer-seller relationships. It is, however, different from a typical buyer-seller relationship in the sense that the work produced by the advertising agency will have a significant impact on the advertiser's reputation and business results as well as the market standing of the advertiser's products and services. As such, studies of agency-client relationship predominantly figure in relationship marketing literature.

The theory behind relationship marketing proposes that relational factors such as trust and commitment are principal antecedents to positive relationship outcomes (Morgan & Hunt, 1994). Relationship marketing, according to one widely cited definition, is "all marketing activities directed toward establishing, developing, and maintaining successful relationships" (ibid., p. 22). In other words, the objective in relationship marketing is to establish, maintain, and enhance the relationship at a profit so that the objectives of both parties are met (Grönroos, 1994: 327). The implication of these statements is that marketing should be devoted to building and enhancing customer relationships. This view is based on two economic arguments, as noted by Buttle (1996: 5). One argument is that it is more expensive to win a new customer than it is to retain an existing customer. The other argument states that the

longer the association between company and customer, the more profitable becomes the relationship for the firm. As a result, one theoretician of relationship marketing has proposed a paradigm shift from the 4Ps of traditional marketing management to “30Rs,” or 30 relationships (Gummesson, 2002).

In the interorganizational context, the consumer marketing perspective where the buyer-seller relationship was a short-term and adversarial one had prevailed until the 1980s. Then, largely through the pioneering work of the Industrial Marketing and Purchasing Group (Hakansson 1982, as cited in Naudé & Holland, 1996: 40), it was appreciated that this perspective did not sufficiently reflect the complexities of how business-to-business markets operated. It was argued that in the business-to-business context marketing was often long-term and involved interaction between buyers and sellers to their mutual benefit, accompanied by trust and commitment, which “the simpler, adversarial model” could not explain (ibid.). This new perspective involved a fundamental change in the unit of analysis in researching business-to-business markets, as noted by the authors. The wider model that has evolved has expanded the unit of analysis from studying the behavior of the buyers or the sellers to the relationship between them (Naudé & Holland, 1996: 40).

As far as services marketing is concerned, the studies focusing on the dynamics of buyer-seller relationships are not many, and one of the few empirical studies is that by Wackman et al. (1986/87) (Halinen, 1997: 2). The life cycle model of Wackman et al. (1986/87) is the first study that has treated the agency-client relationship as a continuum and examined the factors that create satisfaction in different phases of the relationship.

3.2 *Dimensions of Advertiser Satisfaction with Advertising Agency*

3.2.1 The Model Proposed by Wackman, Salmon & Salmon

This study is based on the model used in Wackman et al. (1986/87). This is the life-cycle proposition which views the agency-client relationship as proceeding through a

life cycle involving four phases: the pre-relationship period, development, maintenance, and termination.

The pre-relationship stage covers the agency selection process before a formal contract or agreement is established. In the development phase the agency starts to create its first campaign for the advertiser. This phase usually lasts one to two years. In the maintenance phase a “deep relationship” is developed over a period of years and several campaigns (p. 22). The termination phase begins when the relationship becomes inefficient or unreliable and as a result comes to an end. In their discussion, however, Wackman et al. (1986/87) combined the development and maintenance stages as the “literature on these two phases of the agency-client relationship does not differentiate between the two” (p. 23). The present study will also disregard the distinction between those two phases. In fact, the temporal aspect of the agency-client relationship in the present study will be limited to pre-relationship and relationship stages. Subsequent work has not supported the life-cycle proposition of the Wackman et al. model: Halinen (1997), for instance, in a case study of the relationship between a single advertiser and a single advertising agency, has found that the relationship continues with ups and downs, sometimes picking up speed and sometimes relinquishing for lack of interest on one or both sides.

Wackman et al. (1986/87) evaluate the factors affecting advertiser’s satisfaction with the advertising agency in the following four categories. These categories also constitute the core conceptual framework of the present analysis:

- A. Work products are the tangible outcomes of the process, i.e. the advertisements and the advertising plans (p. 23). The following variables are included – but not defined – under the work product dimension:
 - **Creative strategy:** Creative strategy refers to the formulation of the message to be delivered by the advertising. Elements of the creative strategy include the attributes of the product or service that will be advertised; to whom the message should be addressed; the competitive consumer benefit that should be communicated; the rationale for the consumer benefit; the tone of the message; the main

competition; and the objective of the communication – i.e., what the communication is intended to accomplish, whether it be buying the product or using it every day (Schultz & Tannenbaum, 1989).

- **Creative execution:** Creative execution refers to the way the creative strategy is executed. Creative execution includes the concept used to communicate the main selling point as well as the production qualities of the finished advertising (Schultz & Tannenbaum, 1989).

- **Media planning:** Media planning is the selection of the media time and space to be used for the advertising campaign and formulation of the appropriate media schedule in order to effectively reach the target audience and achieve the advertising goals. Though Wackman et al. (1986/87) included this variable in their model, they did not operationalize it. This variable was operationalized by Verbeke (1988/89). The proposed model incorporates both Wackman et alia's and Verbeke's attributes.

- **Media buying:** Media buying is the purchasing of the time and space from advertising media (such as TV, newspapers, outdoor billboards, etc.) for displaying the advertising. This variable, also included in the model, was not operationalized by Wackman et al.

- **Research:** Advertising research (e.g., pretests and posttests, concept tests), marketing research, and media research. By research, Wackman, Salmon & Salmon (1986/87) are referring to the agency's ability to make good use of research (p. 24). This attribute has been extended by Verbeke (1988/89) to include the quality of the agency's marketing and advertising research (p. 20). The proposed model incorporates both Wackman et alia's and Verbeke's attributes.

- **Marketing strategy:** This attribute, included among the work product items, is proposed by Wackman, Salmon & Salmon as the agency's ability to keep to the agreed-upon marketing strategy. The proposed

model has added to this attribute also that of the agency's strategic input, which refers to the marketing/strategic advice provided by the agency to the advertiser's marketing plans.

B. Work pattern is defined by the style of the agency in carrying out the day-to-day activities. The following categories are included under the work pattern dimension:

- **Authority structure:** Clarity of assignment of responsibility among agency personnel.
- **Approval process:** The levels of approval within the agency.
- **Deadlines and timing:** Agency's ability to keep to the deadlines.
- **Productivity of meetings:** How productive and efficient the meetings with the agency turn out to be.
- **Quality of communication:** Ease in getting in touch with account executives and other essential people.

C. Organizational factors: the outcomes of the organizational structures of agency and client.

- **Corporate policy:** Agency's pricing policy. Under organizational factors, Wackman, Salmon & Salmon (1986/87) have included two questions related to financial issues: the appropriateness of the agency's price and the agency's ability to stay within the advertiser's budget constraints.
- **Organization structure of the agency:** Range of services provided by the advertising agency. Advertising agencies are classified by the range and type of services they offer; and the organization structure of the agency is one of the main attributes by which it is selected and maintained. Overall agency organization suggests overall emphasis on

various aspects of agency work (Weilbacher, 1983/ 1991: 72). Advertising agencies are normally classified by two criteria: (1) the range of services they offer; and (2) the type of business they handle. Agency services may be described as full-service or *à la carte*, and the type of business may be categorized as either consumer or industrial (Bovée & Arens, 1989: 92-93). The **full-service agency** offers advertising planning, creating, and producing as well as research, strategic brand planning and media selection services (Russell & Lane, 1990; Bovée & Arens, 1989). The full-service agency may also offer sales promotion, public relations, direct marketing, package design, brand-naming, corporate identity design, or, as noted by Russell & Lane (1990: 106), even television programming. As distinct from the full-service agency, there is the ***à la carte* agency**, which offers just that part of its total services that the advertiser wants, and this arrangement is used mostly for creative services and for media buying and placement (Russell & Lane, 1990: 116). There are also agencies specializing in creative services (**creative boutiques**), media planning and buying (media agencies), or those advertising services that are traditionally not compensated for by media commission (**below-the-line agencies**). A relatively recent development in the evolution of the advertising agency is the spinning off of media planning/buying, research, and below-the-line services from the business. The functions that were traditionally handled by full-service agencies are now increasingly handled by companies specializing in these different functions: Media planning and buying is now handled increasingly by media agencies, research by research companies, and below-the-line advertising by below-the-line agencies.

- **Organizational politics:** Although it is not clear what Wackman et al. (1986/87) mean by this factor, one of the major political decisions that an advertising agency needs to make is the decision to accept or reject competitor clients. Another political decision regarding account handling would be the extent of exposure of agency creative personnel to the client.

- **Marketing strategy:** Shifts in marketing strategy (Wackman, Salmon & Salmon, 1986/87, p. 24). The advertiser's shifts in marketing strategy demand adaptability from the advertising agency.
- **Personnel factors:** Competence and experience of agency personnel.

D. Relationship factors: the intangible outcomes of the process.

- **Rapport/comfort:** Level of trust and rapport between agency and client personnel (Wackman, Salmon & Salmon, 1986/87: 24).
- **Energy level:** Personal attention and involvement; initiative and leadership (Wackman, Salmon & Salmon, 1986/87: 27).
- **Trust/Respect** between agency and client. Trust and respect have not been operationalized in the WSS model.
- **Control patterns:** These patterns of control are never explicitly specified by Wackman, Salmon, and Salmon (1986/87). In the advertising agency-client relationship, clients employ a number of methods to keep the agency under control. Checking the agency's work and giving the agency strict guidelines are two of the most fundamental. Tightly monitoring information disclosure to the agency is another one of them. Double-checking the prices obtained by the agency from third parties and checking the agency's accounts or third-party invoices is yet another form of control. Clients may even choose to conduct all third-party negotiations themselves in order to exercise more control on financial matters: Some clients may deal directly with such third parties as film production houses and printers, for instance, rather than delegate the purchase of production talent and material to the agency. A less direct method of control is the lack of an established agency contract; so that the client is free to terminate the relationship at any point in time, or keeping the contract very short-term such as six months. The client may also choose to keep the agency "on its toes" by employing more than one advertising agency

simultaneously. Relying on any one agency for a few number of services rather than purchasing all advertising functions in one mode from one agency or, as Ripley (1991: 78) suggests, taking more advertising functions in-house rather than relying on an outside agency may also be a form of control. In recent years, one method of control gaining some prevalence is the adoption of performance-based pay: Typically, the agency is given a base commission level if it succeeds in helping the advertiser achieve a business objective, such as a certain percentage increase in sales. If the agency performs better than the targeted level, it is awarded a bonus. If it fails to perform at the targeted level, its commission is reduced by a certain percentage point. Control patterns have not been operationalized in the Wackman et al. model; and intuitively, their place seems to belong with control variables.

- **Personnel turnover.** A recurrent problem with advertising agencies apparently prevalent across the world is the high rate of staff turnover so that this particular factor has been explicitly incorporated into the Wackman et al. model (1986/87).

There are two additional aspects to the Wackman et al. model (1986/87) that are important to consider: One is that the relationship factor affects satisfaction with the other three factors. The first three factors influence how the relationship climate evolves. Later, the relationship climate itself is also seen as having a reciprocal influence on each of the factors (p. 24). This is how the researchers express the interplay of the relationship factor with the other three factors: "... the chemistry between people has a major influence on the quality of the work product that is developed, on the kinds and success of the work patterns that are established, and on the organizational factors involved in the relationship" (p. 24).

The other aspect to consider in the Wackman et al. (1986/87) model is that the factors affecting the success of the agency-client relationship vary in importance depending on the stage the relationship is in. In the formation stage reputation and

creativity play an important role. In the following stages, however, relationship aspects rise to the fore.

Below is a schematic representation of the model proposed by Wackman, Salmon & Salmon (1986/87):

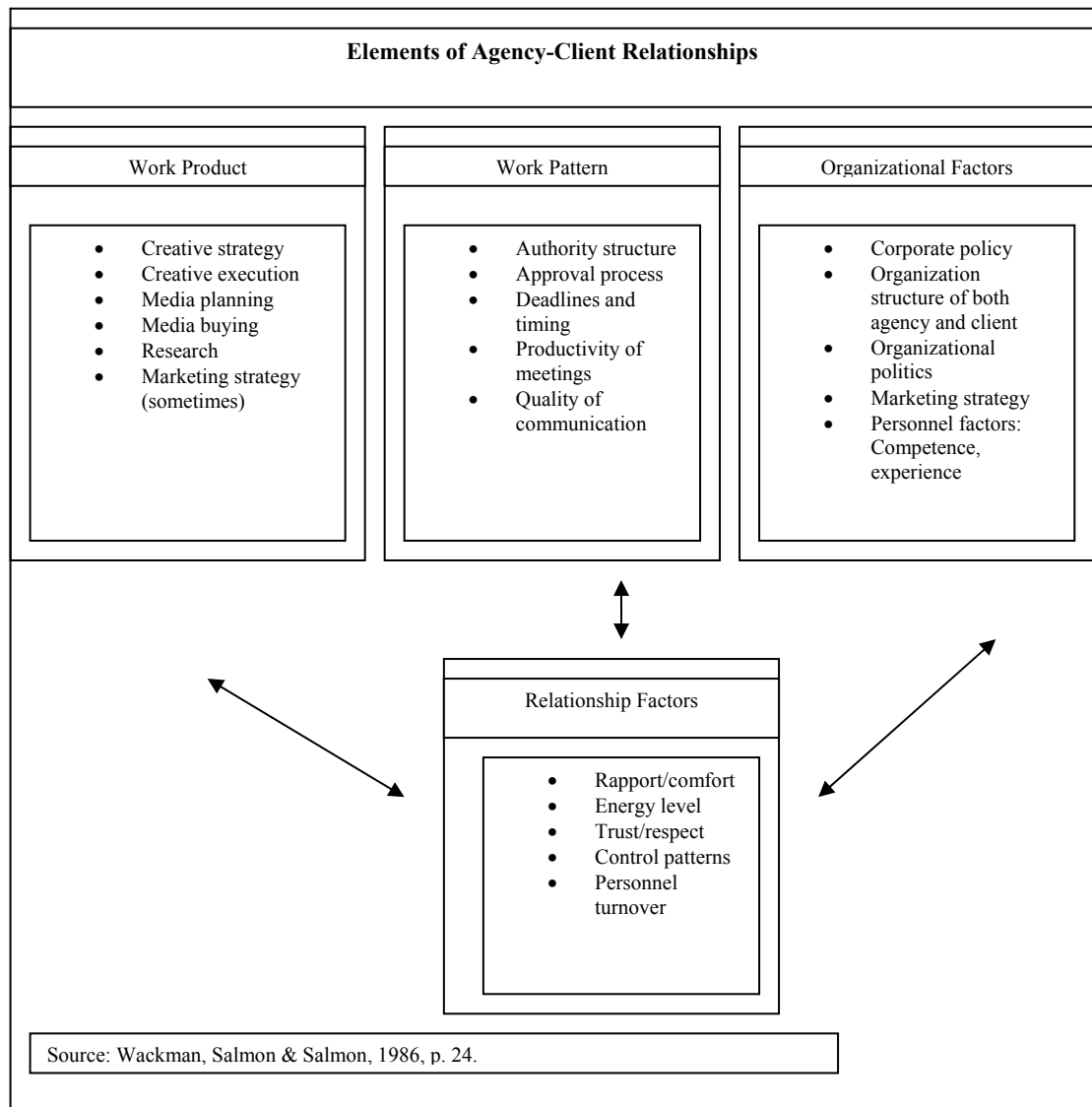


Figure 3.2-1 : The Wackman, Salmon & Salmon Model of the Agency-Client Relationship

The researchers have operationalized the above variables with the following questions, adapted from an inventory derived by Weilbacher (1981, as cited by WSS, 1986/87: 24), on a 4-level importance rating scale:

Work Product:

1. Agency does good creative work.
2. Agency makes good use of research.
3. Agency has good public-relations department.
4. Agency operates within agreed-upon strategies.

Work Pattern:

5. Agency meetings are productive, efficient.
6. Agency is not burdened with too many levels of approval.
7. Agency meets deadlines.
8. Agency reacts quickly.
9. Assignment of responsibilities is clear.
10. There is ease in getting in touch with account executives and other essential people.

Organizational:

11. Agency charges fairly.
12. Agency stays within budget limitations.
13. Agency personnel are experienced.
14. Agency provides full range of services.

Relationship:

15. Good personal relationship exists with account service people.
16. Good personal relationship exists with agency creative people.
17. Agency has low personnel turnover.
18. Agency shows strong leadership.

Verbeke (1988/89) extended the above questionnaire with the replacement of the research-related item by two new items – quality of the advertising research and

quality of the marketing research – and with the addition of an item on the quality of the media planning department. As a result, the Wackman et al. item dealing with the agency's ability to make use of research became replaced by the quality of research produced by the agency. The present study incorporates both the Wackman et al. and Verbeke items regarding research.

Below the conceptual model of the present study is presented, which includes all of the variables used by Wackman et al. (1986/87) and Verbeke (1988/89) in addition to a set of new variables and dimensions.

3.3 *Conceptual Model of the Study*

The conceptual model of the study is based on the model developed by Wackman, Salmon & Salmon (1986/87) but incorporates an additional dimension of satisfaction and new variables. The Wackman et al. model has 21 variables. The present study adds new variables and disaggregates the existing variables into their individual components. For instance, agency's creative capability can be disaggregated into the quality of the agency's creative execution, agency's ability to find creative solutions to the advertiser's marketing problems, and the ability to produce ideas that work well in a variety of advertising media in addition to the quality of the agency's creative work.

The additional satisfaction dimension proposed is perceived agency contribution to the advertiser's business results (described in Section 3.3.1).

This section consists of three main parts. The first part contains the independent variables of the study. The second part explains the dependent variable of advertiser's satisfaction with the advertising agency. The final part deals with the control variables.

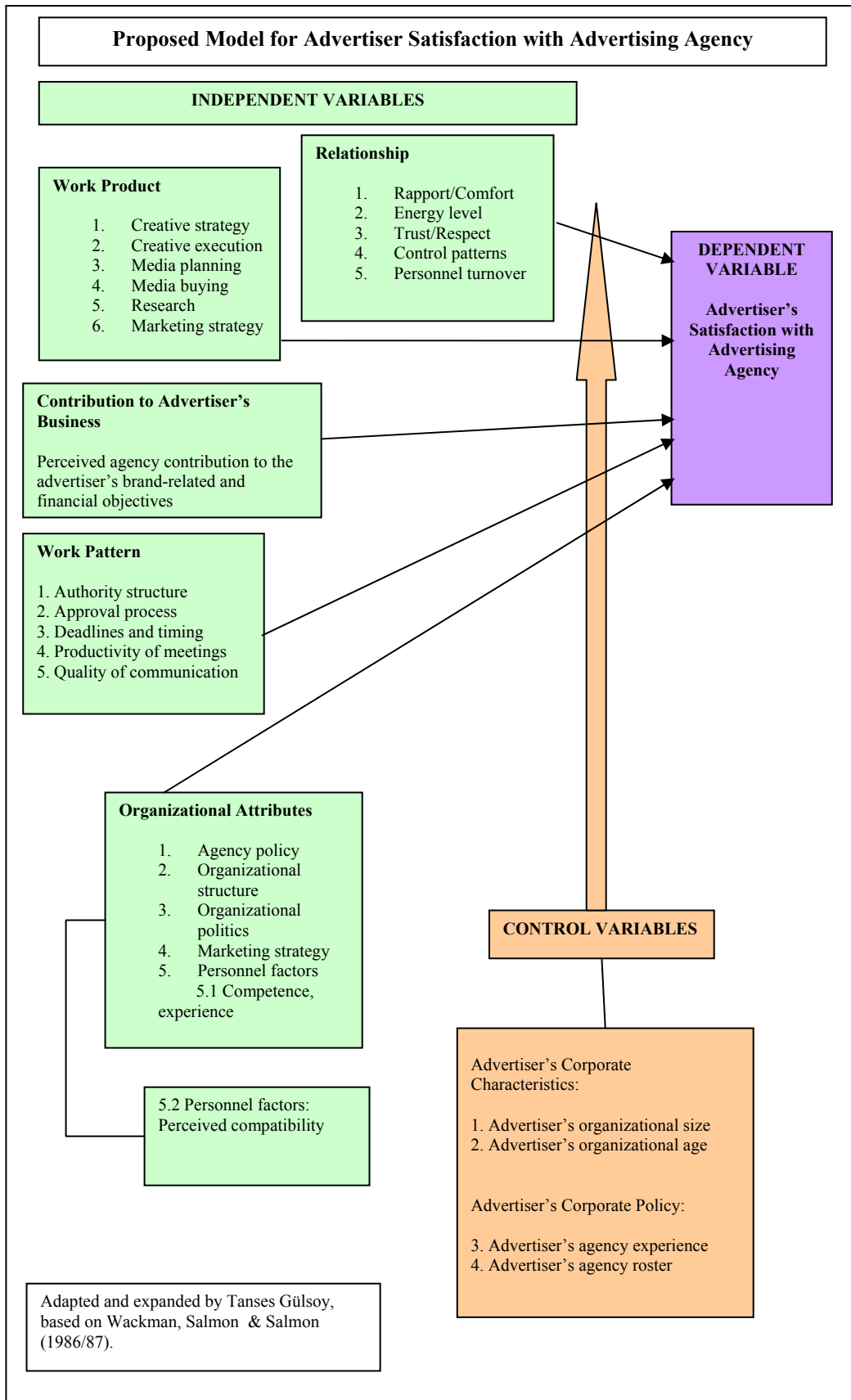


Figure 3.3-1 : Proposed Model of the Study

The proposed model incorporates all of the independent variables and the dependent variable of the Wackman, Salmon & Salmon (1986/87) and several additional elements.

3.3.1 Perceived Agency Contribution to Advertiser's Business

An additional independent variable has been proposed: the advertising agency's contribution to the advertiser's brand-related and financial objectives, as perceived by the advertiser.

In view of the increasing importance placed on advertising that delivers results, and the increasingly sophisticated methods devised to measure those results, the agency's contribution to the advertiser's business is expected to matter. Accountability, which refers to the responsibility for the manner in which advertising, public relations, or other funds have been spent (Weiner, 1996: 5), is a primary concern for advertising agencies and for the advertisers that hire those agencies (Clow & Baack, 2004: 4).

One way of justifying accountability is measuring advertising effectiveness and compensating the advertising agency accordingly. Effectiveness of the advertising is manifested through sales (sales effectiveness) as well as through awareness, knowledge, or preference (communication effectiveness) (Kotler, 2003: 606). It is generally agreed that the effectiveness of advertising is easier to measure in relation to brand-related targets than it is in relation to sales because of the difficulty involved in teasing out the effect of advertising from the interplay of the other market factors influencing sales (such as distribution, price, increased competitor advertising at the same time, competitor promotions, etc.) although historical and experimental techniques are available (Kotler, 2003: 608). Brand-related targets are known as "brand equity" – brand awareness, brand loyalty, perceived quality and brand associations that are attached to a brand name or symbol (Aaker, 1991, as cited in Aaker & Biel, 1993: 2). Advertising is considered to be a major contributor to brand equity (*ibid.*). Consequently, the perceived performance of the advertising agency in terms of its contribution to the advertiser's financial and brand-related business

objectives is considered to play an important role in advertiser satisfaction. A UK advertising industry body, the ISBA (1996, as cited in Lace, 1998) and Lace (1998) tested client satisfaction in connection with, among others, two related variables: agency contribution to the achievement of client marketing objectives and agency contribution to the standing of client products, services or brands. Chuchinprakarn (1999) tested for the impact of the variable of perceived performance (measured in terms of meeting the advertiser's financial objectives) on the intention to continue the agency-client relationship. This variable derives from those studies. In the present study, the agency's contribution will be examined with respect to both the advertiser's financial results (sales and market share) and the advertiser's brand-related targets.

3.3.2 Additional Independent Variables

Some of the variables in the WSS model (1986/87) are not operationalized in their study. While their model has 21 variables, their questionnaire has only 18 items. Several additional items have been proposed to operationalize and disaggregate the existing variables of the model as well as to account for the changes in the agency-client relationship that have occurred since Wackman et al.'s landmark study.

3.3.2.1 Additional Work Product Variables

Creativity: While "creative execution" is operationalized by one item in the WSS study (i.e., the quality of agency's creative work), in the present study this variable is operationalized by three additional items: the quality of creative executions; agency's ability to find creative solutions to the advertiser's problems; and the agency's capability to find ideas that work across media.

Strategy: Agency's strategic capability (operationalized by the single variable of the agency's ability to keep to strategy in the WSS model) is operationalized by two additional items in the present study: agency's contribution to the advertiser's marketing strategy and agency's understanding of the advertiser's business.

3.3.2.2 Additional Work Pattern Variables

Formalized procedures: Increased formalization in the agency-client relationship has been frequently pointed out as a remedy for the problems between the agency and advertiser (Marrian, 1967; Johnson & Laczniak, 1990; Michell & Sanders, 1995). The focus, however, has generally been on the advertiser. It has been shown that larger advertisers tend to prefer larger, full-service advertising agencies and stay with them longer (Michell, 1987/88). Part of the reason for this preference may be the formalization that comes with a bigger agency. Therefore, this variable has been added.

3.3.2.3 Additional Organizational Variables

Negotiation capability: As production costs can sometimes outweigh the agency's commission, the agency's ability to negotiate good prices with third parties (such as film production companies or print houses) can be an important determinant of cost-efficiency. Therefore, to the Wackman et al. (1986/87) items of price fairness and cost-consciousness, a new item has been added: the agency's ability to get good prices from third parties for the advertiser's work.

Below-the-line and integrated communications capability: Integrated marketing communications, defined as "the coordination and integration of all marketing communication tools, avenues, and sources within a company into a seamless program" (Clow & Baack, 2004: 8), is considered to be a service expected from advertising agencies, especially since the industry's main awards competition "Kristal Elma" has a category devoted to "multimedia campaigns".¹⁰ Therefore, this variable as well as one addressing the agency's below-the-line capability have been added.

¹⁰ Please see the categories section of this awards competition at www.kristalelma.org.tr/kategoriler.html.

Account conflicts: Advertisers are known to require exclusivity from their agencies, which means the agency cannot serve two competing accounts. This variable has been added to operationalize the “agency politics” variable in the WSS model.

Agreement on targets and objectives: This item has been added in order to operationalize the “marketing strategy” variable in the WSS model.

Compatibility of agency and client personnel: The importance of the compatibility of agency and client personnel has been underlined by various studies (e.g., Cagley & Roberts, 1984; Michell, 1986/87; Fam & Waller, 1999; Na & Marshall, 2001; Crutchfield et al., 2003; Palihawadana & Barnes, 2005). While compatibility can mean personal chemistry, it can also be construed as compatibility of authority and expertise levels (Evan, 1972, as cited in Michell & Sanders, 1995; Korgaonkar et al., 1984). Therefore, two related items have been added to personnel factors.

3.3.2.4 Additional Relationship Variables

Openness to criticism, rapport, and corporate culture: Creative arrogance on the part of agencies is apparently common enough to be included as a possible problem in the advertiser survey of the US advertisers’ association ANA (Davis, 2004: 54). Creative arrogance is associated with the agency’s reluctance to accept criticism. Considering that a good relationship has to have room for criticism, agency’s openness to criticism has been included as a variable. Interorganizational rapport (cooperation) has been included as a separate variable. Rapport may be enhanced by a compatibility of corporate cultures. Defined as the set of key values, beliefs, understandings, and norms shared by members of an organization (Daft, 2006: 95), corporate culture is incorporated into the agency-client loyalty model proposed by Michell & Sanders (1995) in the form of “shared values.” Therefore, this variable was also included for the impact it may have on the relationship climate between agency and advertiser.

Leadership, personal attention, initiative, and cooperation with advertiser’s other marketing communications partners: The variable of leadership, operationalized by

one item in the WSS study (1986/87), has been extended in the present study with the addition of an item on the agency's ability to stand behind its proposals. Personal attention has been operationalized by the item on the involvement of agency top management in the advertiser's work. The variable of initiative has been operationalized by two items: the investment the agency makes in the advertiser's account and the care the agency devotes to the account irrespective of return. In today's marketing environment the advertiser often works with several communications suppliers in addition to the lead creative agency (such as media agencies, PR companies, Website design houses, etc.), and the advertising agency is expected to cooperate with them. Therefore, an item has been incorporated to account for the level of agency collaboration with other marketing communications partners of the advertiser.

Trust and respect: The construct of trust, which was not operationalized in the WSS model, was operationalized by LaBahn (1996), drawing on the work of Moorman et al. (1992), and this operationalization has been borrowed in the present study. Respect has been operationalized by one item: the agency's prestige as perceived by the advertiser. Prestigiousness of the agency has been found to be an important variable relating to advertiser's loyalty (Michell & Sanders, 1995) though its impact on satisfaction is yet to be explored. It has been incorporated into the proposed model to stand for respect.

3.3.3 Dependent Variable

Advertiser's satisfaction with the advertising agency is an important construct delineated and empirically supported for the first time by Wackman et al. (1986/87). Performance satisfaction is defined as "the degree to which the business transaction meets the business performance expectations of the partner" (Wilson, 1995: 338). However, Wackman et al.'s model (1986/87) defines satisfaction as more than satisfaction with performance, embracing other concepts such as work processes, organizational elements, and the relationship itself. In the present study, satisfaction is conceptualized along similar lines. The dependent variable of "advertiser satisfaction with the agency" is measured by two alternative items. These items are:

“Overall satisfaction” (measured on a 5-point scale of “Very satisfying” to “Not satisfying at all”) and “Agency overall grade” (measured on a ratio scale of 0 to 100).

3.3.4 Control Variables

The model also incorporates a number of control variables, examined under the two categories of “Advertiser’s corporate characteristics” (organizational size and age) and “Advertiser’s corporate policy” (relationship longevity and agency roster). The reasons for the inclusion of these variables are given below:

Advertiser company’s size: Advertiser company’s size is usually measured by the amount of advertising expenditure and sometimes by staff size. Advertiser company’s size has been found to influence loyalty to the advertising agency when measured by adspend (Michell & Sanders, 1995; Buchanan & Michell, 1991; Michell, 1984a, 1987/88, 1988a). Michell (1987/88) found an “almost linear relationship” between account size (adspend) and loyalty (p. 64). The only study that explores the impact of advertiser size on agency satisfaction was located in Turkey: In their study of the Turkish market Kaynak, Küçükemiroğlu & Odabaşı (1994) found that larger adspend was associated with higher agency satisfaction.

Advertiser company’s age: Advertisers have been found to stay longer with agencies that match them in size and prestige (Michell, 1987/88, 1988a). Prestige is often associated with organizational age; in fact, Mathur & Mathur (1996) found that larger or older advertising agencies are perceived as more prestigious. The advertiser’s organizational age has been incorporated into the model in order to explore its impact on advertiser’s satisfaction with the agency.

Current agency-client relationship duration: Davies & Prince (1999) found that the age of the relationship provides a measure of protection against client defection; although the probability of dissolution increases as the relationship gets older, it does so at a decreasing rate. The impact of relationship age on advertiser’s agency satisfaction was explored by Kaynak, Küçükemiroğlu, and Odabaşı (1994) and found to positively influence agency evaluation.

Advertiser's agency roster: Most companies seem to have abandoned the traditional sole-source model for professional services (Baker & Faulkner, 1991), and there is some evidence that this is true also for advertising services. In fact, advertisers' practice of using multiple agencies recently gave rise to some controversy: The president-CEO of the US Association of National Advertisers questioned why any advertiser would work with a single advertising agency only and drew the criticism of the outgoing chairman of the American Association of Advertising Agencies (Creamer, 6 April 2006). Baker et al. (1998) found that the number of agencies used is positively related to the future risk of relationship dissolution with any one agency. The agency roster has not yet been tested for its impact on advertiser satisfaction.

3.4 Hypotheses

Based on previous studies, the dimensions of agency's work product, work pattern, organizational attributes, contribution to the advertiser's business results, and the quality of the relationship are expected to influence advertiser's satisfaction with the agency positively. The hypotheses regarding the independent variables and the dependent variable are presented below. No hypotheses will be formed regarding the control variables.

Hypothesis 1: The advertiser's satisfaction with the advertising agency is significantly determined by the agency's perceived work product.

Hypothesis 2: The advertiser's satisfaction with the advertising agency is significantly determined by the agency's perceived contribution to the advertiser's brand-related and market results.

Hypothesis 3: The advertiser's satisfaction with the advertising agency is significantly determined by the agency's perceived work pattern.

Hypothesis 4: The advertiser's satisfaction with the advertising agency is significantly determined by the agency's organizational attributes.

Hypothesis 5: The advertiser's satisfaction with the advertising agency is significantly determined by the quality of the relationship between the two companies as perceived by the advertiser.

CHAPTER 4

METHOD

This chapter will describe the data collection procedures, operationalization of the variables, and the data analysis procedures.

4.1 Research Procedures

This study makes use of two primary analysis methods: factor analysis and linear multiple regression analysis. A set of attributes judged to be important contributors to the advertiser's satisfaction with the advertising agency (i.e., the dependent variable) are subjected to a principal component analysis to determine the underlying dimensions. Factor-scores obtained from the principal components analysis are then entered into linear multiple regression as independent variables to determine the relative importance of each independent variable in the prediction of the dependent variable. The rationale for the selection of these methods and of the specific techniques employed is explained in Section 4.5.

4.2 Data Collection Procedures

This study made use of three methods of data collection: in-depth interviews, a survey of leading advertisers, and examination of secondary sources.

In-depth interviews: Face-to-face and telephone interviews were conducted with key industry informants to gain additional insight into the research issues.

Survey: Face-to-face interviews were conducted with survey respondents. Advantages of personal interviews have been noted: The largest amount of data can be collected using the personal interview, and long questionnaires are best handled by this method (Kinnear & Taylor, 1991: 323; Churchill, 1992: 277). The main advantage of the personal interview is the social setting which motivates the respondent to spend more time in the interview setting (Kinnear & Taylor, 1991: 323). The interviewer can explain and clarify complex or confusing questions. Moreover, an investigator's taking the time and trouble to conduct personal interviews rather than simply passing out questionnaires or sending forms through the mail suggests to respondents that the researcher particularly values their opinions. This display of sincere interest in respondents' views can enhance the diligence and care with which interviewees answer questions (Thomas & Brubaker, 2000: 154).

Secondary sources: The secondary sources used for the study included articles, trade journals, company annual reports, Reklamcılar Derneği (Turkish Advertising Association) industry data; Bileşim adspend data; reports published by DİE (now TÜİK / State Institute of Statistics), İSO (Istanbul Chamber of Industry), and İMKB (Istanbul Stock Exchange); biographies and autobiographies of Turkish and foreign advertising personalities; case histories in Turkish and world advertising; and publications of the Association of National Advertisers (USA).

4.2.1 Sources of Primary Data

The study population is the top 101 advertisers of 2004: These are advertisers whose ratecard-based adspend in 2004 exceeded 45.5 million new Turkish liras, or 34 million US dollars (Bileşim Medya, 2005). As these advertisers account for the greatest advertising spend, they are expected to have experience with a wide variety of aspects of advertising and of advertising agencies. Therefore, they are considered

to form an appropriate population for the purposes of the present study. An effort has been made to choose respondents from among those executives of top advertiser firms with responsibility for managing relations with advertising agencies and preferably with involvement in the selection/termination/evaluation of advertising agencies. This type of key informant method is used often in marketing and advertising studies with the intent of interviewing the person best able to respond (e.g., Crutchfield et al., 2003; Lichtenthal & Shani, 2000; Lace, 1998; LaBahn, 1996; Michell&Sanders, 1995; Michell, 1988b; Wackman et al., 1986/87).

The sample is based on the most current population list available at the time of the design of the study (beginning of 2005): the Bileşim list of Turkey's top advertisers of 2004 by ratecard-based adspend data.

4.2.1.1 Sampling Frame: Top Advertisers of 2004

The sampling frame used is Turkey's top 101 advertisers of 2004 (Bileşim Medya, 2005). (The list of Turkey's top 101 advertisers for 2004 is given in Appendices B and C to this document. In Appendix C, the companies are classified by industry, and their major brands are listed).

4.2.1.2 Sample

In anticipation of the difficulty of securing survey response, every attempt was made to include all of the population elements. Thus, no sampling was conducted. All but one of the 101 companies were contacted - some repeatedly. Those companies based outside of Istanbul or the nearby provinces were also contacted, primarily to find out if they had a marketing organization in Istanbul; marketing organizations for those companies that did have one in Istanbul or the nearby provinces were also contacted. As a result of these inquiries, 12 advertisers were dropped from the list either because the company no longer existed, was otherwise untraceable, or did not use the services of an outside advertising agency and therefore was by definition had to be

excluded from participation in the study. One company was also excluded from the study because the agency relationship had just begun.

Qualified company representatives were then identified through industry contacts, published reports, or direct inquiry. Initially, respondents were identified with the use of the membership list of Turkey's Advertisers Association, which posts its membership list on its website (www.rvd.org.tr). For those companies who are not members of the association, trade press reports and direct inquiry were used to identify the appropriate respondent. In some cases, respondents were asked to refer the researcher to their peers who would be best able to respond to the survey in other advertiser companies included in the list of top advertisers. Such a key informant method is used often in marketing and advertising studies (please see Spake et al., 1999). As a result of repeated tries by telephone and through letters explaining the purpose of the study sent directly to the qualified representatives, 62 accepted to participate in the survey, but five had to cancel before the interview and could not reschedule. Some interviews had to be scheduled 2-3 weeks in advance (in one instance, 6 weeks in advance).

The final sample included 57 advertisers, 6 of whom belonged to the pilot study which was conducted during the months of April and May of 2005. The questionnaire was administered to the remaining 51 advertisers during a 6-month period. Three of the original six respondents forming the pilot granted a second interview in order to be administered the final questionnaire. (Thus, a total of 60 interviews were conducted.) Two responses had to be excluded from the analyses due to technical reasons. As the population has been reduced to 89, the final sample size of 52 represents a return rate of 58%.

These advertisers evaluated a total of 28 agencies. This means that an average of 2 advertisers evaluated each agency. The majority of the agencies reviewed have foreign affiliations (54%).

4.2.2 Data Collection Time Frame

The survey was conducted over a 6-month period during the fall of 2005 and the spring of 2006, and the pilot study was conducted over a 2-month period during the spring of 2005.

4.2.3 Study Setting

The geographical area covered for purposes of survey administration has spanned a wide compass including some provinces outside of Istanbul. The majority of the respondents have filled out the questionnaires in their offices. In one case the interview/questionnaire administration was conducted in a restaurant (Levent, Istanbul) at the respondent's request (it was the respondent's off-day) and in another case the interview was initially filled out at the respondent's office (Yukarı Dudullu), terminated due to the respondent's other appointments, and later completed in a restaurant (İçerenköy), again at the respondent's request. In a third case – where the advertiser firm was not located in Istanbul – the survey was administered at the CNR World Trade Center, Yeşilköy, Istanbul, where the respondent was present for an industry fair.

4.2.3.1 Unit of Analysis

The unit of analysis is the advertiser's primary advertising agency, as opposed to specialist agencies. If multiple agencies were used for a brand, the respondent was instructed to respond to the survey with reference to the primary advertising agency only. As the focus of the study is the ongoing agency-client relationship, all of the agencies evaluated in the survey are currently employed by the advertiser; however, three advertisers indicated that they were in the final stages of their relationship: While technically they were still working with the advertising agency, two of them had given notice of termination to the agency. The third advertiser indicated that they

were working with the agency on a project basis as it was, and therefore, the relationship could be resumed any time. These respondents were kept in the set of 52 that entered the analyses.

4.2.4 Data Collection Instruments

The main data collection instrument was a 99-item questionnaire administered face-to-face to advertiser firm representatives responsible for managing relations with advertising agencies. The questionnaire was undisguised: Respondents were informed about the purpose of the study. The same questionnaire was administered to every respondent. Two respondents were administered the English version of the questionnaire. The questionnaire was designed as a self-administered instrument; the researcher, however, was present to answer any questions that could come up. It took each respondent approximately 1-2 hours to fill out the survey questionnaire.

Survey questions were developed through:

- a) observation of the advertising industry;
- b) literature review;
- c) personal interviews.

4.2.5 Pilot Study

- 1) The questionnaire has been reviewed by a panel of experts, including academicians and industry specialists.
- 2) An archive study has been made of 11 years (1991-2001) of the trade journal *Marketing Türkiye* and 7 years of the trade journal *MediaCat* (1999-2005).
- 3) Face-to-face interviews were conducted with the following key industry informants: Chairperson of the Advertisers' Association; former General Secretary of the Advertising Association; Program

Coordinator of the Advertising Foundation; Editor-in-chief of one of the industry's main trade journals.

4.2.6 Questionnaire Revision

Following the pilot study of 6 cases, the questionnaire was revised. Questions that did not reveal any variance were excluded from the analyses. The structure of some questions were changed in order to elicit more information. Following an in-depth literature review over a four-month period, some variables that were measured with one question were replaced by scales adapted from the literature.

The dependent variable of agency satisfaction was being operationalized by one question only (Question 11): "How satisfactory do you find your agency overall?" (on a 5-point scale of "Very satisfactory" to "Not satisfactory at all"). The pilot study did not reveal any variance for this item. In order to achieve greater variance, the following item was appended to the original item measuring the dependent variable: "Please give your agency a grade on a scale of 0 to 100" (Question 11A).

4.2.7 The Final Questionnaire

The final questionnaire consisted of 99 questions (Please see Appendices H and I for Turkish and English versions of the questionnaire). The questionnaire is composed of several sets of questions. What sort of data each question set aims to gather is outlined below:

- 1) Questions aimed at measuring the advertiser's satisfaction with various aspects of the agency's service and of the agency-client relationship;
- 2) Questions on the advertiser's use of agency services;
- 3) Questions aimed at uncovering the importance the advertiser gives to the role of advertising and that of the advertising agency in achieving market/brand objectives;
- 4) Questions on the advertiser's history with incumbent and former agencies;

- 5) Questions on the criteria and procedures used for selection, evaluation, maintenance, and termination of advertising agencies;
- 6) Questions on the advertiser's policies involving the agency;
- 7) Questions on the advertiser's problems with the agency, and perceptions of what the advertiser and the agency can each do to improve the situation;
- 8) Questions on company- and respondent-related data.

4.2.7.1 The English Translation of the Questionnaire

As one-third of the study universe consisted of multinational firms, some of the respondents were anticipated to be foreign executives. Therefore, the finalized Turkish version of the questionnaire was translated into English. As anticipated, two respondents turned out to be foreign executives, to whom the questionnaire was administered in English. The English version of the questionnaire is provided in Appendix I to this document.

4.3 Operationalization of the Variables

This section will present the operationalization of each variable.

The independent variables measuring advertisers' satisfaction with various aspects of agency service and the relationship are operationalized by a total of 45 questions, 29 of which are in addition to the original variables used in Wackman et al. (1986/87) and the Odabaşı study (1992). The dependent variable of advertiser's satisfaction with the agency is operationalized by two alternative questions. The control variables are operationalized by a total of 4 questions.

Additional aspects of the agency-client relationship are operationalized by a set of questions aimed at illuminating the relationship between the independent variables and the dependent variable. They are therefore included for exploratory purposes. In the table below, each variable is presented with the appropriate item number, item scale, and item source.

Table 4-1: Operationalization of the Variables

OPERATIONALIZATION OF THE INDEPENDENT, DEPENDENT, AND CONTROL VARIABLES				
Variable	Scale	Item No.	Item	Item Source
INDEPENDENT VARIABLES		1.	Please rate your advertising agency with respect to the following services, service dimensions, and the quality of the relationship between your company and your agency.	
Work Product: Creative capabilities	5-level scale (Very satisfactory / Not satisfactory at all.)	1. vii	Quality of your agency's creative work	Wackman, Salmon & Salmon* (1986/87); Odabaşı (1992)
		1. xxvii	Agency's ability to find creative solutions to your marketing problems	Constructed by researcher.
		1. xxxi	Quality of the agency's creative executions	Constructed by researcher.
		1. xxx	Agency's ability to produce ideas that work well in a variety of media	Constructed by researcher.
Work Product: Strategy-related capabilities	5-level Likert scale (Strongly agree / Strongly disagree)	1. v	Agency's ability to operate within agreed-upon strategies	WSS (1986/87); Odabaşı (1992)
		1. xxii	Agency's ability to make good use of research results	WSS (1986/87)
		1. xxiii	Agency's contribution to the development of your marketing plans/marketing strategy	Constructed by researcher.
4.	Our agency has a good understanding of our business/sector.	Constructed by researcher.		
Work Product: Media planning capability	5-level scale (Very satisfactory / Not satisfactory at all.)	1.i	Quality of the agency's media planning services***	Verbeke, (1988/89); Odabaşı (1992)
Work Product: Media buying capability		1. xxi	Agency's ability to buy media at favorable rates***	Cagley & Roberts (1984)
Work Product: Research capability		1. iv	Quality of the advertising research conducted by the agency***	Verbeke (1988/89); Odabaşı (1992)
		1. xi	Quality of the marketing research conducted by the agency***	Verbeke (1988/89); Odabaşı (1992)
		1. xxxvi	Quality of the media research conducted by the agency***	Constructed by researcher.
Work Product: Public relations capability	1. ii	Quality of the public relations campaigns conducted by your advertising agency***	WSS (1986/87); Odabaşı (1992)	
Work Pattern: Authority structure	5-level scale (Very satisfactory / Not satisfactory at all.)	1. xii	Clarity and specificity of the delineation of responsibility among agency personnel (i.e., Is the assignment of responsibility among agency personnel clear and specific?)	WSS (1986/87); Odabaşı (1992)
Work Pattern: Formalization		1. xxv	Level of establishment of agency procedures (How formalized are the agency's ways of conducting its business?)	Cagley (1986); Koç, Toduk-Akiş & Alakavuk** (1993)
Work Pattern: Approval process		1. vi	The efficiency of the approval process within the agency (i.e., The agency is not burdened with too many levels of approval.)	WSS (1986/87); Odabaşı (1992)
* Wackman, Salmon and Salmon will be referred to as WSS in the rest of this table. ** Koç, Toduk-Akiş and Alakavuk will be referred to as KTA in the rest of this table. ***Excluded from the analyses.				

Table 4.1 (continued)

Variable	Scale	Item No.	Item	Item Source
Work Pattern: Deadlines and timing	5-level scale (Very satisfactory / Not satisfactory at all.)	1. iii	The agency's ability to make the deadlines	WSS (1986/87); Odabaşı (1992)
		1. ix	The agency's ability to quickly react to changes in the environment (such as technological progress, macro developments, legal changes, competition, etc.)	Developed by the researcher from WSS (86/87) and Odabaşı (1992)
		1. xiv	Productivity and efficiency of agency meetings	WSS (1986/87); Odabaşı (1992)
Work Pattern: Productivity of meetings		1. viii	The ease with which you can get in touch with the account executives and other essential people in the agency	WSS (1986/87); Odabaşı (1992)
Work Pattern: Quality of communication				
Organizational: Agency policy	5-level scale (Very satisfactory / Not satisfactory at all.)	1. x	The agency's price (i.e., Does the agency charge fairly? How satisfied are you with the commission the agency charges for its services?)	WSS (1986/87); Odabaşı (1992)
		1. xx	Agency's ability to stay within your budget limitations	WSS (1986/87); Odabaşı (1992)
		1. xxxii	Agency's ability to get good prices from third parties for your work	Constructed by researcher.
Organizational: Organization structure	5-level scale (Very satisfactory / Not satisfactory at all.)	1. xiii	The agency's capability to provide full range of services (agency service breadth)	WSS (1986/87); Odabaşı (1992)
		1. xxvi	Agency's integrated marketing communications capability	Constructed by researcher.
		1. xxxiv	Quality of the agency's below-the-line advertising	Constructed by researcher.
Organizational: Personnel factors: Competence, experience		1. xvi	The experience level of agency personnel	WSS (1986/87); Odabaşı (1992)
Organizational: Personnel factors: Compatibility of agency-client personnel in expertise and authority	5-level Likert scale (Strongly agree / Strongly disagree)	9.	Our people and agency people are compatible in terms of their expertise levels.	Michell & Sanders (1995)
		10.	Our people and agency people are compatible in terms of their authority levels.	Constructed by researcher.
Organizational: Agency politics		8.	There are no accounts among our agency's other clients that could be considered our competition.***	Constructed by researcher.
Organizational: Marketing strategy	5-level scale (Very satisfactory / Not satisfactory at all.)	1. xxxv	Level of agreement with the agency over your targets and objectives	Developed by researcher from Cagley & Roberts (1984)
Relationship: Rapport, comfort	satisfactory at all.)	1. xviii	Quality of personal relationship with agency creative people	WSS (1986/87); Odabaşı (1992)
		1. xix	Quality of personal relationship with the account service people	WSS (1986/87); Odabaşı (1992)
		1. xxviii	Agency's openness to criticism	Constructed by researcher.
	5-level Likert scale (Strongly agree / Strongly disagree)	6.	Our corporate culture is compatible with that of our agency.	KTA (1993)
		7.	We have good rapport with our agency.	Constructed by researcher.
Relationship: Energy level	5-level scale (Very satisfactory / Not satisfactory at all.)	1. xv	The agency's ability to show strong leadership	WSS (1986/87); Odabaşı (1992)
		1. xxiv	The involvement of the agency's top management in your work (e.g., regularly calling you, updating you on work in progress, etc.)	Constructed by researcher.

***Excluded from the analyses.

Table 4.1 (continued)

Variable	Scale	Item No.	Item	Item Source
Relationship: Energy level	5-level scale (Very satisfactory / Not satisfactory at all.)	1. xxix	How well the agency stands behind the proposals and the work it presents	Constructed by researcher.
		1. xxxiii	How well the agency collaborates with your other marketing communications suppliers	Constructed by researcher.
	5-level Likert scale (Strongly agree / Strongly disagree)	2.	Our agency does not shy away from investments to meet our evolving needs.	Constructed by researcher.
		3.	Our agency puts the same care into all our assignments irrespective of the amount of revenue the assignment represents.	Constructed by researcher.
Relationship: Respect	5-level Likert scale (Strongly agree / Strongly disagree)	5.	Our agency is one of Turkey's most prestigious advertising agencies.	Constructed by researcher.
Relationship: Trust		28.	We trust our agency to get the job done right, even if we do not review their work.	LaBahn (1996); Moorman, Zaltman & Deshpandé (1992)
		29.	We are willing to let our agency make important decisions without our involvement, if we cannot be reached.	LaBahn (1996); Moorman, Zaltman & Deshpandé (1992)
		30.	We rarely feel the need to check our agency's work to make sure it is being done correctly.	LaBahn (1996)
		31.	We are willing to accept the agency's advice without questioning their motives.	LaBahn (1996)
Relationship: Personnel turnover	5-level scale (Very satisfactory / Not satisfactory at all.)	1. xvii	The agency's rate of (low) personnel turnover	WSS (1986/87); Odabaşı (1992)
Agency's perceived contribution to advertiser's business results	5-level scale (Very important / Not important at all).	17.	Please indicate the level of contribution of your advertising agency to the following results.	
		17.i	Increasing sales	Lace (1998); Chuchinprakarn (1999).
		17.ii	Increasing market share	Lace (1998); Chuchinprakarn (1999).
		17.iv	Meeting objectives related to your brand's image (brand awareness, perceived quality, brand loyalty, positive attitude, etc.).	Constructed by researcher.
DEPENDENT VARIABLE	5-level scale (Very satisfactory / Not satisfactory at all)	11.	How satisfactory do you find your agency overall?	WSS (1986/87); Odabaşı (1992)
	Ratio	11 a.	Please rate your agency on a scale of 0 to 100.	Constructed by researcher.
CONTROL VARIABLES				
Advertiser's agency experience	Ratio	33.	When has your company begun working with your present advertising agency?	Constructed by researcher.
Advertiser's agency roster	Ratio	39.	The number of advertising agencies your company currently employs:	Constructed by researcher.
Advertiser's age	Ratio	61.	For how long has your company been in business? (If your company is of foreign origin, when was it incorporated in Turkey?)	Constructed by researcher.
Advertiser's staff size	Ratio	62.	Total number of staff in your company: _____	Constructed by researcher.

Table 4-2: Operationalization of the additional variables

VARIABLES FOR EXPLORING ADDITIONAL ASPECTS OF THE AGENCY-CLIENT RELATIONSHIP					
Variable	Scale	Item No.	Item	Item Source	
Perceived importance of advertising	5-level Likert scale (Strongly agree / Strongly disagree)	15.	Advertising is an important tool for increasing the sales of our brand(s).	Constructed by researcher.	
		16.	Advertising is an investment we make in our brands' future.	Constructed by researcher.	
	Ratio	13.	What is your brand's best weapon in its market? (Please indicate the contribution of each of the following to your brand's competitive power.) (%)	Constructed by researcher.	
Perceived importance of the agency's role	5-level scale (Strongly agree / Strongly disagree)	18.	Our advertising agency provides services that are critical to the success of our company.	Chuchinprakarn (1999)	
Advertiser's self-perceived role	Nominal	24.	In your opinion, which of the following functions fall under your company's charge only, which under your advertising agency's charge only, and which under your joint charge with your agency? (product development, creating brand identity, formulation of marketing strategy, formulation of creative strategy for the advertising, formulation of the media strategy, coordination of advertising with other marketing communications)	Constructed by researcher.	
Advertiser's information disclosure	5-level scale (Strongly agree / Strongly disagree)	19.	We share all brand-related information with our advertising agency.	Constructed by researcher.	
		20.	We keep our agency well-informed of what is going on in our company.	LaBahn (1996)	
		21.	We share our overall marketing strategy with our agency.	Constructed by researcher.	
	Nominal	22.	Please indicate all of the following statements that apply:		Constructed by researcher.
			We brief our agency before each advertising campaign.		
			Occasionally we organize training programs for our advertising agency.		
			We have an intranet with our agency.		
5-level scale (Always / Never)	25.	Which of the following appears in your briefs to the agency?		Constructed by researcher.	
		The brand's market position and background			
		Findings of brand-related market research			
Information flow to creatives	5-level scale (Always / Never)	23.	Do agency creatives attend the meetings you have with your advertising agency?		Constructed by researcher.
			Findings of competition-related research		
			Size of the market in terms of volume and value		
			Budget allocated for the assignment		
			Other:		
Control	5-level scale (Strongly agree / Strongly disagree)	26.	In the briefs we give our agency we make sure to specify budget constraints.	Constructed by researcher.	
		27.	In the briefs we give our agency we make sure to specify our expectations.	Constructed by researcher.	
	5-level scale (When necessary / Never)	32.	Do you make demands from your advertising agency regarding who should be placed on your account (or be excluded from your account, as the case may be)?	Adapted from <i>Marketing Türkiye</i> .	
Advertiser's agency experience	Nominal	34.	Did your company work with an outside advertising agency before your present agency?	Constructed by researcher.	
	Ratio	35.	For how long did your company work with the advertising agency previous to your present agency?	Constructed by researcher.	
Respondent's influence in agency termination	Nominal	36.	Did you personally have any influence in terminating the relationship with the former advertising agency?		

Table 4.2 (continued)

Variable	Scale	Item No.	Item	Item Source
Advertiser expectations	5-level scale (Very important / Not important at all).	37.	How important were the following reasons in terminating your relationship with your former advertising agency?	Developed by the researcher with some items adapted from Doyle, Corstjens & Michell (1980) and Dowling (1994).
		38.	Below are some reasons advertisers have given for terminating their relationship with their advertising agencies. How important would those reasons be for you if you were to make a similar decision?	
Advertiser's agency-related policies: Multiple agencies	Nominal	40.	Why do you work with more than one advertising agency? (2 reasons)	Constructed by researcher.
	Nominal	41.	If you employ more than one advertising agency, please indicate how you divide your account among them.	Constructed by researcher.
Advertiser's agency-related policies: Agency selection policy	Nominal	42.	Does your company have a written procedure for advertising agency selection?	Constructed by researcher.
	Nominal	43.	Which among the following methods did you use in selecting your present ad agency?	Constructed by researcher.
Advertiser's agency-related policies: Advertiser's network and respondent influence in agency selection	Nominal	44.a	Did your group headquarters or international network have any influence in the selection of your present advertising agency?	Constructed by researcher.
	Nominal	44.b	Did you personally have any influence in the selection of your present agency?	Constructed by researcher.
Advertiser expectations	5-level scale (Very important / Not important at all)	45.	How important were the following criteria in the selection of your present advertising agency?	Developed by the researcher with some items adapted from Cagley & Roberts (1984); Dowling, (1994); and Fam & Waller (1999).
		46.	If you were to choose a new advertising agency today, how important for you would be the reasons listed below?	
		47.	How important are the following reasons for your maintenance of your present advertising agency?	
Advertiser's agency-related policies: Agency evaluation policy	Nominal	48.	Do you conduct an overall agency performance evaluation?	Constructed by researcher.
	5-level scale (Twice a year / With no particular regularity)	49.	How often do you conduct an agency performance evaluation?	Constructed by researcher.
	Nominal	50.	Which of the following methods do you use in evaluating your agency's performance? (all that apply)	Constructed by researcher with some items adapted from Chuchinprakarn (1999).
Advertiser's agency-related policies: Two-way evaluation	5-level scale (Twice a year / Not yet.)	51.	Does your agency formally evaluate your company's performance?	Constructed by researcher.
Advertiser's agency-related policies: Compensation policy	Nominal	52.	Which of the following methods best describes the way you compensate your advertising agency? (All that apply.)	Developed by the researcher with some items adopted from Beals & Lundin (2004).
	Nominal	53.	Do you ask for your advertising agency's input in setting your advertising budget?	Harris & Taylor (2003)
Advertiser's agency-related policies: Contracting	Nominal	54.	Do you have a contract with your advertising agency?	Constructed by researcher.

Table 4.2 (continued)

VariAble	Scale	Item No.	Item	Item Source
Problems	5-level importance scale (Very important / Not important at all. Also: We have no such problem.)	55.	If any of the problems listed below is an issue between your company and your advertising agency, how important, in your opinion, are those issues?	Developed by the researcher with some items as well as the question stem based on Davis (2004).
Actions for improvement	Nominal	56.i	In your opinion, which of the advertiser actions listed below can help resolve the issues between your company and your principal advertising agency? (all that apply)	Developed by the researcher with some items adapted from Davis (2004).
		56.ii	Which of the actions listed below has your company implemented or is already implementing? (all that apply)	Developed by the researcher with some items as well as the question stem based on Davis (2004).
		57.i	In your opinion, which of the agency actions listed below can help resolve the issues between your company and your advertising agency? (all that apply)	Developed by the researcher with some items adapted from Davis (2004).
		57.ii	Which of the actions listed below has your advertising agency implemented or is already implementing? (all that apply)	Developed by the researcher with some items as well as the question stem based on Davis (2004).
	Open-ended	60.	Any suggestions for improving your relationship with your advertising agency?	Constructed by researcher.
Intention to continue the relationship	5-level scale (Strongly agree / Strongly disagree)	58.	If it were completely up to me, I would want to work with this agency for a long time to come.	Constructed by researcher.
Impact of Year 2001	Nominal	59.	What kind of a change did the economic crisis of 2001 bring about in your relationship with your principal advertising agency?	Constructed by researcher.
DEMOGR. VARIABLES				
Agency service use	Nominal	12.i	Which of the following services do you buy from your principal advertising agency? (all that apply)	Constructed by researcher.
	Ordinal	12.ii	Which of the services below do you consider essential for your advertising agency to provide if you are to continue working with this agency? (3 choices)	Constructed by researcher.
Advertiser company's equity structure	Ratio	64.a	Your company's equity structure: Domestic equity percentage	Constructed by researcher.
	Ratio	64.b	Your company's equity structure: Foreign equity percentage	Constructed by researcher.
	Ratio	64.c	Your company's equity structure: Public equity percentage	Constructed by researcher.
Advertiser's adspend	Ratio	63.	Your total estimated advertising budget for 2005 (including agency commission, below-the-line expenditure, production costs, advertising expenditure in local media, and VAT)	Constructed by researcher.
Advertiser's market	Ratio	14.	Market growth rate over the past year (growth rate of sectoral income from 2003 to 2004): %.	Constructed by researcher.
Advertiser's industry	Nominal	Demogr.	Respondent company's field of operations	Constructed by researcher.
Respondent's position	Nominal	Demogr.	Survey respondent's position	Constructed by researcher.
Respondent tenure in position	Ratio	Demogr.	Length of tenure in this position	Constructed by researcher.
Respondent's industry experience	Ratio	Demogr.	Length of tenure in this industry	Constructed by researcher.

4.4 Summary of Extensions to the Wackman, Salmon & Salmon Model

The proposed model incorporates 29 new independent variables in addition to the 16 proposed by Wackman, Salmon & Salmon (1986/87), and 4 control variables which are measured by 4 questions. A summary of the extensions proposed to the Wackman, Salmon & Salmon model is presented in the following two tables, one for independent variables and the other for control variables¹¹:

¹¹ The independent variables that entered the final analyses were selected based on the following criteria: A) Number of missing cases: Those questions with the highest number of missing cases were excluded. B) Lack of variance: One question was excluded due to lack of variance in the data.

Table 4-3 : Proposed extensions to the WSS model: Independent variables

Proposed Extension of the WSS Model: Independent Variables				
Wackman, Salmon & Salmon Questionnaire (1986/87)	No. of questions measuring variable	Proposed extension	No. of questions measuring variable	Item numbers
Work Product				
Creative strategy (keeping to strategy)	1	Creative strategy (keeping to strategy)	1	1.v
Creative execution	1	Creative execution: creative capability, creative solutions, across media, creative executions	4	1.vii; 1.xxvii; 1.xxx; 1.xxxi
Media planning	None	Media planning	1*	1.i
Media buying	None	Media buying	1*	1.xxi
Research: Ability to make use of research	1	Quality of advertising research, marketing research, media research; ability to use research	4**	1.iv; 1.xi; 1.xxii; 1.xxxvi
Marketing strategy (sometimes)	None	Contribution to marketing strategy, business understanding.	2	1.xxiii; 4
PR (not shown on the model)	1	PR	1*	1.ii
		SUBTOTAL	14	
Work Pattern				
Authority structure	1	Authority structure	1	1.xii
Approval process	1	Approval process	1	1.vi
Deadlines and timing	1	Deadlines and timing	1	1.iii
Productivity of meetings	1	Productivity/efficiency of meetings	1	1.xiv
Quality of communications	1	Quality of communications (ease of access)	1	1.viii
Responsiveness (not shown on the model)	1	Responsiveness	1	1.ix
		Formalized procedures	1	1.xxv
		SUBTOTAL	7	
Organizational				
Agency policy: Price, budget	2	Price, budget, negotiation	3	1.x; 1.xx; 1.xxxii
Agency organization structure: Service breadth	1	Full-service agency, IMC, BTL	3	1.xiii; 1.xxvi; 1.xxxiv
Agency organizational politics: Account conflicts	None	Account conflicts	1***	8
Marketing strategy: Agreement, adaptability	None	Agreement on targets	1	1.xxxv
Personnel factors: Experience, competence	1	Experience, compatibility (2)	3	1.xvi; 9; 10
		SUBTOTAL	11	
Relationship				
Rapport/Comfort: Account executives, creatives	2	Relations with creatives, account executives; openness to criticism; corporate culture compatibility; rapport	5	1.xviii; 1.xix; 1.xxviii; 6; 7
Energy level: Leadership	1	Leadership; top management involvement; marcom teamwork; investment; care; initiative	6	1.xv; 1.xxiv; 1.xxix; 1.xxxiii; 2; 3
Trust	None	Trust	4	28-31
Respect	None	Respect	1	5
Personnel turnover	1	Personnel turnover	1	1.xvii
		SUBTOTAL	17	
		Contribution to advertiser's business	3	17.i-iii
Total no. of questions	18		52^a	
* Excluded from further analyses due to the number of missing values.				
** Three items excluded from further analyses due to the number of missing values.				
*** Excluded from further analyses due to lack of variance.				
^a Total number of questions entering analyses are 45 because 7 questions are excluded due to the reasons outlined above.				

Table 4-4 : Proposed extensions to the WSS model: Control variables and dependent variable

Proposed Extension of the WSS Model: Control Variables and Dependent Variable		
Control Variables	No. of questions measuring variable	Item numbers
Advertiser's Market / Corporate Characteristics		
<i>Advertiser company's age</i>	1	61
<i>Advertiser company's staff size</i>	1	62
Advertiser's Corporate Policy		
<i>Advertiser's agency roster size</i>	1	39
<i>Advertiser's agency experience (relationship duration)</i>	1	33
<i>Number of questions measuring control variables</i>	4	
Dependent Variable		
<i>Advertiser's agency satisfaction</i>	1	11 (11a)
<i>Number of questions measuring dependent variable</i>	1	

In the following section the data analysis procedures that are used to analyze the variables outlined above will be described.

4.5 Data Analysis Procedures

This study makes use of two primary analysis methods: factor analysis and linear multiple regression analysis. In the next section the following analyses will be conducted:

- A preliminary data analysis will be conducted, with descriptives of the model elements presented.
- Reliability analysis will be conducted for the independent variables of the study.
- The independent variables will be factor-analyzed, using the principal components analysis method.
- The factor-scores will enter multiple linear regression.

The rationale for the selection of these methods and of the specific techniques employed is explained below.

4.5.1 Factor Analysis

Factor analysis is the method chosen for uncovering the underlying dimensions of the various attributes proposed to impact upon advertiser's satisfaction with the advertising agency. There are two primary reasons for the selection of this method:

Primarily, for this type of study, where the purpose is to determine the common dimensions that underlie a large number of variables, factor analysis is the method recommended (Hair et al., 1998: 88; Massy, 1964/1971: 241). Factor analysis can also reveal relationships among variables that were there all the time but not easy to see (Wells & Sheth, 1971: 212). The agency-client relationship is a complex business-to-business relationship with a wide variety of aspects. Factor analysis was employed to separate and analyze the main dimensions along which the independent variables could be grouped and to see which attributes belonged together.

Specifically, principal component analysis was used. The principal component model of analysis is recommended when the primary concern is prediction of the minimum number of factors needed to account for the maximum portion of the variance represented in the original variables (Hair et al., 1998: 102). For this purpose, it is noted to be the most prevalent application (Jolliffe, 2002: 63).

This study employs a large set of independent variables which are inevitably intercorrelated. Principal component analysis is recommended in order to reduce this set of correlated variables to a composite set of variables that are not correlated with each other, which can later be entered into other multivariate analyses, such as regression (Malhotra & Birks, 2006: 578; Jolliffe, 2002: 167; Hair et al., 1998: 96; Massy, 1964/1971: 242). As the employment of multiple regression was intended for the subsequent stage of the analysis, the principal components were rotated. The factor scores of the rotated principal components obtained from the analysis were subsequently entered into the multiple linear regression model as independent variables, and rotation served to remove multicollinearity among the variables. The rotation technique used was Varimax because Varimax seems to give a clearer separation of the factors (Hair et al., 1998: 110).

Furthermore, in studies within the domain of agency-client relationships where the purpose is to isolate any general underlying dimensions that might efficiently classify several correlated variables into more generic categories, principal component analysis is frequently used (e.g., Hotz et al., 1982; Cagley & Roberts, 1984; Cagley, 1986; Michell, 1986/87; Verbeke, 1988/89; Odabaşı, 1992; Michell et al., 1992; Marshall & Na, 1994; LaBahn, 1996; Fam & Waller, 1999; Lichtenthal & Shani, 2000; Na & Marshall, 2001).

4.5.2 Multiple Regression

Multiple regression is used to predict a single dependent variable with a set of independent variables (Hair et al., 1998: 159). Multiple regression has two purposes: One is to provide an objective means of assessing the predictive power of the independent variables. The other is to provide a means of objectively assessing the degree and character of the relationship between the dependent and independent variables (ibid., pp. 159-161). Multiple regression thus enables determination of the relative importance of each independent variable in the prediction of the dependent variable. Beyond that, however, multiple regression also provides a means of assessing the nature of the relationships between the independent variables and the dependent variable.

Multiple regression is used in this study to determine which of the dimensions of the agency-client relationship that are represented by the factors retained from the principal components analysis can significantly predict variation in the dependent variable of advertiser satisfaction, the relative importance of these independent variables in predicting satisfaction, and the degree and character of the relationship between the independent variables and the dependent variable as well as that among the independent variables.

CHAPTER 5

EMPIRICAL RESULTS

The empirical results of the study will be presented in two sections. The first section will give the findings obtained from descriptive statistics. The second section will present the findings obtained from relational hypotheses.

5.1 Descriptive Statistics

5.1.1 Respondent Profile

The majority of the findings are based on the results of the advertiser survey. The confidence that can be placed in the results partly rests on the characteristics of the respondents as key informants. Knowledgeable people were found to provide quality data when answering questionnaires within their area of expertise (Campbell, 1955, as cited in Lichtenthal & Shani, 2000). An examination of the respondents' job title and industry experience shows that a majority of the respondents hold senior and upper-level management positions. Furthermore, they hold these key positions in some of Turkey's most prestigious companies. Nearly half of the 52 companies are among the country's 500 largest industrial groups (23 companies) (İstanbul Sanayi Odası, 2005). One-third of the largest advertisers are multinationals, and 21 of the companies represented in the study belong to that category. As a group, these respondents have considerable experience. Therefore, the external validity of the framework that emerges is partly contingent upon the respondents' depth of experience.

5.1.1.1 Respondent's Position, Tenure, and Industry Experience

Nearly half of the respondents were at or above the level of vice president or marketing director. Only 7.7% were at the product/brand manager level.

Table 5-1: Respondent position in advertiser company

RESPONDENT'S POSITION				
Position	Freq.	%	Valid %	Cum. %
PRESIDENT / BOARD MEMBER	2	3,85	3,85	3,85
GENERAL MANAGER	3	5,77	5,77	9,62
VICE PRESIDENT / MARKETING DIRECTOR	20	38,46	38,46	48,08
MARKETING / CATEGORY MANAGER or PR/ADVERTISING MGR.	20	38,46	38,46	86,54
GROUP / SENIOR PRODUCT MANAGER	3	5,77	5,77	92,31
PRODUCT / BRAND MANAGER	4	7,69	7,69	100,00
Total	52	100,00	100,00	

The respondents' industry experience was considerable, at a mean value of 9.29 years. (Please see Table 5.2 below.) Of the 52 respondents, 38% had at least 10 years of experience, and 15% more than 15 years of experience. It is somewhat surprising to see that even though the managerial level represented and experience levels were high, the respondents' tenure in their respective positions was not: The mean value for tenure at present position was 4.5 years, and the majority of the respondents had been in their current position for less than 5 years (65.4%). The descriptives for the respondents' industry experience, tenure with the advertiser company, and tenure at their present positions are given below:

Table 5-2 : Respondent’s industry experience, tenure with company and tenure at position

RESPONDENT PROFILE												
Freq.	Industry Experience				Company Tenure				Tenure at Position			
	Freq.	%	Valid %	Cum. %	Freq.	%	Valid %	Cum. %	Freq.	%	Valid %	Cum. %
Less than 5 years	10	19,23	19,23	19,23	24	46,15	48,00	48,00	34	65,38	65,38	65,38
5 years - under 10	22	42,31	42,31	61,54	14	26,92	28,00	76,00	11	21,15	21,15	86,54
10 years - under 15	12	23,08	23,08	84,62	7	13,46	14,00	90,00	6	11,54	11,54	98,08
15 years - under 20	4	7,69	7,69	92,31	3	5,77	6,00	96,00				
20 years - under 25	3	5,77	5,77	98,08	2	3,85	4,00	100,00	1	1,92	1,92	100,00
30 years and above	1	1,92	1,92	100,00								
Subtotal					50	96,15	100,00					
Missing					2	3,85						
Total	52	100,00	100,00		52	100,00			52	100,00	100,00	
Descript.	Min.	Max.	Mean	St.Dev.	Min.	Max.	Mean	St.Dev.	Min.	Max.	Mean	St.Dev.
	0,5	38	9,29	6,43	0,5	22	6,04	5,41	0,5	20	4,51	4,26

5.1.1.2 Respondent’s Gender

The respondents were quite evenly divided between men and women, with a slight preponderance of women.

Table 5-3 : Respondents’ gender

RESPONDENT’S GENDER				
GENDER	Freq.	%	Valid %	Cum. %
Male	23	44,23	44,23	44,23
Female	29	55,77	55,77	100,00
Total	52	100,00	100,00	

5.1.2 Advertiser Company Characteristics

Turkey's top advertisers for the year 2004 includes some of Turkey's most prestigious companies, and this is reflected in the sample of 52 who are characterized in detail below. More than a third of the top 101 advertisers are among Turkey's 500 largest industrial companies; and 23 of the 52 advertisers comprising the study sample belong to that group (44%).

5.1.2.1 Advertiser's Industry

The majority of the companies among Turkey's top 101 advertisers are manufacturers of personal/home care products, banking/finance, and automotive companies. The sample reflects this distribution to some extent although it should be mentioned that as some companies did not participate in the study or had to be excluded in line with the purposes of the study, some industries made up of 1 or 2 firms in the population could not be represented in the sample. Also, the personal care/home care products and automotive categories were over-represented while the furniture and publishing categories were under-represented.¹² These advertisers represent a total of 19 different industries, based on 3-digit ISIC codes.

Below is a breakdown of the advertiser companies represented in the sample by their industry and their ratios to that in the population:

¹² A word of caution is necessary here: Some companies in the publishing industry (mostly newspapers and TV stations) had to be excluded because they did not use the services of an outside advertising agency. If those companies that were excluded from the study - either because they ceased to exist since the release of the "Top Advertisers 2004" list or did not use the services of an outside advertising agency - had also been excluded from the universe, the size of the universe would diminish by 12 and all the calculations would have had to be based on a universe of 89. In the interests of clarity, the original list has been kept.

Table 5-4 : Comparison of industry representation in the population and the sample

Comparison of industry representation in population and sample*				
	No. in	% in	No. in	% in
Industry*	population	population	sample	sample
Foods; Dairy products; Starch products; Confectionery; Beverages	20	19,80	10	19,23
Personal care and home care products	16	15,84	14	26,92
Banking and Insurance	12	11,88	5	9,62
Automotive and related	12	11,88	9	17,31
Publishing and Broadcasting	11	10,89	4	7,69
Home appliances; Computers; Cellular phones	9	8,91	4	7,69
Furniture and Home Furnishings	8	7,92	1	1,92
Other**	8	7,92	2	3,85
Supermarket chains; Fast-food retailing; Nonstore retailing	5	4,95	3	5,77
Total	101	100,00	52	100,00
<i>*In order to enable a comparison of the population and the sample, some multibrand companies have been listed under the product category to which the respondent's brand belonged.</i> <i>**In order to protect the identity of the participating companies, several ISIC categories have been combined.</i>				

Based on a sectoral distribution, fast-moving consumer goods companies, not surprisingly, dominate the list. They are followed by consumer durables and services. The sectoral distribution in the sample closely reflects that in the population (Please see the table below).

Table 5-5: Comparison of sectoral distribution in the sample and the population

Comparison of sectoral distribution in population and sample				
	No. in	% in	No. in	% in
Sector	population	population	sample	sample
FMCG	53	52,48	30	57,69
Durables	31	30,69	15	28,85
Services	16	15,84	7	13,46
Other	1	0,99	0	0,00
Total	101	100,00	52	100,00

5.1.2.2 Advertiser's Organizational Age, Organizational Size, and Equity Distribution

The list of Turkey's top advertisers includes some of the country's oldest companies. Of the 52 companies surveyed, four (7.7%) are 70 years or older, and eight (15.4%) have been in operation for 50 years or longer. The mean age for the advertiser companies surveyed is 26.97. The mode and median are both 20. The highest percentage of years of operation for the advertiser companies in the sample is represented by those companies in operation for longer than 10 years and less than 20 years (34.6%), representing one-third of the 52 advertisers studied.

Advertiser company's size was measured by the number of employees. The mean is 2073.63. As there is a wide range involved, from a minimum of 50 employees to a maximum of 11,286, the mean value of 2074 employees should be considered with care. The mode is 150 employees, and the median is 1,075.5. As can be seen from the number of employees of the largest advertisers, advertising spend is not related to the advertiser's staff size. In fact, 35.4% of the 52 advertisers studied have under 500 employees, and 6.3% have fewer than 100 employees.

Of the 52 companies represented in the study, the majority (57.7%) have some foreign equity while 42.3% are entirely local-equity. The mean level of foreign ownership is 42.45%. 22 companies (42.3%) have foreign equity of over 50%. About one-third has a foreign equity level of 90% or above. Among the 52 advertisers surveyed, 73.1% are entirely private companies, and none has public equity greater than 50%. The mean public ownership level is 8.31%.

The descriptives and frequencies for the advertisers surveyed are given below for the advertiser company's age, size, and foreign equity and public equity levels:

Table 5-6 : Advertiser company profile: Organizational age, size, equity distribution

ADVERTISER COMPANY PROFILE: Organizational Age, Size, Equity Distribution						
Years in Operation	Frequency	%	Valid %	Cum. %		Years*
Less than 10 years	7	13,46	13,46	13,46	Min.	3,00
10 - under 20 years	18	34,62	34,62	48,08	Max.	97,00
20 - under 30 years	10	19,23	19,23	67,31	Mean	26,97
30 - under 40 years	5	9,62	9,62	76,92	Median	20,00
40 - under 50 years	4	7,69	7,69	84,62	Mode	20
50-under 60 years	4	7,69	7,69	92,31	St. Dev.	21,79
70-under 80 years	2	3,85	3,85	96,15	N	52
80-under 90 years	1	1,92	1,92	98,08		
90 years or older	1	1,92	1,92	100,00		
Total	52	100,00	100,00			
Number of Employees						
						No. of Employees*
Under 2000 people	33	63,46	68,75	68,75	Min.	50,00
2000-under 4000 people	7	13,46	14,58	83,33	Max.	11.286,00
4000-under 6000	3	5,77	6,25	89,58	Mean	2.073,63
6000-under 8000	1	1,92	2,08	91,67	Median	1075,50
8000-under 10,000	3	5,77	6,25	97,92	Mode	150
10,000 and above	1	1,92	2,08	100,00	St. Dev.	2.726,62
Total	48	92,31	100,00		N	48
Missing	4	7,69				
Total	52	100,00				
Foreign Equity Level						
						Share of Foreign Equity in Total*
No foreign equity	22	42,31	42,31	42,31	Min.	0,00
Under 10%	2	3,85	3,85	46,15	Max.	1,00
30-Under 40%	2	3,85	3,85	50,00	Mean	0,42
40-Under 50%	4	7,69	7,69	57,69	Median	0,39
50-Under 60%	5	9,62	9,62	67,31	Mode	0,00
90% and above	17	32,69	32,69	100,00	St. Dev.	0,44
Total	52	100,00	100,00		N	52
Public Equity Level						
						Share of Public Equity in Total*
No public equity	38	73,08	73,08	73,08	Min.	0,00
Under 10%	1	1,92	1,92	75,00	Max.	0,49
10-under 20%	1	1,92	1,92	76,92	Mean	0,08
20-under 30%	4	7,69	7,69	84,62	Median	0,00
30-under 40%	4	7,69	7,69	92,31	Mode	0,00
40-under 50%	4	7,69	7,69	100,00	St. Dev.	0,15
Total	52	100,00	100,00		N	52
* Confirmed by data from the Istanbul Stock Exchange (www.imkb.gov.tr) or the Istanbul Chamber of Industry (İstanbul Sanayi Odası, 2005) whenever available.						

5.1.2.3 Market-Related Characteristics

The growth rate of the market in which the advertiser operated was investigated. The mean growth rate is 33.4%, and for the majority of advertisers (57.6%), the market growth rate per year is under 40%.

Table 5-7: Advertiser’s market growth rate

Advertiser’s Market Growth Rate						
Descriptives		Frequencies				
Descriptives			Frequency	%	Valid %	Cumulative %
Mean	2,22	Under 20%	15	28,85	36,59	36,59
Median	2	20-under 40%	15	28,85	36,59	73,17
Mode*	1	40-under 60%	4	7,69	9,76	82,93
Std. Dev.	1,39	60-under 80%	2	3,85	4,88	87,80
Min.	1	80-under 100%	4	7,69	9,76	97,56
Max.	6	100-under 120%	1	1,92	2,44	100,00
N Valid	41	N Valid	41	78,85	100,00	
N Missing	11	N Missing	11	21,15		
Total	52	Total	52	100,00		

* Multiple modes exist. The smallest value is shown.

In the preceding section the advertisers’ profile was given. The next section focuses on the parameters of the agency-client relationship that determine the nature and scope of the interaction between the agency and advertiser.

5.1.3 The Interorganizational Context

The boundaries of the agency-client relationship are defined by the services sourced from an advertising agency and the advertiser’s procedures involving agencies such as adspend, length of agency association, and agency roster. Below the descriptives are given for these aspects of the agency-client association.

5.1.3.1 Marketing Communications Services Sourced from the Agency

The services sourced from the agency define the scope of the agency's function. The respondents were asked specifically to base their answers on the services they purchased from their lead creative advertising agency. Consequently, their responses give an indication of the domain of marketing communications services considered within the purview of the advertising agency in Turkey at this point in time.

Before proceeding with the findings, however, a brief definition of the "lead creative agency" is needed.¹³ The terms "lead creative agency" and "principal advertising agency" are used interchangeably in the professional literature and the trade press to denote the advertising agency on which advertisers rely for their "above-the-line" advertising. Above-the-line advertising refers to the advertising in the traditional media of TV, cinema, radio, newspapers, magazines, and outdoor. This is in contrast to "below-the-line" advertising, which includes a wide array of marketing communications material such as brochures, corporate newsletters, annual reports, in-store displays, etc., for which the advertising agency is not compensated with media commission. That is why, sometimes this type of marketing communications is called "noncommissionable media advertising." (For a more detailed explanation of the terms above, please refer back to Section 3.2.1, p. 60.) This distinction is thrown into high relief in today's advertising industry because lead creative agencies are associated with above-the-line advertising while a myriad of smaller-scale agencies, graphic design companies, direct mail houses, and even print houses exist for the purpose of providing below-the-line advertising.

The distinction between above-the-line and below-the-line services harkens back to the notion of the "full-service" advertising agency. The "full-service" agency used to offer clients "all the services necessary to handle the total advertising function" (Russell & Lane, 1990: 106), including, in addition to the development of advertising ideas and copy for placement in advertising media, such ancillary services as media planning and buying, research, public relations, and production of sales promotion materials, annual reports, trade show exhibits, and sales training materials (Imber &

¹³ The terms "ana kreatif ajans" and "ana reklam ajansı" were used interchangeably in the questionnaire and interviews.

Toffler, 1987: 204). In parallel with developments in the Western markets, the services that were once handled by full-service agencies are now increasingly handled by specialist agencies in Turkey. For instance, media planning and buying is now generally not offered by the ad agency but by media agencies.

5.1.3.1.1 *What is Sourced from the Advertising Agency?*

The table below lists those functions that are sourced from the advertising agency by the majority of the advertisers surveyed, and this list indicates what functions are considered essential to an advertising agency.

Table 5-8 : Marketing communications services sourced from the advertising agency

Services sourced from the ad agency		
Service	Number of advertisers purchasing the service	% in Total
Above-the-line advertising	52	100,00
Print material	43	82,69
POP	40	76,92
Strategic brand planning	32	61,54
Packaging design	28	53,85
Visual communications	24	46,15
Corporate ID design	23	44,23
Internet adv., Website design	22	42,31

Above-the-line advertising turns out to be indispensable to the agency. Judging by these findings, this service is the agency’s “reason for being.” All of the advertisers surveyed sourced their above-the-line advertising from the lead agency. Print material, packaging, and POP design – known as “below-the-line” advertising – are also sourced from the agency as these are considered to belong with “brand communications.” (In fact, some advertisers have expressed the wish that their agencies offer these services or offer them at a better quality for the sake of integrated brand communications. In other words, these advertisers’ reliance on below-the-line agencies seems to have been instigated by the above-the-line agency rather than the advertiser.) Finally, strategic brand planning is also a service sourced from the ad agency by a majority of the advertisers (61.54%).

A word of explanation is necessary here concerning visual communications. Visual communications refer to product videos, corporate videos, etc., that are intended not for TV audiences but for specific audiences such as conventions and trade fairs. The fact that nearly half of the respondents (46.15%) have indicated sourcing some visual communications from the advertising agency shows that where video production is concerned, advertisers still rely to some extent on their advertising agencies, rather than on other marketing communications suppliers, possibly because the agencies are considered to have the necessary technology for video production as well as knowledge about the advertiser's company or brand. This is in stark contrast to the situation in print productions: Where the marketing communication that is needed is a brochure, an annual report, or a corporate newsletter, only a minority of advertisers seem to source it from the lead creative agency.

5.1.3.1.2 *What is not Sourced from the Advertising Agency?*

One of the significant findings of this study has been the discovery that the range of the advertising business is narrowing. Services that used to be considered part of a full-service advertising agency are no longer sourced from the ad agency. In fact, the range of services demanded of an advertising agency seems to be confined to above-the-line advertising and strategic brand planning. The table below shows that most of the functions once handled by traditional full-service advertising agencies are now purchased by a minority of the advertisers surveyed. Media planning and buying, PR, and research functions are no longer sourced from the lead creative agency, as a rule.¹⁴

¹⁴ Two of the respondents who said they purchased media services from their ad agencies have added that they considered their ad agency and media agency as one since the two are sister companies in those cases. Some advertisers have evaluated their level of satisfaction with the marketing research or advertising research items; but when questioned whether they actually purchased these services from their agencies, they have mostly answered in the negative, saying what they were evaluating was the research results conducted by the advertising agency on its own initiative and shared with the advertiser at the agency's cost.

This is in stark contrast to the findings of the Odabaşı survey of 1992, when the variables of media planning, advertising research, and marketing research had loaded onto the first factor. For the advertisers of today, these services largely do not count among agency services anymore. Public relations services are sourced from PR companies, marketing research from research companies, and media research from syndicated services. Media planning is now acquired from media agencies. Some of those media agencies are sister companies of advertising agencies or have spun off from them; others, however, are completely separate establishments. As for the buying of advertising space in the media, the situation is even more dramatic: Media buying, which was how the advertising business began and the commissions from which formed the main source of advertising agency income for longer than a century, is today handled either by the advertisers themselves (who directly purchase airtime and ad space from the media) or again by media agencies who are the ones now to receive the commissions. In 1999 the definition of the advertising agency has been changed by Turkey's Advertising Association, so that media planning is no longer considered an essential service for an advertising agency to be considered a full-service agency; the reason for the change in definition was to enable media agencies to become members in the Advertising Association (*Marketing Türkiye*, 16 June 1999, p. 14). Thus, the trend that began in the early 1990s was recognized by an industry association and led to the changing of the definition of the full-service advertising agency.

Table 5-9 : Marketing communications services not sourced from the advertising agency

Services sourced from the ad agency by a minority of the advertisers		
Service*	Number of advertisers purchasing the service	% in Total
Media planning	5	9,62
Media buying	4	7,69
Research		
Advertising research	9	17,31
Marketing research	6	11,54
Media research	4	7,69
PR	2	3,85
Event mgmt.	2	3,85
Fairs, exhibitions	4	7,69
Annual reports	7	13,46
Printed corporate communications	14	26,92
Consumer promotions	9	17,31
In-store activities	10	19,23
Direct marketing / CRM	5	9,62
Dealer promotions	3	5,77
* Services have been listed by category and not in order of the number of advertisers sourcing the service from the ad agency.		

A similar situation can be detected in the realm of marketing communications other than traditional media advertising. In-store demonstration activities are handled by merchandising companies, organization of trade fairs by event organization companies, Web site design and Internet advertising by Web communications agencies. The days when the ad agency used to be a one-stop shop for all marketing communications seem to be over.

In some instances, however, the change has been welcomed and even encouraged by advertising agencies themselves in order to unload unprofitable functions such as the production of print material. In early- to mid-1990s big advertising agencies began establishing special departments for “corporate communications” or “corporate identity” in order to separate these functions from the creative department. These new departments were charged with the production of print material such as brochures, leaflets, company letterheads and envelopes, annual reports, calendars, invitations, in-store shelf headings, etc. – items considered to be time-consuming and not profitable. The next step was spinning off these departments as “below-the-line” agencies.

These findings are in keeping with those reported from other advertising markets, and the developments have been in the making for some time. Already back in 1984, Michell found a clear trend emerging in the UK toward use of media consultants (Michell, 1984a), and by 1998, media buying and planning did not feature as an important factor in advertiser’s satisfaction with the agency (Lace, 1998) – a finding attributed to the devolution of media from the main agency. In his study of Australian advertisers, Dowling (1994) found indications that media buying, design, sales promotion, and public relations services were considered relatively unimportant by advertisers and pointed out that the full service agency may be becoming less important (p. 234). In Norway, Helgesen noted that agencies suffered a “dramatic loss of media commissions to media independents since 1986” (1994). In the US the separation of media services from the advertising agency seems to be irretrievably complete, and some professionals are arguing about the merits of the split (Donaton, 2006, February 7; Bloom, 2006, March 14). The research function is similarly

divested from the advertising agency. In the US, the devolution of the research function from the advertising agency was apparent in 1988 (Gagnard & Swartz, 1988/89). In New Zealand the research capability was found to be the least important factor in the selection of an ad agency in 1999 (Fam & Waller, 1999).

In short, it can be said that advertisers rely on their advertising agencies almost exclusively for the creation of brand communications in the traditional advertising media of TV, cinema, radio, outdoor, newspapers and magazines. They sometimes acquire packaging, POP, and brand-related print material also from their lead agencies. Furthermore, they source some strategic brand planning input from their advertising agencies. But, advertisers do not rely on their ad agencies for communications that are relatively independent of the brand, such as corporate communications, annual reports, media planning, media buying, or research. These results indicate the devolution of media planning, media buying, PR, and research services from the advertising agency in the Turkish market, and this development has implications for advertiser's agency satisfaction, as will be discussed in Chapter 6.

5.1.3.2 Advertising Spend

The amount of expenditure on advertising is one measure by which an advertiser's size is determined. The gross advertising expenditure for measurable media in Turkey, received from Bileşim Medya, does not include the discounts received from the media.¹⁵ Considering that the total advertising expenditure for Turkey in 2004 is reported by the Advertising Association to be 1.74 billion dollars, but the Bileşim-reported data for 2004 TV expenditure only for the top 101 advertisers is about 14 billion dollars, it can be seen that there is some serious negotiation going on over the ratecard prices. That is why, this was the most difficult information to be obtained from the respondents. Some refused to give this information at all (26.92%) and some indicated their choice on an interval scale version of the question relating to advertising spend.

¹⁵ The Bileşim data on which the list of Turkey's biggest advertisers is based provides gross advertising expenditure, which does not include the discounts advertisers receive from the media, and it is common industry knowledge that these discounts can be very deep, especially on television (Cem, 2006). That is why, the primary source of adspend was the respondents themselves. The data received from the respondents has not been disclosed here as it was given to the researcher in confidence; however, details may be obtained from the researcher.

5.1.3.3 Advertiser-Agency Relationship Longevity

The number of years worked with present agency averages 5.34 years; the median is 3 years and the mode 2 years. (Please see Table 5.10 below.) About three-quarters of the advertisers have been working with their present agency for less than 10 years. In fact, 63.5% have been working with their present agency for less than 5 years, and only about one-third (34.5%) have been with their agencies for longer than 5 years. When those multinational companies which have a perforce commitment to their agencies due to global alignment decisions are excluded from the sample, the mean account lifespan turns out to be even shorter: 3.79 years. In comparison, in the US, the average tenure of agency-client relationships is 5.3 years (Gleason, 1997, as cited in Ewing et al., 2001), and a more recent survey has found that 42% of advertisers have been working with their agencies for more than five years (Davis, 2004).

Advertisers were also investigated for the number of years they worked with their agency previous to the present one. Of the 52 advertisers, 32 (61.5%) had a former agency; for 25%, their present agency was their first independent (as opposed to in-house) agency. Average number of years worked with the former agency for those advertisers who had an agency before the present one is 3.6. Thus, the average relationship length was even shorter for advertisers' past agencies. The majority of past relationships dissolved under 5 years. Only 9.4% lasted 10 years, and none lasted longer. More than 50% of agency-client relationships had a duration of at most 3 years. These findings are similar to those of Koç et al. (1993: 11), who found that more than 50% of the agency-client relations had a duration of at most 2 years, 67% were less than 5 years old, and relations with former agencies had usually lasted only 1 to 2 years.

Table 5-10: Agency-client relationship longevity

ADVERTISER'S AGENCY EXPERIENCE						
Length of current agency association						
Descriptives		Breakdown by 5-year periods	Frequency	Percent	Valid %	Cum. %
N	51	Under 5 years	33	63,5	64,7	64,7
Missing	1	5-under 10 yrs.	6	11,5	11,8	76,5
Range	22	10-under 15 yrs.	9	17,3	17,6	94,1
Minimum	1*	15-under 20 yrs.	1	1,9	2,0	96,1
Max.	22	20-under 25 yrs.	2	3,8	3,9	100,0
Mean	5,34	Valid N	51	98,1	100,0	
Median	3,00	Do not know.	1	1,9		
Mode	2	Total	52	100,0		
Std. Dev.	5,304					
Length of former agency association						
Descriptives		Breakdown by 5-year periods	Frequency	Percent	Valid %	Cum. %
N	32	Under 5 years	23	44,2	71,9	71,9
Missing	20	5 -under 10 years	6	11,5	18,8	90,6
Range	10	10 -under 15 years	3	5,8	9,4	100,0
Minimum	1*	Valid N	32	61,5	100,0	
Maximum	10	The present agency is our first independent agency.	13	25,0		
Mean	3,63	Do not know.	7	13,5		
Median	2,00	Total missing N	20	38,5		
Mode	2	Total	52	100,0		
Std. Dev.	2,938					
		Breakdown by 1-year periods of former agency association	Frequency	Percent	Valid %	Cum. %
		Less than 1 year	2	3,8	6,3	6,3
		1 year - Under 2 years	6	11,5	18,8	25,0
		2 years - Under 3 years	10	19,2	31,3	56,3
		3 years - under 4 years	3	5,8	9,4	65,6
		4 years - Under 5 years	2	3,8	6,3	71,9
		5 years - under 6 years	2	3,8	6,3	78,1
		6 years and above	7	13,5	21,9	100,0
		Total (Valid N)	32	61,5	100,0	

* Decimals have been rounded off.

Considering, however, that the majority of the present agency-client relationships surveyed in the present study has been initiated over the past 5 years (63.5%), when Turkey had a major economic crisis, it is conceivable that the dissolution of past agency-client relationships could have been affected by the general economic downturn. In fact, an investigation of the impact of 2001 on agency-client relations revealed that of those advertisers who had a former agency at the time, over half (55.1%) do not work with that agency anymore. This finding lends support to the Baker et al. (1998) finding that clients tend to drop their agencies when macroeconomic conditions worsen. Based on the above data, it is possible to conclude that the agency-client relationships in Turkey are of fairly short duration.

5.1.3.4 Number of Agencies in Advertiser's Roster

Some advertisers employ multiple advertising agencies rather than working exclusively with one agency. When the 52 advertisers that enter the analyses are taken into account, advertisers employ on average 2 agencies. (Please see the table below.)

Table 5-11 : Advertiser's agency roster

The Advertiser's Agency Roster						
Descriptives		No. of Agencies in Roster	Freq.	%	Valid %	Cum. %
Mean	1,87	Single agency	26	50,0	50,0	50,0
Median	1,50	2 agencies	13	25,0	25,0	75,0
Mode	1	3 agencies	9	17,3	17,3	92,3
Std. Deviation	1,103	4 agencies or more	4	7,7	7,7	100,0
Range	5	Total	52	100,0	100,0	
Minimum	1					
Maximum	6					
N Valid	52					

Those working with a single agency versus those working with more than one agency are evenly split into groups of 26. One-quarter of the advertisers work with two advertising agencies, 17.3% with three agencies, and nearly 8% with four agencies or more. In their survey in 1991, Koç et al. (1993) had found that 68.9% of the advertisers surveyed were working with one agency only, and only 11.1% were

working with 3 agencies, the highest roster size found at the time. Based on the above findings, it can be said that Turkish advertisers have moved towards the use of multiple agencies in the interim. In a similar finding, in the US, advertisers were found to maintain on average 3 ad agencies per year (Broschak, 2004: 622), and 28% of US advertisers have considered adding a new agency to their roster in the past year while 14% have already done so (Association of National Advertisers, 2005).

Turkish advertisers' reasons for working with more than one advertising agency vary. These reasons are indicated in the table below:

Table 5-12 : Advertisers' reasons for working with multiple agency partners

Advertisers' reasons for working with multiple agencies		
	Count	Table %
HEAVY WORK LOAD: Workload too heavy to be handled by one agency alone.	9	35
Group Total	26	100
HQ DICTATE: Dictate of corporate headquarters or international network.	7	27
Group Total	26	100
BETTER SERVICE: Competition enables us to get better service from our agencies.	6	23
Group Total	26	100
COST/PERFORMANCE COMPARISON / STANDARDS: Working with more than one agency enables us to compare performance and costs and determine standards.	6	23
Group Total	26	100
NEED FOR SPECIALIST SERVICES: Some of the services we seek are provided only by specialized agencies.	5	19
Group Total	26	100
NO BTL: Our lead agency does not offer below-the-line services.	3	12
Group Total	26	100
COST BENEFITS: Competition yields us cost benefits.	3	12
Group Total	26	100
ACCOUNT CONFLICTS: Some of our brands create conflicts with other agency accounts.	2	8
Group Total	26	100
NO INTERRUPTION: Assures us of continued agency services even when we have to part ways with one agency.	2	8
Group Total	26	100
OTHER: Each brand has to have its own global agency; Different brands need different agencies because of differing brand identities; BTL needs swift response.	4	15
Group Total	26	100
Note: Respondents had to indicate two choices.		

The reason that was indicated the most frequently (35% of the 26 advertisers employing multiple agencies) was that the advertiser's work load was too heavy to be handled by a single agency. As all of the advertisers surveyed had multiple product/service brands, they allocated these brands among different agencies in order to reduce the work load given to any one agency. Network influence was another frequently cited reason (27%): Here, the network's decision is to have one brand serviced by the same agency worldwide; hence, multibrand manufacturers usually

have to work with multiple agencies. Two other frequently cited reasons involved getting more competitive service from agencies: 23% of the multiple-agency employing advertisers indicated that the competition for the advertiser's account created by the situation of working with multiple agencies led to better service and/or comparison of performance and costs. In a related vein, 12% of the advertisers cited cost benefits that accrued from working with multiple agencies.

Some advertisers indicated that their reasons for resorting to another agency was that their lead agency did not provide below-the-line services (12%) or the specialist services that they needed (19%). Working with multiple agencies seems to serve as insurance against uncertainty, time loss, and other threats that might occur if the advertiser had to part ways with one agency; 8% of the advertisers cited this as one reason for working with multiple agencies.

Next, the type of work allocation among roster agencies was investigated. The majority of those advertisers with more than one advertising agency allocate different brands among the roster agencies (65.4%) or use their roster agencies for different types of advertising (i.e., for above-the-line or below-the-line) (30.8%). (Please see the table below.)

Table 5-13 : Type of work allocation among roster agencies

Work allocation among roster agencies				
	Frequency	Percent	Valid Percent	Cumulative Percent
DIFFERENT PRODUCTS	17	32,7	65,4	65,4
DIFFERENT ADVERTISING TYPES	8	15,4	30,8	96,2
BOTH	1	1,9	3,8	100,0
Total	26	50,0	100,0	
Not applicable	26	50,0		
Total	52	100,0		

5.1.4 Descriptives for the Dependent Variable

In this study the dependent variable of “advertiser’s satisfaction with the agency” is measured by two different items. These items are: “Overall satisfaction” (measured on a 5-point scale of “Very satisfying” to “Not satisfying at all”) and “Agency overall grade” (measured on a ratio scale of 0 to 100).

Table 5-14: Descriptives for the dependent variable

DEPENDENT VARIABLE OF AGENCY SATISFACTION: TWO ALTERNATIVE MEASURES							
DESCRIPTIVES	N	Min.	Max.	Mean	Median	Mode	Std. Dev.
Agency grade	52	30	98	75,60	79,00	80	13,656
Overall satisfaction with agency	52	2	5	3,75	4,00	4	0,789
Valid N	52						
CORRELATIONS							
Pearson	Agency grade	Overall satisfaction	Spearman’s rho	Agency grade	Overall satisfaction		
Agency grade	1,00	0,826**	Agency grade	1,00	0,805**		
Significance (2-tailed)	.	0,00	Significance (2-tailed)	.	0,00		
Overall satisfaction	0,826**	1,00	Overall satisfaction	0,805**	1,00		
Significance (2-tailed)	0,00	.	Significance (2-tailed)	0,00	.		
N	52	52	N	52	52		
** Correlation is significant at the 0.01 level (2-tailed).							

Based on the findings given above, the advertisers surveyed, who comprise 51.49% of Turkey’s largest 101 advertisers, are in general satisfied with their advertising agencies. The mean satisfaction score measured by “Overall satisfaction” is 3.75 over 5, and 75.60 when measured by “Overall agency grade.” Furthermore, the two alternative measures for the dependent variable are highly correlated. In the following analyses, “Agency overall grade” will be used for the reason that the ratio scale is more powerful than the interval scale (Sekaran, 2003). Furthermore, the ratio-scale measure for the dependent variable can be used in place of the interval-scale measure as the two measures correlate at the 0.80 levels for both Pearson’s r (0.826) and Spearman’s rho (0.805).

5.1.5 Descriptives for the Independent Variables

The descriptives for the independent variables that will be factor-analyzed are given in the table below. A cursory look at the number of missing cases would suffice to show that three functions – PR, media planning, and research – which were an integral part of advertising agency service in the late 1980s and early 1990s (when the Odabaşı survey was conducted – in 1991) are now considered outside the purview of an advertising agency and are outsourced to companies other than the advertising agency. Therefore, the six items that were used to operationalize these three variables have been excluded from further analyses. These items are: the agency's media planning capability, ability to buy media at favorable rates, quality of the agency's PR work, quality of agency's marketing research, quality of agency's media research, and quality of agency's advertising research.¹⁶

Another item has been excluded from further analyses due to a different reason: The lack of account conflicts seems to be the most satisfactory aspect of the agency-client relationship as it has received the highest mean rating. Judging by the range of 1 and the standard deviation of 0.37, this item is obviously not a problem for the advertiser probably because advertisers are towing a very strict line when it comes to the agency's acceptance of competing accounts. Several respondents have mentioned that the advertiser puts exclusivity on the contract, so the agency cannot possibly accept a competing client without losing the account.

The ensuing analyses will be conducted with 45 variables, 29 of which are an addition to the original 16 variables used in the Wackman, Salmon & Salmon model (1986/87) and the Odabaşı study of 1992. These additional independent variables were formed following the pilot study and an extensive literature survey.

¹⁶ A word of explanation is necessary at this point: Even those respondents who responded to the questions regarding research services mentioned that they did not actually purchase these services from the agency, but that the agency shared with them the results of the research on its own initiative. These respondents were then asked if the agency invoiced them for this research, and the response was mostly in the negative. The data analysis in the section on the marketing communications services sourced from the advertising agency confirm that these companies do not purchase research services from their lead advertising agency (but that they either conduct the research themselves or purchase it from research companies or media agencies).

Table 5-15 : Descriptives for the Independent Variables

Descriptive Statistics for the Independent Variables					
INDEPENDENT VARIABLES	N	Min	Max.	Mean	Std. Dev.
LACK OF ACCOUNT CONFLICTS ^a	52	4	5	4,85	0,37
AGENCY'S CONTRIBUTION TO BRAND OBJECTIVES	52	2	5	4,54	0,67
ABILITY TO BUY MEDIA AT FAVORABLE PRICES*	2	4	5	4,50	0,71
EASE OF ACCESS TO ACCOUNT EXECUTIVES	52	2	5	4,42	0,70
MEDIA PLANNING CAPABILITIES*	5	3	5	4,40	0,89
CLEAR DELINEATION OF RESPONSIBILITY AMONG AGENCY STAFF	51	1	5	4,22	0,86
RELATIONS WITH ACCOUNT EXECUTIVES	51	2	5	4,20	0,75
AGENCY'S PRESTIGE	52	2	5	4,08	0,93
ABILITY TO STAND BEHIND PROPOSALS AND RECOMMENDATIONS	52	1	5	4,06	0,73
EXPERIENCE LEVEL OF AGENCY STAFF	52	2	5	4,04	0,74
AGENCY'S CONTRIBUTION TO SALES	52	1	5	4,02	0,83
PRODUCTIVE, EFFECTIVE AGENCY MEETINGS	52	2	5	4,00	0,82
AGENCY'S CONTRIBUTION TO MARKET SHARE	52	1	5	3,98	0,87
COMPATIBILITY OF AGENCY-CLIENT AUTHORITY LEVELS	52	2	5	3,94	0,75
ABILITY TO STAY WITHIN STRATEGY	52	1	5	3,94	0,96
LEVEL OF AGENCY TOP MANAGEMENT INVOLVEMENT IN ACCOUNT	52	1	5	3,90	1,05
CREATIVE EXECUTION	52	1	5	3,88	0,90
RELATIONS WITH CREATIVES	48	1	5	3,88	1,02
GOOD COOPERATION	52	1	5	3,85	0,78
AGENCY FORMALIZATION LEVEL	52	1	5	3,85	0,96
CREATIVE ABILITIES	52	1	5	3,83	0,90
COMPATIBILITY OF AGENCY-CLIENT STAFF EXPERTISE	52	1	5	3,79	0,89
AGENCY'S ABILITY TO UNDERSTAND THE ADVERTISER'S BUSINESS	52	1	5	3,79	0,91
LOW TURNOVER	51	1	5	3,76	1,03
AGREEMENT WITH RESPECT TO TARGETS	52	1	5	3,75	0,81
COOPERATIVENESS WITH OTHER MARKETING COMMUNICATIONS FIRMS	50	1	5	3,72	0,76
APPROVAL PROCESS EFFICIENCY	52	1	5	3,71	1,02
CREATIVE IDEAS THAT WORK IN DIFFERENT ADVERTISING MEDIA	52	1	5	3,71	0,98
RESPONSIVENESS TO ENVIRONMENTAL CHANGES	47	2	5	3,66	0,81
FULL-SERVICE CAPABILITY	51	1	5	3,65	0,91
COMPATIBILITY OF AGENCY-CLIENT CORPORATE CULTURES	52	1	5	3,63	0,89
OPENNESS TO CRITICISM	52	1	5	3,58	0,94
CREATIVE SOLUTIONS TO ADVERTISER'S MARKETING PROBLEMS	52	2	5	3,54	0,85
GOOD USE OF RESEARCH	49	1	5	3,53	1,00
ADVERTISING RESEARCH CAPABILITIES*	25	2	5	3,52	1,05
AGENCY CARES ABOUT OUR BUSINESS IRRESPECTIVE OF RETURN.	52	1	5	3,52	1,02
AGENCY'S PRICE	51	1	5	3,51	1,01
ABILITY TO MEET DEADLINES	51	1	5	3,49	1,01
WILLINGNESS TO MAKE INVESTMENTS	48	1	5	3,44	0,99
LEADERSHIP CAPABILITY	52	2	5	3,40	0,91
WE TRUST AGENCY TO GET ITS JOB RIGHT EVEN WHEN WE DO NOT CHECK ITS WORK.	51	1	5	3,39	0,80
ABILITY TO STAY WITHIN BUDGET	52	1	5	3,37	1,03
QUALITY OF AGENCY MEDIA RESEARCH*	11	1	5	3,36	1,29
PR CAPABILITIES*	3	2	4	3,33	1,15
QUALITY OF BELOW-THE-LINE WORK	47	1	5	3,28	1,02
MARKETING RESEARCH CAPABILITIES*	19	1	5	3,26	1,05
IMC CAPABILITY OF AGENCY	49	1	5	3,24	1,05
MARKETING ADVICE, STRATEGIC INPUT	48	1	5	3,15	1,09
ABILITY TO GET BEST PRICES FROM 3rd PARTIES	46	1	4	2,85	0,94
WE RARELY FEEL THE NEED TO CHECK WHETHER AGENCY DOES ITS WORK CORRECTLY.	51	1	4	2,53	0,92
WE ACCEPT OUR AGENCY'S RECOMMENDATIONS WITHOUT QUESTIONING THEIR MOTIVES.	52	1	4	2,29	1,02
WE ALLOW AGENCY TO MAKE IMPORTANT DECISIONS WHEN WE CANNOT BE REACHED.	52	1	4	2,12	0,78

^a Excluded from analyses due to lack of variance.
* Excluded from analyses due to insufficient number of cases.

An examination of the mean values for the 45 variables reveals some interesting results. Advertisers seem to be satisfied with the agency's contribution to their brand objectives (mean = 4.54), their relations with the agency's account managers as well as the ease with which they can reach these managers, and the delineation of responsibility among the agency personnel. This is not surprising since the agencies reviewed for this study are in general well-established agencies; 54% have foreign affiliations. Those service aspects that were found least satisfactory center around these areas:

- **Financial:** The agency's ability to get best prices from third parties (such as production houses, printing houses, etc.) received a mean satisfaction rating of 2.85 (on a scale of 1 to 5). The agency's ability to stay within the advertiser's budget constraints was another area where the agency received low satisfaction ratings (mean = 3.37). Agency's price also received a rating in the lower end (mean = 3.51).
- **Strategy:** Agency's strategic input into the advertiser's marketing plans received a mean satisfaction rating of 3.15. This is the work product attribute that has received the lowest satisfaction evaluation. A related item – agency's ability to make good use of research – also received a rating in the lower end (mean = 3.53).
- **Collateral services:** Agency's integrated marketing communications capability received a satisfaction rating in the lower end of the spectrum (mean = 3.24). Quality of the agency's below-the-line work also received similar satisfaction ratings (mean = 3.28). It seems as though agencies place lower importance on these services while they concentrate on above-the-line advertising.
- **Trust:** The lowest mean ratings were given to three of the four items used to measure trust. Apparently, even while they are satisfied with their agencies' work in general, advertisers do not relinquish the control over the agency's work. These ratings are probably a reflection of matters of principle rather than lack of trust.

5.1.5.1 Reliability Analysis

When the 45 variables were entered into reliability analysis, a Cronbach's alpha of 0.93 was achieved. The results of the reliability analysis for this set, which were computed after replacement of the missing values with the mean, are given in Appendix D to this document.

5.1.6 Factor Analysis of the Independent Variables

In the second stage of the analysis, the 45 independent variables, which included the original 16 carried over from Wackman et al. (1986/87) and Odabaşı (1992), were subjected to a principal components analysis. Media, research, and PR variables were excluded from the analysis as their inclusion reduced the sample size significantly. As the next step, the 45 variables were analyzed for missing values. As the final step, the constraint of "Exclude cases listwise" was lifted from the factor analysis, and the missing values were replaced with the mean. Since for any one case there were no more than 7 missing values, the variance thus lost would be minimal. (Please see Section 5.1.5.1 above for information on the reliability analysis.) A Kaiser-Meyer-Olkin measure of 0.508 and Bartlett's statistics (significance of 0.000) show that factor analysis is appropriate. (Please see Appendix E for the results of these analyses.) "Eigenvalues over 1" was the criterion used in extracting the factors. In order to secure pure constructs underlying each factor, Varimax rotation was conducted.

Thirteen factors emerged which cumulatively accounted for 80.36% of the variance. The rotated component matrix for this analysis is offered below. For a clearer presentation, factor loadings of less than 0.30 have been suppressed.¹⁷

¹⁷ As the sample size is small, factor loadings of less than 0.30 have not been taken into consideration.

Table 5-16 : Factor analysis of independent variables: Rotated component matrix

Rotated Component Matrix ^a													
Variable	Component												
	1	2	3	4	5	6	7	8	9	10	11	12	13
Creative execution	0,810												
Creative solutions to our mrkg. problems	0,784					0,361							
Creative abilities	0,761												
Relations with creatives	0,632											-0,331	
Ability to stay within strategy	0,601					0,429	0,341						
Productivity/effic. of meetings	0,566								0,468				
Creative ideas that work in different advertising media	0,548			0,333								0,364	
Ability to stand behind proposals	0,531				0,517								
Agreement with respect to targets	0,509				0,402		0,432						
Low turnover		0,774			0,372								
Compatibility of agency-client expertise		0,770											
Compatibility of agency-client authority levels		0,663					0,302					0,403	
Agency approval process efficiency		0,649											
Professional experience of agency staff	0,38	0,527							0,32		-0,338		
Relations with acct. execs.	0,379	0,522		0,322									
Ease of access to acct. execs.		0,491			-0,365		0,333		0,427				
Agency's contribution to market share			0,924										
Agency's contribution to sales			0,858										
Agency's contribution to brand objectives	0,355		0,645										
Quality of BTL work				0,779		0,321							
IMC capability				0,637		0,489							
Clear delineation of responsibility				0,573			0,302				-0,335		
Care irrespective of return				0,535	0,414								
Deadlines/timing				0,457		0,305	0,424						
Ability to stay within budget					0,828								
Understanding of advertiser's business	0,38				0,586								
Negotiation cap. with 3rd parties	0,327	0,321			0,492						0,307		
Good use of research						0,798							
Mrkg. / strategic input						0,795							
Compatible corporate cultures							0,744						
Good cooperation	0,456						0,598						
We rarely feel the need to check whether agency does its work correctly.								0,915					
We allow agency to make important decisions when we cannot be reached.								0,795					
We trust agency to get its job right even when we do not check its work.	0,348							0,667					
Leadership capability	0,489								0,626				
Agency top mgmt. involvement		0,397							0,592				
Agency's price									0,480	0,355		-0,365	
Responsiveness to change										0,803			
We accept our agency's recommendations without questioning their motives.							0,405			0,630			
Agency's formalization level				0,325			0,336			0,522			0,301
Openness to criticism			0,319								0,696		
Willingness to make investments	0,449										0,678		
Cooperation with other marcom. partners												0,820	
Agency's prestige	0,36												0,809
Full-service capability				0,563									0,587

Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalization.

a. Rotation converged in 18 iterations.

The retained 13 components are explained below:

Table 5-17 : Factor analysis of independent variables: Total variance explained

Factor analysis results of the independent variables				
Rotation sums of squared loadings				
Factor			Total	
No.	Factor	Eigenvalue	variance explained (%)	Cum. %
1	Creativity and Partnership: Creativity (creative ability, creative execution, creative ideas that work across media, creative solutions to advertiser's marketing problems, relations with creatives); keeping to strategy; productive meetings; ability to stand behind proposals; agreement with respect to targets.	5,967	13,260	13,260
2	People/Relationship: compatibility of agency/client staff in expertise/authority; low turnover; ease of access to account executives/managers; relations with account executives; agency staff experience; approval process efficiency	3,718	8,263	21,523
3	Results: Agency's contribution to advertiser's sales/market share and brand objectives.	3,284	7,298	28,821
4	Service range: IMC, BTL, clear delineation of responsibility, care irrespective of return; deadlines/timing.	3,076	6,835	35,655
5	Cost-consciousness: keeping to budget, negotiation ability, business understanding.	2,798	6,219	41,874
6	Strategy: agency's strategic input; good use of research	2,599	5,776	47,650
7	Compatibility: compatibility of corporate cultures; cooperation	2,556	5,681	53,331
8	Trust	2,547	5,660	58,991
9	Leadership and Price: leadership capability; top management involvement; price	2,264	5,031	64,021
10	Undefined: responsiveness, formalization, acceptance of agency's proposals without questioning of motives	1,926	4,279	68,300
11	Cooperativeness: investments; openness to criticism	1,884	4,187	72,487
12	Marcom. teamwork: agency's level of cooperativeness with advertiser's other marketing communications partners	1,787	3,970	76,458
13	Scale: prestige; full-service capability	1,756	3,902	80,360
Excluded from the analysis: Media planning, media buying, research, and PR services.				

5.1.6.1 Explanation of the Factors

Factor 1: Creativity and Partnership

The first factor was able to explain 13.26% of the total variance. This factor received all of the four variables used to measure satisfaction with the agency's creativity; these were: quality of creative work, quality of creative executions, the agency's ability to produce ideas that work across media (i.e., as well in print as on television, etc.), and the agency's ability to find creative solutions to the advertiser's marketing problems. It should also be noted that the factor loadings for three of these four variables were above 0.750. Also loading onto this factor is "relations with agency creatives." Here the trigger word seems to be "creativity." The fact that creativity has loaded onto the first factor is not surprising because production of creativity is considered to be the principal job of an advertising agency.

Also in the first factor figure the following variables: the agency's "keeping to the strategy;" "being in agreement with the advertiser's targets"; "productivity and efficiency of agency meetings," and "the agency's ability to stand behind its proposals." In other words, advertisers seem to value the agency's being in agreement with advertiser objectives and its ability to keep to the agreed-upon strategy. Yet, they also appear to value the agency's having its own ideas and being able to stand behind them. In other words, the advertiser seems to value in the advertising agency a partner on an equal footing rather than a foot-soldier. The first factor could therefore be called the "Creativity and Partnership Factor."

Factor 2: People/Relationship

The second factor was able to explain 8.26% of the total variance. This factor received the following attributes: "ease of access to account executives," "professional experience of agency staff," "low staff turnover," "relations with account executives," and compatibility of agency and client personnel in terms of authority levels and in terms of expertise levels. Agency approval process efficiency also loaded onto this factor. Clearly, this is the "people/relationship" factor.

The highest loading belonged to “low turnover”. High staff turnover at advertising agencies has been found to be a recurrent problem that has surfaced in studies across time and different markets (Marrian, 1967; Hotz et al., 1982; Wackman et al., 1986/87) and has been shown to influence the intention to stay with the agency and relationship continuity (Chuchinprakarn, 1999; Broschak, 2004, respectively). Apparently this is also a problem in Turkey, as more than one quarter of the advertisers surveyed mentioned it as a problem (26.9%) of some importance (mean = 3.00) in their current agency relationship (Please see Table 5.35, p. 167). Regardless of whether turnover exists as a problem in the ongoing relationship or not, its loading onto the second factor shows its importance for the advertiser and indicates that it is linked with other staff-related attributes such as experience level. Advertisers do not appreciate turnover because new agency staff have to be trained in the advertiser’s business and that means a time loss.

Factor 3: Results (Agency’s Contribution to the Advertiser’s Business Results)

The third factor – “Results” – accounted for 7.30% of the total variance. This factor received just three variables: the agency’s contribution to the advertiser’s sales, market share, and brand targets. These are the concrete results of the agency’s efforts, measurable to a greater or lesser degree. This dimension was proposed as an additional independent variable to the Wackman et al.’s model (1986/87). Its inclusion in the model has been validated by these findings.

Factor 4: Service range

The fourth factor accounted for 6.84% of the total variance. This factor received the following variables: the agency’s “IMC capability,” “quality of below-the-line work,” “ability to meet deadlines,” “clear delineation of responsibility,” and care for the advertiser’s business “irrespective of return.” The first two variables are related: Integrated marketing communications capability is the agency’s ability to provide a consistent message in both its highly visible broadcast/press/outdoor work as well as in its so-called “below-the-line” work (e.g., packaging, in-store communications, direct mail, brochures, leaflets, etc.). As explained in the section on the types of services sourced from the advertising agency (Section 5.1.3.1), below-the-line

advertising (as opposed to above-the-line / traditional media advertising) is increasingly outsourced to agencies specializing in this service, and this devolution is partly at the instigation of the advertising agencies due to the low profitability associated with this type of service. Thus, it is apt that the statement “The agency puts the same care into all our assignments irrespective of the amount of revenue the assignment represents” should load onto the same variable as below-the-line work. This type of advertising includes brochures, leaflets, corporate letterheads, invitations, and similar printed communications that often demand short deadlines and quick timing. One respondent mentioned timing as the main reason for her resorting for these jobs to print houses which produced job turnover at a faster rate than her advertising agency. Thus, the loading of the deadlines and timing attribute onto this factor is meaningful.

The agency’s ability to keep to deadlines and timing is crucial in the advertising business. The agency is always working to deadlines: the deadlines for delivery of advertising to newspapers and TV stations, the appointments for commercial cast, the appointments for production studio time, the appointments for rented postproduction equipment... the list goes on. When the agency fails to keep to the deadlines, it is not only lost money for the agency, but lost opportunity for the advertiser and maybe a score for the advertiser’s competition. The fact that the deadlines/timing variable has loaded onto the same factor with “clear delineation of responsibility among agency personnel” is again meaningful: It appears as though in the advertiser’s mind the agency’s ability to keep to deadlines is associated with a level of formalization where responsibility is clearly delineated among agency personnel, and that kind of clear delineation of responsibility is often associated with a large size of staff. The implication for agencies is that they should make sure to assign an adequate number of people to the advertiser’s account so that delays arising from inadequate staff size do not occur.

The agency’s integrated marketing communications capability has consistently loaded onto the same factor with below-the-line advertising throughout the series of analyses conducted for this research. Obviously, the two are closely linked in the advertiser’s mind. Integrated marketing communications capability is apparently being conceived as the agency’s ability to offer below-the-line advertising in addition

to above-the-line. Clear delineation of responsibility among agency personnel was an attribute that could be expected to load onto the same factor as “full-service capability.” Its loading onto the same factor as below-the-line and integrated marketing communications instead may indicate a shift in the perception of the “full-service” agency towards one that offers both above-the-line and below-the-line advertising.

With the exception of one variable (clear delineation of responsibility among agency personnel), all of the variables that have loaded onto this factor are among the lowest-rated satisfaction attributes. Their loading onto the fourth factor which accounts for about 7% of the variance in the data shows they cannot be ignored.

Factor 5: Cost-consciousness

The fifth factor was able to explain 6.22% of the total variance. Onto this factor loaded three variables: the agency’s ability to keep to the advertiser’s budget constraints; the agency’s ability to get best prices for the advertiser from third parties; and the agency’s understanding of the advertiser’s business. The first two of these variables are both related to cost. It is interesting that business understanding on the part of the agency has also loaded onto this factor; this could be an indication that the advertiser judges agency’s business acumen by cost-related behavior. This factor has been labeled “cost-consciousness.”

Factor 6: Strategy

The sixth factor accounted for 5.78% of the total variance. The two variables that loaded onto this factor are conceptually related. Clearly, the agency’s ability to make good use of research is indicated in the strategic advice it gives its clients as well as in its creative output. One respondent (marketer of a Turkish durables manufacturer) wrote as response to the open-ended question on advertisers’ suggestions for relationship improvement: “The agency has to make field observations in order to get to know the client and the brand better. ... It has to place more importance on market research.” Strategy is a work product; it is one of the outputs of the agency. Therefore, its relegation to one of the middle factors has some implications: Though

it is considered an important agency service/product, it is not as important as creativity. The reasons may lie in advertisers' perception of the agency's role in strategy formulation. Advertisers see themselves as primarily responsible for the formulation of marketing strategy, and they regard the formulation of advertising strategy as a joint responsibility with the agency (Please see Table 5.25, p. 146). In other words, although the agency's strategic input is expected and deemed important, it is not thought to be as essential of an agency function as some others because, ultimately, advertisers consider strategy to be their own responsibility.

Factor 7: Compatibility

The seventh factor, which accounted for 5.68% of the total variance, is composed of two variables: compatibility of corporate cultures and harmony/cooperation between the advertiser and the agency. It could be that advertisers who perceive the agency's corporate culture to be similar to theirs also perceive a higher level of compatible relations with the agency characterized by cooperation and harmony.

Factor 8: Trust

Three trust variables loaded onto the eighth factor, which explained 5.66% of the total variance. The relegation of this dimension to a lower factor is not thought to indicate its lesser importance than the higher-ranking factors. Trust may be operating at a most basic level. Past research has found that when the client trusted the agency, it was willing to continue interaction and to give more assignments (Halinen, 1997). In other words, trust may be the reason for which the advertiser continues giving its business to the agency and as such it is fundamental to the relationship to such an extent as to be taken for granted.

Factor 9: Price and Leadership

Leadership capability, top management involvement in the advertiser's account, and agency's price loaded onto the ninth factor, which accounted for 5.03% of the total variance. The thought leadership provided by the agency could be associated with the agency's top management. "The tone of effective advertising relationships is set at

the top,” notes Weilbacher (1983/1991: 195). Ogilvy (1977, as cited in Michell & Sanders, 1995) has pointed to the importance of the leadership capability of an advertising agency’s top management. On the other hand, indifference on the part of the agency’s top management may also mean indifference by the agency’s personnel. As Ward has pointed out: “If your agency CEO is lazy and/or distracted, the chances are he or she is not keeping agency staff on their toes” (2000: 58).

Price appears odd in this group. It is possible that with a larger sample, price may load onto a neighboring factor. It is interesting, however, that price is relegated to the latter end of the factor set. There could be two possible explanations: One may be the reticence of the respondent to acknowledge the importance of price (the same reticence may be the reason for the lower importance ascribed to the involvement of agency’s top management in the account). Another may be the advertiser’s ability to negotiate the price down in the competitive agency market, so that the agency’s price does not command a high level of importance for the advertiser. Other cost-related variables, however, have loaded onto the fifth factor, indicating that cost is a consideration of high order.

Factor 10: Undefined

Three variables have loaded onto the tenth factor, which accounted for 4.28% of the variance: the speed with which the agency responds to changes in the environment, such as technological developments, legal changes, competitive moves, etc.; agency’s formalization; and a trust variable. This factor is difficult to define: It is counterintuitive, for instance, that formalization should be associated with quick responsiveness. On the other hand, formalization may be associated with higher technological capability and the trigger in the responsiveness variable could have been the word “technology.”

Factor 11: Cooperativeness

The 11th factor accounts for 4.19% of the total variance. Two relationship variables have loaded onto this factor: the agency’s willingness to make investments on behalf of the advertiser and openness to criticism. Advertisers appear to value a less

defensive, more accepting attitude on the part of the agency towards criticism. Commented one respondent (marketer of a Turkish durables manufacturer): “[The agency] may sometimes make wrong decisions and have its way. Perhaps they leave the meeting having scored a victory, but in the end theirs may turn out to be the wrong decision.” “It is the one thing [about the agency] that bothers me the most,” said another respondent (marketer of a Turkish FMCG manufacturer). “They come with three different creative solutions, but 80 per cent of the time, they make you accept their favorite. Was that what I wanted? No!” Although advertisers seem to appreciate the agency’s standing behind its proposals, too much assertiveness is apparently being construed as willfulness and inability to take criticism.

Willingness to make investments in people, technology, process development, etc., for the sake of the advertiser signals that the agency is interested in a long-term relationship. This kind of commitment-signalling on the agency’s part is found to increase satisfaction with the agency, and this finding is in keeping with previous research on buyer-seller relationships (Selnes, 1998). Such investments in the relationship are bound to result in increased commitment on the advertiser’s part. Both concrete evidence of interest in the advertiser and an accommodating attitude make for a cooperative atmosphere. Therefore, this factor has been named “Cooperativeness.”

Factor 12: Teamwork with other marketing communications partners

Today’s advertiser works with a variety of firms specializing in different branches of marketing communications. The advertising agency is only one of those partners. The others may include PR companies, direct mail houses, below-the-line agencies, media agencies, marketing research companies, Web site design and maintenance companies, merchandising companies, etc. Occasionally these various companies have to cooperate on the advertiser’s projects. Several advertisers participating in the survey have mentioned a high-handed attitude on the part of the advertising agency towards the advertiser’s other marketing communications partners. The variable of the agency’s cooperativeness with advertiser’s other marketing communications partners has singly loaded onto factor 12, which was responsible for 3.97% of the total variance.

Factor 13: Scale

The agency's ability to provide the full range of services to be expected from an advertising agency and prestige loaded onto the last factor, which accounted for 3.90% of the variance. Clearly, full-service capability is associated with prestige. It appears as if the larger and varied its services, the more prestigious the agency is perceived to be. This factor has been named the "scale" factor.

The Odabaşı (1992) study, using principal components analysis, found that 20 variables accounted for 71.1% of the variance in the data. The present analysis was also conducted using only the 16 Odabaşı variables, which accounted for 70% of the variance.¹⁸ As a result of the addition of 29 variables to the original 16 variables of the Wackman et al./ Odabaşı scales, 80.36% of the variance has been accounted for.

5.1.7 Regression Analysis of the Factor-scores

A further analysis was conducted by using regression analysis to find the underlying relationship between these factors and the overall evaluation of the advertising agency. Linear multiple regression was utilized, using the 'Enter' mode, and regressing the dependent variable of 'Agency Overall Grade' and alternatively that of 'Overall Satisfaction' against the factor-variables. In interpreting the data, the usual convention of using the 0.05 significance level as a cut-off was adopted. The independent variable of "agency grade" is assumed to distribute normally.¹⁹ The regression analysis was repeated for the factor-scores obtained from the independent variables set against the dependent variable of "advertiser satisfaction with agency". For comparison purposes, two sets of analyses were conducted, one with the dependent variable measure of "overall agency satisfaction" (on an interval scale of 1-5) and the other with the alternative measure of "agency grade" (on a ratio scale of 0-100).

¹⁸ The results of this analysis may be obtained from the author.

¹⁹ Please see Appendix F for normality analyses. The residual of agency grade was normally distributed, and these results are given in Appendix F.

5.1.7.1 Regression with the Dependent Variable “Overall Satisfaction”

When the 13 factors extracted from the 45 independent variables were regressed against the dependent variable of advertiser satisfaction as measured by the interval-scale “overall satisfaction”, the model was found to be significant and able to explain 72.8% of the variation in the dependent variable (adjusted $R^2 = 0.728$). Eight of the 13 factors were found to be significant. These are the factors of: creativity/partnership; people/relationship; service range; cost-consciousness; strategy; compatibility; price/leadership; and scale. The factors of results, trust, cooperativeness, teamwork (with other marketing communications partners), and the undefined factor were not found to be significant. The results of this analysis are offered in Table G-1 in Appendix G. The measure of “overall agency satisfaction” is less powerful than the ratio-scale “agency grade”. Therefore, no implications will be drawn from these results at this point. In the following section the regression analysis of the factor-scores obtained from the 45 independent variables set is repeated with the dependent variable measure of “agency grade.” As the ratio scale is more powerful than the interval scale, this will be the measure used for the dependent variable of advertiser satisfaction in the following analyses.

5.1.7.2 Regression with the Dependent Variable “Agency Grade”

When the 13 factors obtained from the extended set of 45 independent variables were entered into the regression with the dependent variable “Agency Grade” (on a ratio scale of 0 to 100), the corresponding F-value was 13,411 (significant at .000).²⁰ The factors could explain 76.0% of the variance (adjusted $R^2 = .760$) in the dependent variable.

The significances of regression coefficients show that eight of the 13 factors are significant at the 1% level, two (Factors 8 and 11) at the 5% level, and one (Factor

²⁰ Ten of the 13 factors were found to distribute normally; the factors of service range, cost-consciousness, and marcom teamwork were not normally distributed. (Please see Appendix F for normality analyses).

13) is significant at the 10% level. Those factors found to be significant are: Creativity/Partnership; People/Relationship; Results; Service Range; Cost-consciousness; Strategy; Compatibility; Trust; Price/Leadership; and Cooperativeness. The Scale Factor was found to be significant at the 10% level. Factors 10 and 12 were found to be insignificant; these are the “Teamwork with advertiser’s other marketing communications partners” and “Undefined” factors.

An examination of beta weights reveals some interesting results. The compatibility factor, for instance, has the second highest beta weight, after the first factor. In other words, a one-unit increase in the compatibility factor would result in a higher increase in the advertiser’s satisfaction (when the effects of all other factors are held constant) than the same amount of increase in any of the other factors, with the exception of the creativity/partnership factor. For instance, this factor has 1.4 times the influence on satisfaction than the results factor. The implication for agencies is that they should concentrate their efforts foremost on the compatibility aspects – cooperation and cultural compatibility – because the return in terms of advertiser satisfaction would be higher than even palpable contributions to the advertiser’s business results. The results of this analysis are offered below:

Table 5-18 : Results of regression analysis of factor-scores against agency grade

Regressing Factor-Scores Against "Agency Grade": Results									
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	0,906 ^a	0,821	0,760	6,692	0,821	13,411	13	38	0,000
ANOVA ^b									
Model		Sum of Squares	df	Mean Square	F	Sig.			
1	Regression	7808,602	13	600,662	13,411	0,000			
	Residual	1701,917	38	44,787					
	Total	9510,519	51						
a	Predictors: (Constant), Scale Factor, Marcom. Teamwork Factor, Cooperativeness Factor, Undefined Factor, Leadership/Price Factor, Trust Factor, Compatibility Factor, Strategy Factor, Cost-Consciousness Factor, Service Range Factor, Results Factor, People/Relationship Factor, Creativity/Partnership Factor								
b	Dependent variable: Agency grade								
Coefficients									
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.			
		B	Std. Error	Beta					
1	(Constant)	75,596	0,928		81,456	0,000			
	Creativity/Partnership Factor	8,125	0,937	0,595	8,670	0,000			
	People/Relationship Factor	2,812	0,937	0,206	3,001	0,005			
	Results Factor	2,862	0,937	0,210	3,054	0,004			
	Service Range Factor	3,463	0,937	0,254	3,695	0,001			
	Cost-consciousness Factor	3,809	0,937	0,279	4,064	0,000			
	Strategy Factor	2,612	0,937	0,191	2,787	0,008			
	Compatibility Factor	4,032	0,937	0,295	4,303	0,000			
	Trust Factor	2,347	0,937	0,172	2,505	0,017			
	Leadership/Price Factor	2,895	0,937	0,212	3,089	0,004			
	Undefined	-0,093	0,937	-0,007	-0,099	0,922			
	Cooperativeness Factor	2,110	0,937	0,155	2,252	0,030			
	Marcom. Teamwork Factor	-0,005	0,937	0,000	-0,005	0,996			
	Scale Factor	1,753	0,937	0,128	1,871	0,069			

The results of the preceding analyses are summarized in the table below:

Table 5-19: Factor and regression analyses: Summary of Results

Results of the Factor and Regression Analyses of the Independent Variables Measuring Advertiser's Satisfaction with the Advertising Agency										
Factor analysis of the independent variables					Regression analysis of the factor-scores obtained from the factor analysis					
					"Overall Satisfaction"			"Agency Grade"		
Factor			Total variance explained	Cum.	Beta	t value	Sig. of t	Beta	t value	Sig. of t
No.	Factor	Eigen- value	(%)	%						
1	Creativity and Partnership	5,967	13,260	13,260	0,514	7,029	0,000	0,595	8,670	0,000
2	People/ Relationship	3,718	8,263	21,523	0,235	3,210	0,003	0,206	3,001	0,005
3	Results	3,284	7,298	28,821	0,097	1,330	0,191	0,210	3,054	0,004
4	Service range	3,076	6,835	35,655	0,305	4,178	0,000	0,254	3,695	0,001
5	Cost-consciousness	2,798	6,219	41,874	0,298	4,084	0,000	0,279	4,064	0,000
6	Strategy	2,599	5,776	47,650	0,240	3,281	0,002	0,191	2,787	0,008
7	Compatibility	2,556	5,681	53,331	0,277	3,793	0,001	0,295	4,303	0,000
8	Trust	2,547	5,660	58,991	-0,077	-1,060	0,296	0,172	2,505	0,017
9	Leadership and Price	2,264	5,031	64,021	0,305	4,180	0,000	0,212	3,089	0,004
10	Undefined	1,926	4,279	68,300	0,061	0,833	0,410	-0,007	-0,099	0,922
11	Cooperative-ness	1,884	4,187	72,487	0,023	0,308	0,760	0,155	2,252	0,030
12	Marcom. teamwork	1,787	3,970	76,458	0,104	1,422	0,163	0,000	-0,005	0,996
13	Scale	1,756	3,902	80,360	0,196	2,680	0,011	0,128	1,871	0,069
					F = 11.490, significant at the .000 level. R ² = 0.728			F = 13.411, significant at the .000 level. R ² = 0.760		

5.2 Work Product and Agency Satisfaction

The agency's work product was found to be a significant predictor of advertiser's satisfaction with the agency, as hypothesized. The work product is predominantly identified with the agency's creativity as indicated by the strength of its creative ideas, creative execution of those ideas, the ability of the ideas to carry across a variety of media, and the ability of the agency to find creative solutions to the advertiser's marketing problems. Creativity is clearly the advertiser's top requirement as the results of the factor and regression analyses suggest. Creativity is the factor that accounts for the largest variation in the data and has the highest beta value in the regression equation. The only other work product attribute that has loaded onto the first factor is the agency's ability to keep to the advertiser's strategy. Clearly, keeping to the strategy is viewed as an attribute of a higher order than the

ability to contribute to the advertiser's strategy formulation and making good use of research – these work product attributes loaded onto the sixth factor (as the only two variables on that factor) and were also found to be a significant predictor of satisfaction, though of less importance.

The work product attribute of the agency's ability to understand the advertiser's business loaded onto the cost-consciousness factor (Factor 5) along with two organizational attributes related to cost, and this factor was found to be a significant predictor of agency satisfaction, with the third highest beta value. The other work product attributes of media planning, media buying, research, and PR capabilities were found not to be sourced from the advertising agency by a large majority of the advertisers and therefore were excluded from the factor analysis.

It is important to note that the first factor onto which the creativity and keeping to strategy attributes have loaded also includes the work pattern attribute of productive meetings and the relationship attributes of the agency's agreement with the advertiser's goals, its ability to stand behind its proposals, and relations with agency creatives. In other words, the first factor is an amalgam of three different dimensions although creativity appears to be the main driver of advertiser satisfaction in the set.

5.3 Work Pattern and Agency Satisfaction

Again as hypothesized, the work pattern has been found to be a significant predictor of advertiser's agency satisfaction. Distributed among four factors (Factors 1, 2, 4, and 10), three of which were found to be significant, work pattern, as defined by productivity of meetings, ease of access to key agency people, approval process efficiency, and clear delineation of responsibility among agency personnel, appears to be an important dimension of advertiser's satisfaction.

5.4 *Organizational Attributes and Agency Satisfaction*

Organizational attributes, as defined by the agency's range of services, cost, and personnel policies, were also distributed among a number of factors (Factors 2, 4, 5, 9, and 13) and dominated two of those factors (Factors 4 and 5). All of the factors which received organizational attributes were found to be significant predictors of agency satisfaction (with one factor – Factor 13 – being significant at the 10% level). Four factors were defined by organizational attributes (Factors 4, 5, 9, and 13): service range, cost-consciousness, leadership / price, and scale. The cost-consciousness factor was found to be the third highest predictor of advertiser's agency satisfaction. The fact that scale has turned out to be the lowest factor suggests that the full-service capability may be becoming less important in Turkey.

5.5 *Relationship and Agency Satisfaction*

Relationship attributes permeated nearly all of the factors revealed by the principal components analysis and dominated most of the factors, with six of the 13 factors named by a relationship attribute. Furthermore, the primary factor had three relationship attributes, as a result of which it derived its name partially from a relationship attribute. The factors of people / relationship, compatibility, trust, leadership/price, cooperativeness, and marcom. teamwork (Factors 2, 7, 8, 9, 11, and 12) together accounted for nearly 33% of the total variance, without taking into account the first factor. One relationship factor – people/relationship – was the second most important factor to account for variation in the data (more so than the agency's contribution to the advertiser's business) and another relationship factor – compatibility – was found to be the second highest predictor of agency satisfaction, higher than all but the first factor of creativity/partnership. In fact, relationship factors were found to have a higher weight in the prediction of advertiser's satisfaction than work product (other than creativity), work pattern, organizational, and contribution dimensions. This finding lends support to Wackman et al.'s (1986/87) proposition that advertisers' agency evaluation dimensions shift from work product to relational variables after the agency-client relationship is formally initiated and the advertiser and agency actually start working together.

5.6 Agency's Business Contribution and Agency Satisfaction

Proposed as an additional dimension to the four-dimensional Wackman et al. (1986/87) model, the agency's perceived contribution to the advertiser's business results was found to be the third factor to account for the largest variation in advertiser evaluations and a significant predictor of satisfaction. The agency's perceived contribution to the advertiser's market share, sales, and brand objectives (in that order) loaded onto the third factor to the exclusion of any other variable. This factor was the sixth most important in predicting advertiser's satisfaction with the agency.

As a result of the above findings, the hypotheses related to advertiser's agency satisfaction cannot be rejected, and the findings from the relational hypotheses are summarized below. In conclusion, the model has been confirmed in the relationship proposed between the independent variables and the dependent variable.

Table 5-20: Results of relational hypotheses

Findings from Relational Hypotheses			
Factor	Hypotheses	Findings	Results
No.	Positive effect on Advertiser's Satisfaction of:	Factors onto which the variables loaded	
1	Agency's work product: creative strategy, creative execution, creative ideas that work across media, creative solutions to advertiser's problems; marketing strategy	Distributed among factors Factor 1, 5, and 6, all significant at 1%. Factor 1 found to be the highest predictor of advertiser satisfaction.	Supported.
2	Agency's perceived contribution to the advertiser's business: contribution to advertiser's financial performance and marketing and brand objectives	Factor 3, significant at the 1% level.	Supported.
3	Agency's work pattern: authority structure, approval process, deadlines/timing, productivity of meetings, quality of communication, responsiveness	Distributed among factors 1, 2, and 4, all significant at the 1% level, and Factor 10, not significant.	Supported.
4	Agency's organizational attributes: Policy (financial), organizational structure (service range), personnel factors	Factor 2, Factor 4, Factor 5, Factor 9, all significant at 1%; Factor 13, significant at 10%. Factor 5 found to be the third highest predictor of advertiser satisfaction.	Supported.
5	Perceived relationship quality between agency and advertiser: Rapport/comfort, energy level, trust/respect, personnel turnover	Factor 2, Factor 7, Factor 8, Factor 9, Factor 11, all significant; Factor 12, not significant. Factor 7 found to be the second highest predictor of advertiser satisfaction.	Supported.

5.7 Testing for the Effect of Control Variables

Though not directly related to the hypotheses, a supplementary analysis was conducted to explore the effect of control variables on the advertiser's satisfaction with the agency. These variables are: advertiser's organizational age, advertiser company's size (as measured by the number of employees), number of years worked with the present agency, and the number of advertising agencies in the advertiser's agency roster. These were all ratio-scale variables. When these four variables were regressed along with the 13 factor-scores against the dependent variable of agency satisfaction (agency grade), adjusted R square decreased from 0.760 to 0.739, and the model was significant at the 0.01 level. However, none of the control variables were found to be significant. Therefore, they were excluded from the model. In Section 5.7.1 a summary of the findings of the above regression analyses is offered and a regression equation is proposed.

5.7.1 Proposed Regression Equation

Based on the regression analyses presented in the preceding section, three alternative models were proposed. In the table below, the first model (Model 1) includes all of the 13 factors that were derived from the factor analysis of the 45 independent variables proposed to account for advertiser's satisfaction with the advertising agency. The second model (Model 2) includes in addition to the 13 factor-scores, four control variables. The final model (Model 3) incorporates only the 11 factors that were found to be significantly associated with advertiser's agency satisfaction. This model excludes only two factors, one of which was represented by a single variable (advertising agency's teamwork with advertiser's other marketing communications partners) and the undefined factor which had three variables; therefore, a total of 41 variables are represented in the composition of the 11 factor-scores that are proposed as the independent variables of agency satisfaction in Model 3.

Table 5-21: Model Comparison for Advertiser’s Agency Satisfaction

Comparison of Models for Advertiser’s Agency Satisfaction			
	MODEL 1	MODEL 2	MODEL 3
	N = 52 (DV: Agency Grade)	N = 48 (DV: Agency Grade)	N = 52 (DV: Agency Grade)
Constant	75.60 (81.46)*	75.59 (28.02)*	75.60 (83.56)*
Factor 1: Creativity/Partnership	8.13 (8.67)*	7.30 (6.42)*	8.13 (8.89)*
Factor 2: People/Relationship	2.81 (3.00)*	3.13 (3.04)*	2.81 (3.08)*
Factor 3: Results	2.86 (3.05)*	1.91 (1.52)	2.86 (3.13)*
Factor 4: Service Range	3.46 (3.70)*	3.58 (3.96)*	3.46 (3.79)*
Factor 5: Cost-Consciousness	3.81 (4.06)*	3.00 (2.69)**	3.81 (4.17)*
Factor 6: Strategy	2.61 (2.79)*	3.32 (3.37)*	2.61 (2.86)*
Factor 7: Compatibility	4.03 (4.30)*	3.18 (2.92)*	4.03 (4.41)*
Factor 8: Trust	2.35 (2.51)**	2.30 (2.17)**	2.35 (2.57)**
Factor 9: Price/Leadership	2.90 (3.09)*	3.08 (3.12)*	2.90 (3.17)*
Factor 10: Undefined	-0.09 (-0.10)	-0.71 (-0.76)	
Factor 11: Cooperativeness	2.11 (2.25)**	1.78 (1.88)**	2.11 (2.31)**
Factor 12: Marcom. Teamwork	-0.01 (-0.01)	-0.05 (-0.05)	
Factor 13: Scale	1.75 (1.87)**	2.86 (2.72)**	1.75 (1.92)**
Advertiser’s Organizational Age		-0.07 (-1.52)	
Advertiser’s Organizational Size		0.000 (1.01)	
Length of Agency Association		-0.04 (-0.20)	
Number of Agency Partners		0.96 (0.97)	
F	13.411	8.847	16.679
SSR	7808.6	6077.52	7808.16
Adj. R ²	76.0	73.9	77.2
(Figures in parentheses are t-statistics.) N = number of observations * Significant at the $\alpha \leq 0.01$ level. ** Significant at the $\alpha \leq 0.05$ level. *** Significant at the $\alpha \leq 0.10$ level.			

Based on the above analysis, the following regression equation is proposed:

$$\begin{aligned}
 Y_{\text{satisfaction}} = & \\
 & 75.60 + 8.13 X_{\text{creativity/partnership}} + 4.03 X_{\text{compatibility}} + 3.81 X_{\text{cost-cons.}} + \\
 & 3.46 X_{\text{range}} + 2.90 X_{\text{price/leadership}} + 2.86 X_{\text{results}} + 2.81 X_{\text{people}} + \\
 & 2.61 X_{\text{strategy}} + 2.35 X_{\text{trust}} + 2.11 X_{\text{cooperativeness}} + 1.75 X_{\text{scale}}
 \end{aligned}$$

Equation 1 : Proposed Regression Equation

Based on the above findings, an interesting relationship emerges among the satisfaction factors. Relationship factors have a higher weight than work product, work pattern or organizational dimensions. Of the 11 factors included in the above equation, five are relationship factors and the primary factor is composed of both work product (i.e., creativity) and relationship attributes (i.e., partnership). This finding supports Wackman et al.'s (1986/87) proposition that advertisers' agency evaluation dimensions shift from work product to relationship after the agency-client relationship is formally initiated.

5.7.2 Revised Model

Based on the above analyses, the proposed model has been revised. The variables of media planning and media buying have been excluded, and the research variable has been modified as "Use of research", since the findings suggest that advertisers largely do not rely on their advertising agencies for the production of advertising, marketing or media research. However, the study has also found indication that accurate interpretation and inspired use of research in the formulation of strategy and creation of advertising is an attribute that advertisers value. Therefore, the research variable has been kept in the model. Control variables were not found to significantly influence advertiser's satisfaction with the agency; therefore, they have not been shown in the revised model. However, with a larger sample size, some of the control variables could have turned out to be significant.

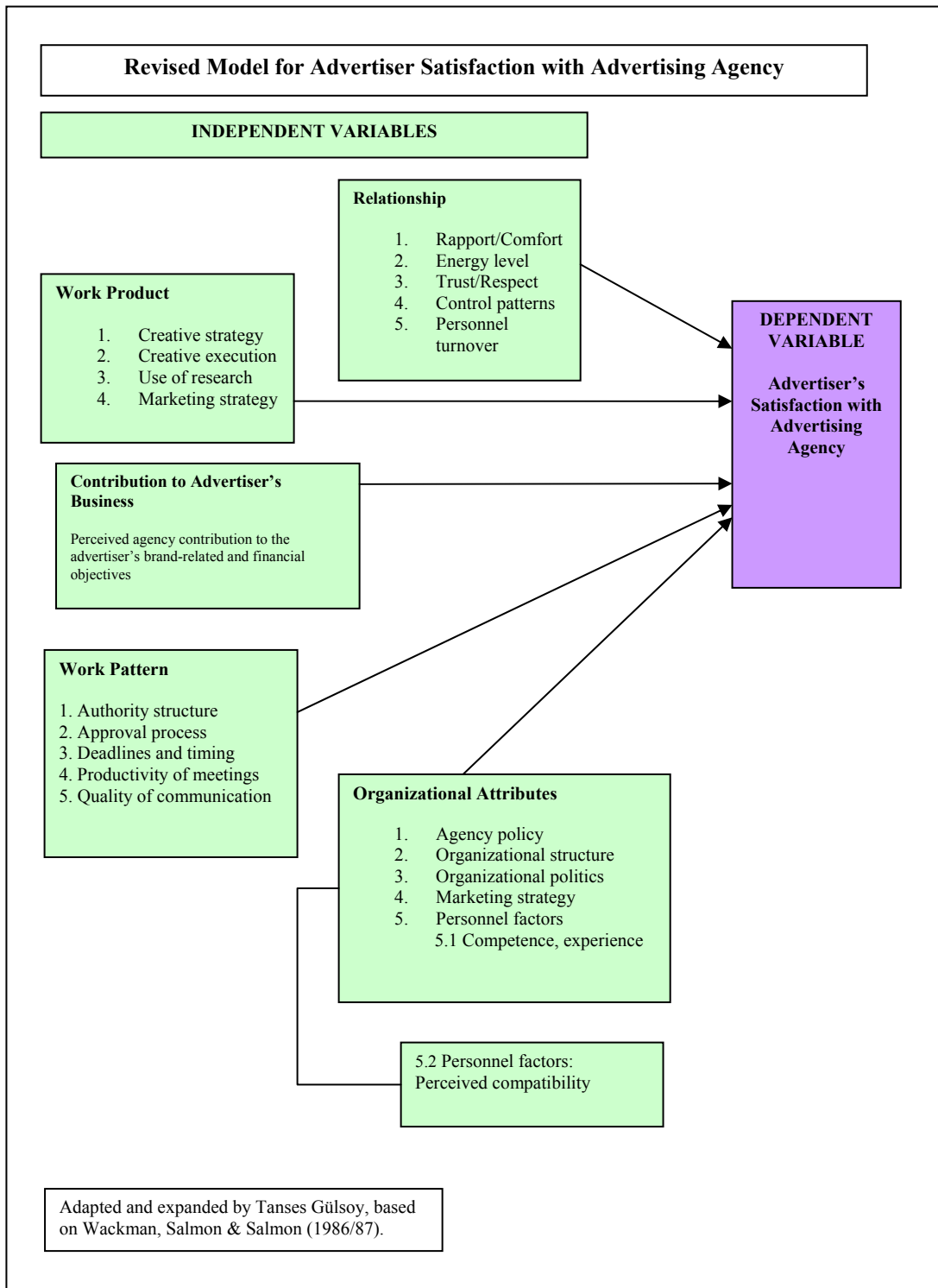


Figure 5.7-1: Revised Model for Advertiser's Agency Satisfaction

5.8 Additional Analyses

Although not directly related to the hypotheses, some additional analyses were made in order to shed light on some of the findings delineated above.

5.8.1 Advertiser's Attitude towards Advertising and Role Perceptions

The advertiser's attitude towards suppliers and the service supplied are considered important parameters of the agency-client relationship (Michell & Sanders, 1995), and advertisers' perceived value of the services provided by the agency was found to affect perceived agency performance positively (Chuchinprakarn, 1999). Considering that the sampling frame of the present study consisted of the largest spending advertisers, it could be assumed that they share a common belief in the importance of advertising to their corporate and brand-related objectives. The results below show this to be the case with regards to both advertising and the agency's perceived contribution to the advertiser's market- and brand-related targets.

The overwhelming majority of advertisers (96.2%) agree with the statement that advertising increases sales. There is not a single advertiser who does not agree with that statement; but, 3.8% are neutral. When brand equity is considered, there is even less ambiguity in the opinions expressed. Around three-quarters of the advertisers (73.1%) "definitely" agree that advertising is investment in the future of their brands. There is only one neutral opinion and no contradictory opinions.

Table 5-22: Advertiser’s attitude towards advertising and the agency’s business contributions

Advertiser’s attitude towards advertising and the agency’s contributions to business success							
Attitude towards advertising and the agency’s role							
	N	Mean**	Median	Mode	Min.	Max.	Std. Deviation
Advertising increases sales.	52	4,40	4,00	4	3	5	0,569
		Freq.	%	Valid %	Cum. %		
Definitely agree		23	44,2	44,2	44,2		
Agree		27	51,9	51,9	96,2		
Neither agree nor disagree		2	3,8	3,8	100,0		
Total		52	100,0	100,0			
	N	Mean**	Median	Mode	Min.	Max.	Std. Deviation
Advertising is investment in the future of our brands.	52	4,71	5,00	5	3	5	0,498
		Freq.	%	Valid %	Cum. %		
Definitely agree		38	73,1	73,1	73,1		
Agree		13	25,0	25,0	98,1		
Neither agree nor disagree		1	1,9	1,9	100,0		
Total		52	100,0	100,0			
	N	Mean**	Median	Mode	Min.	Max.	Std. Deviation
Agency offers services that are critical to the success of our company.	52	4,13	4,00	4	2	5	0,742
		Freq.	%	Valid %	Cum. %		
Definitely agree		17	32,7	32,7	32,7		
Agree		26	50,0	50,0	82,7		
Neither agree nor disagree		8	15,4	15,4	98,1		
Disagree		1	1,9	1,9	100,0		
Total		52	100,0	100,0			
Perceived agency contribution to advertiser's brand targets and market-related targets							
	N	Mean**	Median	Mode	Min.	Max.	Std. Deviation
Agency contribution to brand objectives	52	4,54	5,00	5	2	5	0,670
Agency contribution to sales	52	4,02	4,00	4	1	5	0,828
Agency contribution to market share	52	3,98	4,00	4	1	5	0,874

* Based on a Likert scale from 5 = Definitely agree to 1 = Definitely disagree.
** Based on an importance scale from 5 = Very important to 1 = Not important at all.

Next, advertisers’ opinion on the importance of the agency’s *actual* contribution to their business results was investigated. These business results were sales, market share, and brand-related targets. (These results are also given in the above table.) Advertisers were nearly unanimous in their evaluation of the agency’s contribution to brand-related targets (mean = 4.54). One respondent commented: “Thanks to the image, I can keep my price higher.” Agency contributions to sales and market share were also seen to be important (mean = 4.02 and 3.98 respectively) but of a more indirect nature, their influence diluted by factors beyond the agency’s control. Finally, the criticality with which advertisers regarded the services provided by their

present primary advertising agency to their business was probed. A large majority of advertisers (82.7%) agreed with the statement that the agency offers services that are critical to the success of their business.

Advertisers' attitude towards advertising was also probed through their perceptions of the contribution of various elements of the marketing mix to their brand's competitiveness. Advertisers were asked to distribute 100 points among seven contributors to the brand's competitiveness (They also had a choice of adding any other contributor they saw as necessary; however, the responses could be subsumed under the offered choices.). These were: core product, brand name, corporate name, price, distribution, advertising, and marketing communications other than advertising (including in-store activities, sales promotion, direct marketing, CRM, Internet/Web communications, sponsorship, public relations activities). Based on the mean values, advertisers can be said to ascribe their brand's competitive power largely to the brand name, which was given a role of over 25% (on average) in the brand's competitive power. Next came the core product, and advertising placed third, given a role of over 16% (on average) in the brand's competitive power. These were followed by distribution, price, and non-advertising marketing communications. Corporate name ranked last, as advertisers mentioned they did not use their corporate name in their advertising – even while they acknowledged its importance vis-à-vis suppliers and distributors.

Realizing that the importance ascribed to various elements of the marketing mix could be a result of sector-specific factors, the importance ratings were investigated for sectoral differences. The various levels of importance ascribed to each of the elements of the marketing mix in determining the brand's competitive power seem to exhibit some sectoral differences. The mean values for the percentages given to each of the competitive factors as well as those by sector are given below:

Table 5-23 : The brand’s competitive power by advertisers’ sector

Role of the marketing mix elements on the brand’s competitive power – by advertisers’ sector								
		CORE PRODUCT / SERVICE AS COMP. POWER (%)	BRAND NAME AS COMP. POWER (%)	CORP. NAME AS COMP. POWER (%)	PRICE AS COMP. POWER (%)	DISTR. AS COMP. POWER (%)	ADVG. AS COMP. POWER (%)	NON-ADVG. MRKG. COMMS. AS COMP. POWER (%)
TOTAL	N	52	52	52	52	52	52	52
	Mean	,1913	,2513	,0771	,1135	,1221	,1638	,0808
	Std. Dev.	,10866	,14258	,08468	,08654	,07915	,08027	,07040
COMPANY SECTOR								
FMCG	N	30	30	30	30	30	30	30
	Mean	,1943	,2860	,0460	,0957	,1263	,1707	,0810
	Std. Dev.	,11814	,15686	,06836	,08492	,09268	,09454	,08314
DURABLES	N	15	15	15	15	15	15	15
	Mean	,1747	,2160	,0920	,1587	,1273	,1533	,0780
	Std. Dev.	,09848	,12310	,08082	,08132	,04728	,05602	,04887
SERVICES	N	7	7	7	7	7	7	7
	Mean	,2143	,1786	,1786	,0929	,0929	,1571	,0857
	Std. Dev.	,09449	,05669	,07559	,07868	,07319	,06075	,05563
Note: Respondents were asked to distribute a total of 100 points among the seven factors given above. They were allowed not to give any points to any of the factors if they so wished.								

A comprehensive discussion of each of these competitive factors is beyond the scope of this study. However, some points merit mention: For one, fast-moving consumer goods companies differ from durables and services advertisers in the importance they ascribe to the relative contribution of the marketing-mix elements in both degree and order of priority. For fast-moving consumer goods companies, the brand name is seen as making a higher contribution to the brand’s competitive power compared to durables and services, and it is also rated as the leading contributor. For services companies, on the other hand, the core product/service is the highest contributor to the brand’s competitive power. Corporate name is ascribed the lowest importance in terms of contributing to the brand’s competitive power by FMCG companies; by contrast, for service companies corporate name ranks right after the core product in importance of contribution to the brand’s competitive power. On the other hand, the core product is lower in importance for durables companies than for either FMCG or

services advertisers. While price is ranked low by FMCG and service companies, it ranks as the third important contributor to the brand’s competitive power for durables advertisers. The same holds true for distribution: Durables companies deem it more important than FMCG or service companies.

Advertising is ranked the third highest contributor to brand competitiveness by FMCG companies. Again, FMCG companies regard advertising as a more important competitive factor (accounting for nearly one-fifth of the brand’s competitive power) than services companies or durables advertisers for whom advertising plays a role of around 15% in brand competitiveness.

The importance ascribed to other marketing communications relative to advertising also exhibits some sectoral differences: Marketing communications other than advertising is seen as more important by services advertisers than either FMCG or durables advertisers. This is an indication that services companies rely on marketing communications other than advertising to a greater extent than FMCG companies or durables advertisers.

In the effort to uncover the importance of the role of advertising in the brand’s competitive power, the importance ascribed to advertising was investigated in the aggregate.

Table 5-24 : Perceived contribution of advertising to brand’s competitiveness

ADVERTISING AS COMPETITIVE POWER (%)				
	Contribution of advertising to the brand's competitiveness	Freq.	%	Cum. %
	30% and above	3	5,77	5,77
	20% - under 30%	21	40,38	46,15
	10% - under 20%	20	38,46	84,62
	Under 10%	8	15,38	100,00
	Total	52	100,00	

The table above shows that only a minority of the advertisers surveyed consider the contribution of advertising to their brands to be above 30%, when considered relative to the other elements of the marketing mix. About 15% consider this role to be

confined to less than 10% of the brand's competitive power while for 79% of the respondents, advertising accounts for anywhere between 10 to less than 30% of their brand's competitive power. The explanation may lie in the importance ascribed to the brand name. What advertisers seem to be thinking is that the main driver of their brand's competitiveness (and by extension their business success) is the brand name rather than advertising or the agency. However, the contribution of advertising (and of present and past agencies) to that brand's power seems to be overlooked in this evaluation (though some respondents have verbally acknowledged this oversight on their part).

Within the context of advertiser's attitude towards advertising and the agency's role in business success, the advertiser's role was also investigated. The advertiser's role in maintaining effective agency-client relationships has been underlined in the professional literature (Ogilvy, 1983/1999: 67; Weilbacher, 1983/1991; Ward, 2000; Sims, 2005) and in both theoretical and empirical academic studies (Marrian, 1967; Ryan & Colley, 1967; Chevalier & Catry, 1978; Beard, 1996, 1999). Advertisers' self-perceived role in the management of advertising also has implications for how they perceive the agency's role. This becomes most apparent in the setting of basic strategy. Hill & Johnson (2004), for instance, found that advertisers had either a "true partnership" relationship with their agencies or a "master-servant" relationship based on how much they involved the agency in strategy formulation (p. 296).

How advertisers perceive their role vis-à-vis that of their advertising agency in the management of advertising was investigated. Those functions that were examined were: product development, creating brand identity, formulation of marketing strategy (target group definition, product positioning, pricing, distribution policy), formulation of the creative strategy, formulation of the media strategy, and coordination of advertising with other marketing communications.

The findings are interesting in several respects. (Please see Table 5.25 below.) For one, advertisers seem to regard themselves as having a role to some degree in every one of the functions involved. For another, those functions that were seen to be entirely the agency's responsibility were only two, and only a minority of advertisers in each instance judged the function to be solely within the purview of the agency.

These were the responsibility for formulating advertising strategy (26.92% of advertisers saw this function as solely the responsibility of the agency) and coordination of advertising with other marketing communications (5.77% of advertisers saw this as entirely the agency's responsibility).

Table 5-25 : Advertiser perceptions of own role and advertising agency's role in advertising management

Advertiser Perceptions of Their Own Role and Ad Agency's Role in Advertising Management			
		Frequency	Table %
RESPONSIBILITY FOR PRODUCT DEVELOPMENT	OURS	49	94,23
	MUTUAL	3	5,77
Group Total		52	100,00
RESPONSIBILITY FOR CREATING BRAND IDENTITY	MUTUAL	47	92,16
	OURS	4	7,84
Group Total		51	100,00
RESPONSIBILITY FOR FORMULATING MARKETING STRATEGY	OURS	38	73,08
	MUTUAL	14	26,92
Group Total		52	100,00
RESPONSIBILITY FOR FORMULATING ADVERTISING STRATEGY	MUTUAL	36	69,23
	AGENCY'S	14	26,92
	OURS	2	3,85
Group Total		52	100,00
RESPONSIBILITY FOR FORMULATING MEDIA STRATEGY	MUTUAL	23	54,76
	OURS	16	38,10
Group Total		39*	
RESPONSIBILITY FOR COORDINATING ADVERTISING WITH OTHER MARKETING COMMUNICATIONS	MUTUAL	31	59,62
	OURS	18	34,62
	AGENCY'S	3	5,77
Group Total		52	100,00

* Some advertisers left this question blank because they felt media was not the advertising agency's concern; the percentages are based on the total of 52 and not on 39.

Advertisers saw their role most pronounced in product development, with 94% considering this function as entirely their own responsibility, but a few (5.77%) considered this to be a joint responsibility. Creating brand identity, formulating marketing strategy, and formulating advertising strategy were considered a joint responsibility by the majority of the advertisers (92%, 73%, and 69%, respectively). Formulation of media strategy was considered by a majority as a joint responsibility with the advertising agency (55%) though this finding has to be interpreted with caution because some advertisers may have answered the relevant question for the media agency rather than the advertising agency (although the question expressly asked for the role of the advertising agency).

The agency's role, on the other hand, is most pronounced in the creation of brand identity and creative strategy, as far as advertisers are concerned. Only a minority saw these two functions as belonging entirely within the advertiser's responsibility, and the majority indicated it was a joint responsibility. These results indicate that agencies are seen as playing a strategic role in the partnership, but there is room for development. Agencies could be more involved, for instance, in product development.

As the advertising budget is a critical component of the agency-client relationship and a key element of advertising management, whether the advertiser receives any input from the advertising agency when setting the ad budget was also investigated. The majority of advertisers do not seem to consult their agencies when determining their advertising appropriation (78.8%). (Please see the table below.) This finding corroborates Harris & Taylor (2004), which is the only piece of research on this aspect of advertising budgeting that could be found. If the agency-client relationship should be a partnership as clients and agencies unanimously claim (Harris & Taylor, 2004; Durkin & Lawlor, 2001), then logic dictates that agencies should have some input into the client's budgetary decisions concerning advertising.

Table 5-26: Agency input in advertiser's budget

AGENCY INPUT IN ADVERTISING BUDGET				
	Frequency	Percent	Valid Percent	Cumulative %
YES	11	21,2	21,2	21,2
NO	41	78,8	78,8	100,0
Total	52	100,0	100,0	

The advertiser's self-perceived role in the advertising planning process has important implications for the relationship with the agency. This role defines the scope of the relationship and contributes to the quality of the advertising produced. Furthermore, when both agency and advertiser are happy with their respective roles, they tend to be satisfied with the whole business relationship, including the advertising produced (Halinen, 1997). The advertiser's input into the planning process in terms of clear strategic direction and timely, useful information has been underlined. In the next

section the context, type and frequency of advertiser's information disclosure is explored.

5.8.1.1 Information Disclosure

Information forms the "raw material" on which service organizations work (Mills & Margulies, 1980: 261). As a service organization, the advertising agency needs information to generate the service for which the advertiser relies on the agency. Advertisers' perceptions on the quality of the information flow between them and the agency, and the types of information shared were investigated. (The findings are presented in Table 5.27 on page 151.)

On the whole, advertisers seem to think there is enough information flow between their companies and the agency, as indicated by the high mean scores and modes on the disclosure frequency of almost all of the types of information queried. They agree that they share general marketing with the agency, as well as brand-related information, as they should; and they unanimously report that they brief their agencies before campaigns. But, it is interesting, for instance, that the average level of agreement with the statement "We share all brand-related information with the agency" should be 4.13 and not closer to 5.

When the channels of information sharing were explored, it became apparent that not all of the possible channels of information were being utilized by the advertisers. The majority (51.92%), for instance, do not provide orientation for the agency staff that are newly appointed to their account. Considering that there are 19 industries represented in the sample, ranging from banks to automotive manufacturers, one is led to think that some orientation for the agency people might prove useful as agencies cannot be expected to have expertise in all of these disparate industries. Even though some advertisers go to the extent of organizing training workshops for their agencies (42.31%), and some even have an intranet in place for instant, regular sharing of information (9.62%), these advertisers seem to be in the minority.

Finally, the types of information disclosed and the frequency of disclosure were probed in more detail within the framework of the **client brief**. The client brief, also referred to as the “advertising brief,” is an explanation of the brand’s current position in its market and the client’s expectations from the particular assignment given to the agency. The agency prepares the advertising based on the brief received from the advertiser. The British advertising industry associations underline the significance of the brief with the following words: “The brief is the most important bit of information issued by a client to an agency. It’s from the brief that everything else flows ... The better the brief, the better and more accurate the results” (IPA et al., 2004: 2). What a brief should contain is defined by industry associations as well as in best-practice guidelines produced by advertisers or agencies themselves, and in textbooks and books on advertising. Usually, the brief is expected to contain background information on the brand that is to be advertised and its current position in the market; the desired objective of the communication as expressed in terms of the brand’s market-related standing (such as sales) or brand-related targets (such as awareness); the marketing and communications strategies to be employed in order to achieve the desired objective; the people/institutions/constituencies that are to be targeted by the communications; measures by which the success of the communications effort will be determined; and such practical considerations as the time and budget allocated for the assignment.

The advertisers surveyed reported that they almost always (mean = 4.44 on a scale of “5 = Always” to “1=Never”) specify the budget allocated for the agency’s assignment. Again, they indicated that they usually provide information to the agency related to the brand’s market size in volume and value. But, they seem to be more reluctant to disclose market research findings related to the brand (mean = 4.02) and about their competition (mean = 4.04). Information disclosure may also be construed as a type of control. The use of invoice limits or giving strictly defined briefs may be some of the formal control mechanisms used by advertisers (Halinen, 1997: 205). The advertisers surveyed agreed that the briefs they give their agencies include stringent budget limitations and well-defined expectations.

While advertisers may believe they are disclosing adequate information to their agencies, that information may not filter through to the people who are key to the

creative process: the agency creative personnel (Sutherland et al., 2004). It is a well-known industry fact that agencies tend to refrain from having clients meet their creative personnel. When this is the case, creatives have to make do with second-hand information relayed to them from account executives and others in account management. This aspect of the agency-client relationship was also investigated. This is the first such investigation in the context of the Turkish agency-client relationship. The majority of advertisers report that creatives always or mostly attend the meetings they have with the agency. However, it is still noteworthy that 7.69% mention creatives are never or rarely present. When probed verbally, some advertisers indicated that the creatives they saw at the meetings were the creative director or the agency partner who is the creative director. In other words, these creatives were actually top management or agency partners who are most likely not involved in the production of the advertising to as great an extent as the copywriters and art directors on the account. Therefore, a more detailed investigation is necessary to find out if and how often the copywriters and art directors on the account are allowed in client meetings.

Table 5-27: Information exchange between agency and client

ADVERTISER PERCEPTIONS OF INFORMATION EXCHANGE BETWEEN AGENCY AND CLIENT							
Channels for Agency-Client Information Exchange							
	Yes	No	N (Table %)				
We brief agency before campaigns.	52 (100%)	0	52 (100%)				
We provide orientation for new agency staff on our account.	25 (48.08%)	27 (51.92%)	52 (100%)				
We occasionally organize workshops / training for our agency.	22 (42.31%)	30 (57.69%)	52 (100%)				
We have an intranet with agency.	5 (9.62%)	47 (90.38%)	52 (100%)				
Other: Agency orientation program for advertiser; direct briefing by client company headquarters.	2 (3.85%)	50 (96.15%)	52 (100%)				
Type and Level of Information Disclosure							
	N	Mean*	Median	Mode	Min.	Max.	St. Dev.
We share overall marketing strategy with agency.	51	4,53	5,00	5	3	5	,612
We share all brand-related information with agency.	52	4,13	4,00	4	3	5	,687
We keep our agency well-informed of what is going on in our company.	52	3,75	4,00	4	2	5	,682
	N	Mean**	Median	Mode	Min.	Max.	St. Dev.
Brief includes clear expectations.	52	4,48	5,00	5	2	5	,700
Brief includes budget allocated for the assignment.	52	4,44	5,00	5	1	5	,873
Brief includes stringent budget limitations.	52	4,21	4,00	5	2	5	,848
Brief includes brand history and positioning.	52	4,15	5,00	5	1	5	1,161
Brief includes market size in volume and value.	51	4,14	5,00	5	1	5	1,132
Brief includes competition research findings.	52	4,04	4,50	5	1	5	1,188
Brief includes brand-related market research findings.	52	4,02	4,00	5	2	5	1,019
Frequency of Agency Creatives' Attendance in Client Meetings							
Descriptives	N	Mean**	Median	Mode	Min.	Max.	St. Dev.
Creatives attend client meetings.	52	3,67	4,00	4	1	5	0,964
Frequencies	Freq.	Percent	Valid %	Cumulative %			
Always	10	19,2	19,2	19,2			
Mostly	21	40,4	40,4	59,6			
Sometimes	17	32,7	32,7	92,3			
Rarely	2	3,8	3,8	96,2			
Never	2	3,8	3,8	100,0			
Total	52						

* On a scale of 5 = Definitely agree to 1 = Definitely disagree. ** On a scale of 5 = Always to 1 = Never.

Based on the exploratory findings above, it seems as if more information could be disclosed to the agency more frequently and using a greater variety of channels in order for the agency to produce better advertising.

5.8.2 Advertiser Processes involving Advertising Agencies

5.8.2.1 Agency Selection

Selection of the lead creative advertising agency is one of the most important marketing decisions that an advertiser needs to make. In the introduction to its guidelines for agency selection, a consortium of British advertising associations

notes: “The selection and retention of the right agency is critical for a client because of the key role that the communications agencies are able to play in promoting the company and its brands, thus enhancing its ultimate profitability” (DMA et al., 2004: 10). The objective in drawing up guidelines and checklists such as the one referred to above is to provide a proper procedure for agency selection.

Among the advertisers surveyed for the present study only 30.8% had a written procedure for agency selection, more than half (57.7%) did not have a written document of guidelines, and 11.5% of the respondents indicated they did not know whether such a document existed. (Please see the table below.) This finding is in keeping with that from a similar study in the US market, where less than half of the client respondents had a specific procedure for agency selection in place (Cantore, 2000).

Advertisers were also investigated for the type of method they used in selecting their present agency. The findings are also reported in the table below.

Table 5-28: Type of method advertisers use for agency selection

Existence of Written Procedure for Agency Selection				
	Frequency	Percent	Valid Percent	Cum. Percent
YES	16	30,8	34,8	34,8
NO	30	57,7	65,2	100,0
Total (Valid N)	46	88,5	100,0	
Do not know.	6	11,5		
Total	52	100,0		
Type of Procedure used for the Selection of Present Agency				
	Frequency	Percent	Valid Percent	Cum. Percent
PITCH	12	23,1	27,3	27,3
DIRECT CHOICE	15	28,8	34,1	61,4
AGENCY SPECULATIVE PRESENTATION	3	5,8	6,8	68,2
NETWORK DICTATE	13	25,0	29,5	97,7
OTHER: e.g. Continued with acquired company's agency	1	1,9	2,3	100,0
Total	44	84,6	100,0	
Do not know	8	15,4		
Total	52	100,0		

The most popular method of agency selection was direct picking; 28.8% of the advertisers simply determined the agency they were interested in working with and gave their business to that agency. In other words, no pitch had been opened, the agency had not actively solicited the advertiser’s account, and neither had the

advertiser's network or group headquarters been involved in the selection. The next most common method in choosing the incumbent agency was the network's picking; the advertiser's network dictated with which agency the advertiser had to work. In 23.1% of the cases, advertisers opened a pitch and invited competitive agencies to compete for the account.

Finally, for a minority of the advertisers, the relationship was instigated at the agency's initiation; after the agency made a speculative presentation in the hope of winning the advertiser's account, the advertiser decided to work with the agency. Based on the data given in Table 5.28 above, it seems that agency selection is not conducted according to a formalized procedure for the majority of the advertisers; and choice is often dictated by the network²¹ or involves direct selection rather than a pitch (or contest).

5.8.2.2 Agency Contracting

The contract has been highlighted in the agency-client relationship literature as an indication of formalization (Marrian, 1967) and its lack has been pointed out as emblematic of the insecurity of the relationship (Mayer, 1958). Considering the importance given to the formal contract in both the professional and the academic literature, respondents were asked whether they had a formal agency contract.

Table 5-29: Existence of agency contract

Existence of Agency Contract				
	Frequency	Percent	Valid Percent	Cumulative Percent
YES	40	76,9	78,4	78,4
NO	11	21,2	21,6	100,0
N Valid	51	98,1	100,0	
DO NOT KNOW	1	1,9		
Total	52	100,0		

It is noteworthy that one-fifth (21.2%) of the companies surveyed among the largest spending advertisers have no contractual agreement with their agencies. Considering

²¹ In 13 cases (25%) the choice of agency had been determined by a global realignment.

the emblematic nature of the contract, it appears that in this area also there is room for development.

5.8.2.3 Agency Compensation

Agency compensation is the most contentious issue in agency-client relationships. “No other issue gives rise to more ill feeling between clients and agencies than that of budgets and remuneration,” notes the British advertising industry consortium in its guidelines on agency selection (DMA et al., 2004: 43). Discussion in recent years has focused on the shift away from commission-based payment to fee and alternative types of compensation. The last 10 to 20 years has seen a dramatic shift in the US, for instance, from commission- to fee-based agency payment (Beals & Lundin, 2003: 22), where 74% of the advertisers surveyed in 2003 reported using fees to the 10% using commission.

Turkish advertisers were investigated for the type of compensation they used for agency’s payment. Based on those surveyed, commission is still the dominant form of compensation (61.5%), used either alone (25%) or in combination with other types of payment (36.5%). Fee-only type of compensation is used by a quarter of the advertisers surveyed (25%). Alternative methods of payment include project-based compensation only (5.77%); and commission-based or fee-based payment combined with a performance-based clause (7.69%). (Please see the table below.)

Table 5-30: Types of advertising agency compensation

Types of agency compensation				
	Frequency	Percent	Valid %	Cum. %
COMMISSION ONLY	13	25,0	25,0	25,0
FEE ONLY	13	25,0	25,0	50,0
COMBINATION OF COMMISSION AND OTHER FORMS EXCEPT FEE	19	36,5	36,5	86,5
OTHER	7	13,5	13,5	100,0
Total	52	100,0	100,0	

A more recent compensation trend is the use of performance incentive compensation. In the US 27% of advertisers were found to make use of incentives, and an

overwhelming majority of the US advertisers employing incentives are reported to have perceived improvement in the agency's performance as a result of using compensation tied to performance (Beals & Lundin, 2003). This aspect of the agency-client relationship also bears more extensive consideration.

5.8.2.4 Agency Evaluation

Advertiser's formal evaluation of the advertising agency is seen as critical to effective agency-client relationships (Ryan & Colley, 1967; Weilbacher, 1983/1991; Michell, 1986/87; West & Paliwoda, 1996; Davis, 2004; Sims, 2005). The agency-client relationship was surveyed as regards the existence of a formal agency evaluation and its frequency. The majority of advertisers surveyed have a formal agency evaluation established. This should be considered good news given the importance of formal evaluations to the maintenance of effective relationships. Nearly one-third of the largest advertisers surveyed, however, do not have a formal evaluation in place. (Please see Table 5.31 below.)

When there is a formal agency evaluation established, it takes place usually once a year (46.2%). The rest of the advertisers who conduct formal agency evaluations engage in this practice either twice a year (15.4%) or after each campaign. Having no formal evaluation, of course, does not mean advertisers give no feedback to their agencies. Some feedback seems to occur verbally every so often. Evaluation seems to center around the following criteria: creativity (81.8%); service quality (78.2%); brand-related targets (72.7%); market share targets (54.5%); sales targets (38.2%).

The evaluation seems to be generally one-sided, however. The majority of the advertisers surveyed (65.4%) had never experienced an evaluation by their advertising agency. When evaluation of advertiser takes place, it occurs most frequently once a year and usually at the same time as the agency's evaluation by the client takes place. (Please see the table below.)

Table 5-31 : Advertiser’s agency evaluation policy

ADVERTISER’S AGENCY EVALUATION POLICY								
	Availability of Formal Evaluation			Evaluation Frequency				
	Formal evaluation	No formal evaluation	Total	Never before	Once a year	Twice a year	Other (e.g. After each campaign; Once every 4 months)	Total
Client evaluation of agency	35 (67.3%)	17 (32.7%)	52 (100.0%)	17 (32.7%)	24 (46.2%)	8 (15.4%)	3 (5.8%)	52 (100.0%)
Agency evaluation of client	18 (34.6%)	34 (65.4%)	52 (100.0%)	34 (65.4%)	11 (21.2%)	4 (7.7%)	3 (5.8%)	52 (100.0%)

Based on the above findings, it appears that there is room for development in the area of agency evaluation. Two-way evaluation, where both parties evaluate each other, may go a long way towards resolving some of the issues.

5.8.3 Advertiser Expectations of the Advertising Agency

The reasons for which advertisers choose their agencies and the reasons for which they would terminate relations with them give an indication of what they expect from an advertising agency. Examination of these expectations may yield clues on those factors that drive advertisers’ agency satisfaction.

5.8.3.1 Agency Selection Criteria

Advertisers were asked two related questions: One queried how important for them a set of selection criteria would be if they were to choose an advertising agency today; the other asked them the importance given to the same set of criteria in the selection of the present agency. The responses to both sets of questions have been combined in Table 5.32 on page 157 below.

Table 5-32 : Importance ratings of agency selection criteria

Agency Selection Criteria											
Reasons for which advertisers would choose a new agency						Reasons for which the present agency was selected					
Descriptive Statistics											
	N*	Min.	Mx.	Mean ^a	Std. Dev.		N ^b	Min.	Mx.	Mean ^a	Std. Dev.
Agency creativity	52	3	5	4,88	0,38	Agency creativity	17	2	5	4,47	0,87
Closeness of proposed work to brief given	52	3	5	4,63	0,53	Closeness of proposed work to brief given	17	3	5	4,18	0,64
Market success of past campaigns	52	1	5	4,17	0,79	Offers both ATL and BTL	17	3	5	4,18	0,64
Agency people to serve on account	52	2	5	4,08	0,71	Chemistry btw. agency/client ppl.	16	2	5	4,13	0,81
General quality of agency presentation	52	3	5	4,04	0,66	Technological capability	17	3	5	4,00	0,71
Provides marketing/strategic input	51	1	5	4,02	1,07	Management chemistry	16	2	5	3,81	0,83
Provides IMC	51	1	5	3,98	1,01	Market success of past campaigns	16	2	5	3,81	0,91
Respectability	52	2	5	3,92	0,84	Respectability	17	2	5	3,76	1,09
Chemistry btw. agency and client people	51	1	5	3,92	0,93	Full range of agency services	17	2	5	3,71	0,99
Technological capability	50	2	5	3,90	0,74	The agency people to serve on account	17	3	5	3,65	0,70
Agency's price	52	2	5	3,81	0,82	Provides IMC	17	2	5	3,59	1,12
Offers both ATL and BTL	52	1	5	3,79	1,09	Experience in our product category / sector	17	2	5	3,59	1,06
Well-established procedures/ institutional	52	2	5	3,79	0,96	Previous experience w. agency	13	1	5	3,54	1,27
Management chemistry	51	1	5	3,76	0,97	Provides mrkg. / strategic input	17	2	5	3,53	0,94
Experience in our product category/ sector	52	1	5	3,75	1,01	General quality of agency presentation	17	2	5	3,53	0,87
Dictate of client HQ/network	44	1	5	3,52	1,44	Well-established procedures / instl.	17	2	5	3,47	1,07
Previous experience w. agency	52	1	5	3,50	1,06	Prestigious clientele	16	1	5	3,44	1,15
Full range of agency services	51	1	5	3,45	1,22	Agency's price	17	2	4	3,41	0,71
Prestigious clientele	52	1	5	3,35	0,97	Agency reputation	17	1	5	3,24	1,35
Recommendations of agency clients	52	1	5	3,31	1,04	Part of intl. agency network	14	2	5	3,21	1,25
Part of intl. agency network	52	1	5	3,29	1,18	Agency size	17	1	5	3,12	1,17
Agency size	52	2	5	3,12	0,98	Recommendations of agency clients	16	1	4	2,81	0,98
Agency rep.	52	1	5	3,10	1,03	Awards won	17	1	5	2,76	0,97
Recommendations of friends/ coll.	51	1	5	3,08	1,00	Recommendations of friends/ coll.	16	1	4	2,69	1,08
Awards won by agency	52	1	5	2,85	1,16	Friendship w. agency partners / mgmt.	17	1	5	2,12	1,17
Friendship w. agency partners/ mgmt.	51	1	4	2,39	1,17	Dictate of client HQ/network	15	1	5	1,87	1,13
Ability to buy media at favorable rates	38	1	5	2,21	1,60	Ability to buy media at favorable rates	6	1	2	1,50	0,55
Other	0					Other	0				

* As respondents were provided with the options of "Not applicable" and "No opinion" for both sets of questions, not every item received a rating.
^a On a scale of 5=Very important to 1=Not important at all.
^b Only 17 of the 52 respondents had been involved in the selection of the present agency.

When the selection criteria that were rated in a hypothetical agency selection situation were sorted in order of mean values, creativity was ranked the most important. Not only is this attribute ranked the most important by the majority of the respondents, but also there is very little variation among the respondents regarding just how important creativity is (standard deviation = 0.38). Other closely following attributes also relate to the agency's output quality (the "Work Product" dimension in the Wackman, Salmon & Salmon model): closeness of the proposed agency work to the brief given by the client, market success of past campaigns produced by the agency, general quality of the agency presentation, and ability to provide strategic input / marketing advice.

Among the top ten criteria, there are only two attributes associated with the relationship aspect: The agency people to serve on the account (mean = 4.08) and chemistry between client and agency people (mean = 3.92). The people criterion is arguably not a yardstick as sound as the agency's perceived creativity or the market success of its past campaigns since the agency may change the people on the account later or the people may fall short of expectations. On the whole, the selection criteria considered the most important relate to work product factors rather than work pattern, organizational or relationship factors.

Those criteria ranked the least important by advertisers in agency selection were the agency's media buying capability with the lowest mean value of 2.21 (14 respondents, or 27%, did not even answer this question because it would not be a consideration in the selection of an advertising agency), friendship with agency partners/management (mean = 2.39), and awards won by the agency (mean = 2.85). The low importance given to awards in agency selection is noteworthy, for it agrees with research that found awards were "not important" for most advertisers in agency evaluation (Association of National Advertisers, 2005) and that detected no relationship between advertising awards and the financial performance of advertising agencies (Polonsky & Waller, 1995). For the criterion of friendship with agency's partners or management, there could be reticence and under-reporting which could bias the results as the respondents might have based their responses on the

consideration that it would not be appropriate to choose an agency because of friendship with its partners or management.

When selection of the present agency was concerned, only one-third of the respondents (17 advertisers, 32.69%) had been involved; and none of those cases included international realignments. This set of responses is grounded in *actual* experience; these are the attribute rankings actually given and therefore they are different in nature from the rankings for *would-be* considerations. (Considering these ratings are given in hindsight, however, some bias is still inevitable.)

The selection reasons with the highest importance rankings predominantly consist of work product attributes as in the case of selection criteria. However, relationship factors have also surfaced, such as management chemistry. In other words, although advertisers claim to consider some attributes as of lower importance, in actual consideration they have rated those attributes higher. On the other hand, some other attributes which advertisers claim should be rated higher in the selection of a new agency were rated as lower when they selected the present agency: most prominently, agency's strategic capability. In other words, the importance attached to certain criteria seems to change (increasing or declining) over the course of the relationship (as predicted by Wackman, Salmon & Salmon, 1986/87).

5.8.3.2 Agency Termination Criteria

As illuminating about the determinants of advertiser satisfaction as the selection criteria are the termination criteria. Examination of the reasons for breakups can suggest strategies to agencies for protecting present accounts (Michell, 1996: 165). As with the selection criteria, advertisers were asked two related questions: One queried how important for them a set of criteria would be for terminating an agency relationship; the other asked them the importance of the same set of criteria in the termination of the former agency. The responses to both sets of questions have been combined in Table 5.33 below.

Table 5-33 : Importance ratings of agency termination criteria

Agency Termination Criteria											
Reasons for which advertisers would leave an advertising agency						Reasons for which the former agency relationship ended					
	N*	Min.	Max.	Mean ^a	Std. Dev.		N ^b	Min.	Max.	Mean ^a	St. Dev.
Conflict with other agency accounts	49	3	5	4,86	0,46	Standard of creative work	14	2	5	4,43	0,94
Not enough time/resources given to account	50	3	5	4,64	0,60	Agency not close to business	10	1	5	3,60	1,35
Standard of creative work	50	3	5	4,62	0,57	Image weakness of campaigns	14	1	5	3,57	1,50
Agency not close to business	50	1	5	4,58	0,76	Not enough time/resources given to account	13	1	5	3,54	1,20
Image weakness of campaigns	50	1	5	4,38	0,81	Agency staff expertise	12	2	5	3,50	1,24
Agency staff expertise	50	2	5	4,14	0,90	Formalization level	12	1	5	3,25	1,36
Poor relations with agency	50	1	5	3,94	1,10	Standard of strategic input	13	1	5	3,23	1,36
Lack of top mgmt. involvement	50	1	5	3,84	1,06	Poor relations with agency	12	1	5	3,08	1,62
High staff turnover	50	2	5	3,78	0,91	Sales weakness of campaigns	14	1	5	3,07	1,07
Sales weakness of campaigns	50	1	5	3,78	0,89	Changes in agency creatives	11	1	5	3,00	1,67
Changes in agency creative personnel	50	1	5	3,72	1,09	Need for agency w. intl. network	7	1	5	3,00	1,73
Dictate of client HQ/internat. network	44	1	5	3,70	1,39	Lack of top mgmt. invmt.	13	1	5	2,92	1,26
High agency costs	49	2	5	3,55	0,87	Changes in agency account mgmt personnel	11	1	5	2,82	1,47
Agency's technological cap.	48	1	5	3,54	1,03	High staff turnover	11	1	5	2,73	1,42
Changes in agency acct. mgmt. personnel	50	1	5	3,38	1,19	Dictate of client HQ/int. network	10	1	5	2,70	1,77
Standard of agency strategic input / mrkg. advice	49	1	5	3,37	1,17	Agency involved in merger/acquis.	6	1	5	2,67	1,86
Agency formalization level	49	1	5	3,29	0,98	Changes in agency top mgmt.	9	1	4	2,56	1,42
Need for agency with international network	46	1	5	3,26	1,29	High agency costs	12	1	4	2,33	1,15
Changes in agency top management	50	1	5	3,24	1,08	Service range not wide enough	11	1	5	2,18	1,08
Service range not wide enough	50	1	5	3,14	1,14	Disagreement over compenstn.	9	1	4	2,00	1,12
Agency involved in merger/acquisition	48	1	5	3,10	0,99	Termination was agency's decision. ^c	5	1	4	2,00	1,22
Disagreement over agency compensation	50	1	5	3,08	1,01	Agency's technological capability	11	1	4	1,91	0,83
Need for full-service agency	48	1	5	2,85	1,30	Need for full-service agency	11	1	5	1,91	1,14
Changes in client top management	48	1	5	2,65	1,14	Better financial proposal from another agency	11	1	4	1,91	1,14
Better financial proposal from another agency	48	1	5	2,42	0,96	Changes in client mrkg staff	7	1	4	1,86	1,07
Changes in client marketing staff	49	1	5	2,27	1,00	Changes in client top mgmt.	6	1	4	1,83	1,17
Other	0					Account conflict	5	1	2	1,60	0,55
						Other	0				

* As respondents were provided with the options of "Not applicable" and "No opinion" for both sets of questions, not every item received a rating.
^a On a scale of 5=Very important to 1=Not important at all.
^b Only 14 of the 52 respondents had been involved in the termination of the former agency.
^c Additional item provided for the question of reasons for termination of the past relationship.

For the advertisers, the reason considered the most important for a termination decision was the agency's serving a competitor (mean = 4.86), and there was nearly unanimous agreement on this point with very little variation in opinion (s.d. = 0.46). The agency's not devoting enough time or resources to the advertiser came next. It is interesting to note that creativity was ranked only third in importance when the decision was to terminate the agency (mean = 4.62). The agency's distancing itself from the advertiser's business and campaign weakness in creating sales or image were also important reasons given for possible termination. Relationship and people factors were considered important as well. These were: knowledgeability of agency staff, poor relations with the agency, top management indifference, high staff turnover, and changes in agency's creative staff. It is important to note that these are all experiential aspects of agency service that cannot be judged before actually beginning to work with the agency.

The decision of the corporate headquarters or the multinational network was also deemed important in the decision to leave the agency: It is a fact of life for advertising agencies in Turkey that no matter what an excellent job they do for their multinational clients, they may one day find themselves in the position of losing the client due to a global realignment decision. On the other hand, the same global decision creates a perforce commitment on the part of the client which may just as well work in the agency's favor: Even when the agency is not doing a great job, the advertiser cannot leave the agency. As one respondent put it: "We have to make our relationship work." When there is this perforce commitment, solutions to the problems are sought within the relationship rather than outside; thus, advertisers may request changes in the agency personnel servicing their account, demand more resources or lower rates, and do whatever it takes to somehow make the relationship work. Furthermore, in times of economic crisis, when local companies not fettered with global network decisions can easily drop their ad agencies, the multinationals may provide a life jacket. (In fact, 59% of the agency-client relationships with a duration of 5 years or more are such globally dictated partnerships.)

The criteria deemed the least important in the decision to leave an agency were changes in the client's marketing staff, better financial proposal from another agency,

changes in client's top management, and the need for a full-service agency. These findings indicate that the full-service capability of a lead creative agency may be becoming less important in parallel with more developed advertising markets. The factor analysis results also point in that direction.

Concerning the actual reasons for which the past agency relationship was terminated, responses could be elicited from only 14 respondents, who had been involved in the decision of termination. The topmost reason given was the falling standard of the creative work (mean = 4.43). Other highly important reasons (all rated above a mean value of 3.5) were the agency's not being close to the advertiser's business, the relative weakness of image campaigns, and the inadequacy of the time and resources devoted to the advertiser's account. Also important were such people/relationship attributes as the standard of agency staff knowledgeability, poor relations with the agency, and changes in creative personnel. The agency's formalization level (how established the agency's ways of doing business were) also figured among the top ten most highly rated reasons for severing ties with the former agency. Work product attributes such as the sales weakness of campaigns and the standard of the agency's marketing advice also received importance ratings of over a 3.0 mean value.

It is important to note that although the emergence of conflicting accounts within the agency's client portfolio is deemed a reason of top order for leaving an ad agency in theory, in reality this had been an issue for only a minority of the respondents, and as such, it was not deemed a particularly important reason for the breakup of the relationship, receiving the lowest importance rating of the 28 reasons (mean = 1.60). It appears that agencies do all they can to avoid serving competing accounts, sometimes forgoing a more lucrative account for the sake of maintaining the present client. In fact, this is not surprising given that the guidelines prepared by Turkey's Advertising Association for productive agency-client cooperation specifically mentions that the agency is obligated not to provide advertising services for competitors of its clients without the advertiser's prior consent²² (Reklamcılar Derneği, 2006b). Also, as mentioned earlier, some clients include an account conflict

²² Article 2, Paragraph 3.

clause in their contracts. Thus, account conflict does not appear to be much of an issue in an ongoing relationship.

The least important reasons besides account conflict given for the termination of the past agency relationship were changes in the client's management and marketing staff, better financial proposal from another agency, need for full-service agency, and the agency's technological capability (all below a mean value of 2.00). The reason for advertisers' attaching such small importance to the agency's technological capability may be due to their lack of sufficient exposure to the agency's technological resources, as advertisers may only become aware of deficiencies in that area by inquiry into reasons for missed deadlines or substandard production quality. An alternative explanation is that agencies servicing the top advertisers of Turkey all maintain a minimum standard of technology that is satisfactory.

As in the case of termination criteria, the need for a full-service agency was not deemed important in the decision to terminate the past agency. This finding could also have two possible explanations: One may be that the full-service capability itself is losing importance. The other explanation may be sought in the nature of the agencies that were dropped: These were by and large agencies of a wide enough service range so that they were deemed appropriate partners for the advertiser companies to begin with.

In sum, in the actual decision to leave the agency, the agency's work pattern (such as insufficient time/resources), organizational factors (such as formalization level, need for agency with international network), and relationship attributes (such as poor relations, lack of top management involvement, and high staff turnover) figure as much as work product attributes among the higher rated reasons (over a mean value of 2.70).

It is interesting to note that there appear to be some differences between the importance levels attached to the criteria used in leaving the former agency and in considering a hypothetical termination. Lack of top management involvement in the advertiser's account was given a higher importance rating as a reason for a possible termination than for an actual termination. Such discrepancies may partly result from

the sample size used in the two different analyses; only one quarter (26.92%) of the total sample qualified in responding to the set of questions on actual termination reasons. Another explanation may lie in the respondents' reluctance to admit for instance the indifference of top management involvement in their account in actuality, but in a hypothetical situation the real importance of this attribute may be surfacing.

5.8.3.3 Agency Maintenance Criteria

Advertisers are known to remain with their agencies for reasons other than satisfaction with the agency's performance and the relationship. Some of these reasons have been found to be size (Michell, 1987/88, 1988a; Michell & Sanders, 1995) or the perceived cost of switching agencies (Chuchinprakarn, 1999). Advertisers were also asked the reasons for remaining with the present advertising agency. The importance ratings of this set of criteria are offered below:

Table 5-34 : Importance ratings of reasons for agency maintenance

Reasons for which advertisers continue to work with the present agency					
Descriptive Statistics					
	N	Min.	Max.	Mean*	Std. Dev.
HEADQUARTERS OR NETWORK INFLUENCE IN AGENCY MAINTENANCE	45	1	5	3,31	1,61
AGENCY SUCCESSFUL AT REACHING OUR PERFORMANCE TARGETS	52	1	5	3,17	1,23
SEARCH FOR A NEW AGENCY WOULD MEAN LOST TIME	52	1	5	3,12	1,38
BEST AGENCY AVAILABLE TO US	50	1	5	2,90	1,23
PARTING WOULD DISRUPT THE CONTINUITY OF OUR AD CAMPAIGNS	52	1	5	2,87	1,37
PARTING WOULD MEAN LOST INVESTMENT	51	1	5	2,86	1,23
PARTING WOULD MEAN UNCERTAINTY FOR US	50	1	5	2,62	1,19
DIFFICULT TO FIND THIS LEVEL OF HARMONY WITH ANOTHER AGENCY	51	1	5	2,61	1,23
DIFFICULT TO FIND ANOTHER AGENCY FOR THIS PRICE	50	1	4	2,06	1,02
PARTING WOULD DAMAGE OUR PERSONAL TIES	51	1	5	1,65	0,87
Other	0				
* On a scale of 5 = Very important to 1 = Not important at all.					
Note: Respondents were provided with the options of "Not applicable" and "No opinion". Therefore, sample size is reduced for some items.					

For the majority of advertisers, the most important reason for maintaining their present agency was the dictate of their headquarters or multinational network (mean

= 3.31); in other words, they were staying with their agencies because they had to. As one respondent put it: “We are yoked together.” Although agency’s successful performance came as second in rank (mean = 3.17), it was closely followed by some practical concerns other than account performance. The fact that search for a new agency would cause the advertiser to lose time (especially important when competition is intense or when there is the imminent threat of a new competitor entering the market) was ranked third in importance (mean = 3.12). The possible disruption to the continuity of running ad campaigns as a reason for staying with the incumbent agency was also deemed important.

The reason ranked lowest in importance was the possible damage to personal ties that would be caused by a change of agency (mean = 1.65). Another relationship attribute – difficulty of finding the same level of harmony with another agency – was also claimed not to be very important (mean = 2.61). The aspect rated second lowest in importance was the agency’s price (mean = 2.06). Judging by the importance of agency’s price documented in the literature, the relatively low importance attached to this factor could be an indication of under-reporting on the respondents’ part due to social desirability bias; or it could be that in the advertising market of Turkey today, advertisers are able to negotiate the agency’s price down to desired levels or obtain financial concessions in other dealings with the agency (such as third-party negotiations) so that price ceases to command much importance as regards agency maintenance.

Based on these findings, it appears that agency-client relationship continuity is not based solely on the agency’s performance. There are obviously other factors at work that are structural or market-related.

5.8.4 Exploring Problem Areas and Venues for Solution

5.8.4.1 Current Issues in the Agency-Client Relationship

The issues in the current agency-client relationship provide a background against which to interpret the advertiser’s satisfaction/dissatisfaction with various aspects of the agency service and the relationship itself. Even though the satisfaction scores

indicate areas of dissatisfaction, they may not point out specifically where the problems lie. Therefore, the issues in the ongoing agency-client relationship were also investigated in order to provide further insight into what drives advertiser's satisfaction with the agency.

An overview of the table given below suggests that, as far as the advertiser is concerned, there are very few issues of import between agency and client.²³ Bearing in mind the inevitability of a certain amount of reticence in indicating the existence of a problem regarding a current supplier to a third party, a cursory examination of the responses nonetheless shows that more than half of the potential issues listed received no more than a 33% response rate from the advertisers surveyed. In other words, for two-thirds of the advertisers, more than half of the issues listed simply do not exist. While this finding gives hope for the future of agency-client relationships, those issues that received the highest number of responses deal with some matters that are critical to agency performance, as indicated in Table 5.35 below. (The items in the table below are ordered by the number of respondents in order to give an indication of the prevalence of the issues for which an importance rating was indicated.)

²³ As respondents were given the option of "We have no such issue" for this question, in addition to the "No opinion" option, they did not have to indicate an importance rating for every one of the 34 items.

Table 5-35: Importance ratings of current problems in the agency-client relationship

Current problems in the agency-client relationship						
Descriptive Statistics ^a						
	N*	% in total (N=52)	Min.	Max.	Mean**	Std. Dev.
Agency takes too long, too many revisions	39	75,00	1	5	3,33	0,98
Production costs too high	31	59,62	1	5	3,39	1,28
Standard of creative executions	28	53,85	1	5	3,07	1,18
Not open to criticism	25	48,08	1	5	2,76	1,39
Lack of creative ideas for a variety of media	24	46,15	1	5	3,17	1,01
No thought leadership	24	46,15	1	5	3,17	1,31
Standard of strategic input	24	46,15	1	5	3,08	1,35
Not best prices for us	24	46,15	1	5	2,88	1,12
Standard of creative ideas	23	44,23	1	5	3,09	1,24
Bad market results	23	44,23	1	5	2,83	1,37
Short of brand targets	22	42,31	1	5	2,82	1,26
Not on strategy	21	40,38	1	5	3,48	1,33
Not enough staff rotation	21	40,38	1	4	1,81	0,98
No cooperation w. other marcom. partners	20	38,46	1	4	2,45	1,00
Disagreement over strategy	17	32,69	1	5	3,12	1,41
Agency too expensive	16	30,77	1	5	2,94	1,18
Not enough time or resources	16	30,77	1	4	2,56	1,15
No business understanding	15	28,85	1	5	3,47	1,30
Standard of relations w. creatives	15	28,85	1	4	2,67	1,18
Too much staff turnover	14	26,92	1	5	3,00	1,24
Agency formalization level	14	26,92	1	5	2,36	1,08
Not the best people on our account	13	25,00	1	5	3,15	1,34
Staff level of expertise	13	25,00	1	4	2,46	1,05
Staff level of experience	12	23,08	1	4	2,42	1,08
Technological capability	12	23,08	1	4	2,42	0,90
Lack of top mgmt. involvement	12	23,08	1	4	2,17	1,03
Agency is after creative awards rather than effective advg.	10	19,23	1	4	2,60	1,17
No below-the-line advertising	10	19,23	1	4	2,20	1,03
Misalignment of agency objectives and our objectives	9	17,31	1	5	3,33	1,41
Standard of relations with the account service people	8	15,38	1	4	2,88	1,36
Standard of relations with agency's top management	6	11,54	1	4	2,83	1,17
Account conflicts	2	3,85	5	5	5,00	0,00
Unable to buy media at favorable rates	0	0,00				
Other	0	0,00				

^a Items are ordered not by mean ratings but by the number of respondents in order to give an indication of issue prevalence.

* Based on a total of 52 cases. As respondents were given the options of "We have no such issue" and "No opinion", some items received rated responses from fewer cases.

** On a scale of 5 = Very important to 1 = Not important at all.

The two most prevalent issues are **timing** (“Agency takes too long, makes too many revisions”), mentioned by 75% of the respondents (with a mean importance rating of 3.33), and high **production costs**, mentioned by 60% of respondents (with a mean importance rating of 3.39). Other common problems for advertisers center around five main issues:

- **Creativity:** Standard of creative executions (mentioned by 54% of the advertisers, with a mean importance rating of 3.07); lack of creative ideas that work in a variety of media (mentioned by 46% of advertisers, with a mean rating of 3.17); and standard of creative ideas (44% of advertisers, mean importance rating = 3.09).
- **Strategy:** Lack of thought leadership (mentioned by 46% of the respondents, with a mean importance rating of 3.17); standard of strategic input/marketing advice (mentioned by 46%, with a mean rating of 3.08); failure to produce work that is on strategy (mentioned by 40%, with a mean rating of 3.48); disagreement over strategy (mentioned by 33%, with a mean rating of 3.12); and lack of business understanding (mentioned by 29% of the respondents, with a mean rating of 3.47).
- **Impact on client’s business results:** Lack of sufficient impact on marketplace results (mentioned by 44% of the respondents, with a mean importance rating of 2.83); falling short of brand targets (mentioned by 42%, with a mean rating of 2.82). A related issue concerned the agency’s focusing on winning creative awards rather than delivering effective advertising. This was mentioned as an issue by 19% of the respondents, although as an issue it apparently does not command a high level of importance (mean rating = 2.60).
- **Price:** Agency’s failure to negotiate the best deals for the advertiser (mentioned by 46% of the respondents, with a mean importance rating of 2.88); “agency’s high price” (mentioned by 31% of the respondents, with a mean rating of 2.94).

- **People/Relationship:** Agency’s “not being open to criticism” (mentioned by 48% of the respondents, with a mean importance rating of 2.76); staff turnover (mentioned by 27% of respondents, with a mean importance ranking of 3.00); and “Not the best people on our account” (mentioned by 25% of advertisers, with a mean rating of 3.15).

Even though the most important problem was that of conflicting accounts (with a mean importance rating of 5.0 over a scale of 1 to 5), it appears to be a rare problem. It was mentioned by only two respondents.²⁴

5.8.4.2 Advertiser Perceptions of Actions for Improvement

In order to probe advertisers’ perceptions for ways of improving their relationship with their agencies, the respondents were asked two questions: What the agency could do to resolve the issues and what they themselves as clients could do for a better partnership. Table 5.36 below gives the advertisers’ responses to the actions they think agencies could take to improve the relationship.

The suggestion that found favor with the highest number of advertisers was that the agency should observe the advertiser’s budget constraints better (42.3%). This is not surprising considering that cost-related issues have been ranked high in the list of advertiser problems with agencies. That the agency should enlarge its account team was the second most popular suggestion with advertisers (40.4%). This, again, is not surprising considering that timing was advertisers’ number one complaint with agencies. Advertisers seem to be saying here that some of the problems in timing stem from the inadequate size of the agency team.

²⁴ When these advertisers were asked to explain their responses, it was found out that in one instance the account conflict resulted from the agency’s merging with another; and in the second instance, the account conflict was not caused by the agency but by the commercial film director the agency worked with.

Table 5-36 : Advertiser perceptions of what agencies could do to improve the relationship

What should the Agency do to improve the Relationship with the Advertiser?			
		Count	Table %
BETTER OBSERVATION OF BUDGET CONSTRAINTS	YES	22	42,31
	Not necessary.	30	57,69
Group Total		52	100,00
ENLARGE ACCOUNT TEAM	YES	21	40,38
	Not necessary.	31	59,62
Group Total		52	100,00
INTERNAL TRAINING	YES	19	36,54
	Not necessary.	33	63,46
Group Total		52	100,00
CHANGE AGENCY PROCESSES	YES	14	26,92
	Not necessary.	38	73,08
Group Total		52	100,00
MORE MANAGEMENT INVOLVEMENT	YES	13	25,00
	Not necessary.	39	75,00
Group Total		52	100,00
WIDEN SERVICE RANGE (e.g. BTL, strategic planning)	YES	11	21,15
	Not necessary.	41	78,85
Group Total		52	100,00
CHANGE AGENCY ACCOUNT TEAM	YES	10	19,23
	Not necessary.	42	80,77
Group Total		52	100,00
DEMAND LOWER COMPENSATION	YES	7	13,46
	Not necessary.	45	86,54
Group Total		52	100,00
REVISE COMPENSATION PLAN	YES	6	11,54
	Not necessary.	46	88,46
Group Total		52	100,00
OTHER	YES	7	13,46
	Not necessary.	45	86,54
Group Total		52	100,00

The need for internal training of agency staff was expressed by more than a third of the respondents (36.5%). A quarter of the respondents (25%) indicated that the agency's top management should be more involved in their account. This is interesting because only 23% had indicated top management indifference as an issue in response to the question on their problems with the current agency; so the remaining 2% was captured by this additional question. About 21% of the respondents indicated that the agency should widen its service range to include, for example, below-the-line. About one-fifth of the advertisers agreed with the suggestion that the agency change its account team, thus indicating dissatisfaction with the current team servicing their account. However, it is a known fact that advertisers sometimes demand changes in the agency team serving their account, and a related inquiry found that the respondents to this survey were not averse to the idea: A sizeable majority (69.2%) indicated that they would demand changes in the agency

account team “when we consider it necessary.” The distribution of these responses are given in Table G.2 in Appendix G.

The proposed agency actions that were the least popular among advertisers were suggestions that the agency should demand lower compensation (13.5%) or change its compensation plan (11.5%). In other words, advertisers seem to think that it is not necessary for the agency to reduce its price, but it is necessary that the agency does not exceed the advertiser’s budget. This distinction came out clearly in the difference between the number of respondents agreeing with the two suggestions (43.2% for better budget observation to 13.5% for lower price).

When advertisers were probed as to what they as clients could do to make the relationship better, their responses indicated recognition that there were indeed some steps that they themselves could take to resolve the issues. An examination of advertisers’ responses to the suggested actions for relationship improvement indicates a certain amount of self-criticism. (Please see Table 5.37 below.)

For instance, advertisers seem to think that rewarding the agency for superior work is a good idea (46.2%). Just as many have indicated that having the agency formally evaluate them as clients would be beneficial. More than 40% agree that they should give the agency more time for the assignments; thus, even while complaining about the agency’s taking too long, advertisers are acknowledging that they are partly to blame for it because they are not giving the agency sufficient time for the assignments. About 29% of the respondents think they should provide clear, precise scope of work; again, there seems to be a tacit acknowledgement here that advertisers are not always providing the agency with clear direction. The same percentage of advertisers indicated that reducing agency reworks with more senior client people involved earlier in the process would be a good idea.

Table 5-37 : Advertiser perceptions of what they as clients could do to improve the relationship

What should the Advertiser do to improve the Relationship with the Agency?			
		Count	Table %
REWARD AGENCY FOR SUPERIOR WORK	YES	24	46,15
	Not necessary or Already doing so	28	53,85
Group Total		52	100,00
INSTITUTE AGENCY PERFORMANCE EVALUATION OF ADVERTISER	YES	24	46,15
	Not necessary or Already doing so	28	53,85
Group Total		52	100,00
GIVE AGENCY MORE TIME FOR ASSIGNMENTS	YES	22	42,31
	Not necessary or Already doing so	30	57,69
Group Total		52	100,00
PROVIDE CLEAR, PRECISE SCOPE OF WORK	YES	15	28,85
	Not necessary or Already doing so	37	71,15
Group Total		52	100,00
REDUCE REWORKS WITH MORE SENIOR PEOPLE INVOLVEMENT AT EARLIER STAGES	YES	15	28,85
	Not necessary or Already doing so	37	71,15
Group Total		52	100,00
SHARE MORE OF OUR GOALS	YES	15	28,85
	Not necessary or Already doing so	37	71,15
Group Total		52	100,00
TRAIN CLIENT EXECUTIVES	YES	15	28,85
	Not necessary or Already doing so	37	71,15
Group Total		52	100,00
INVOLVE AGENCY IN FORMULATION OF BRIEF	YES	12	23,08
	Not necessary or Already doing so	40	76,92
Group Total		52	100,00
STREAMLINE OUR APPROVAL LEVELS	YES	11	21,15
	Not necessary or Already doing so	41	78,85
Group Total		52	100,00
INSTITUTE AGENCY PERFORMANCE EVALUATION	YES	11	21,15
	Not necessary	6	11,54
	Already doing so.*	35	67,31
Group Total		52	100,00
CHANGE AGENCY COMPENSATION PLAN	YES	6	11,54
	Not necessary or Already doing so	46	88,46
Group Total		52	100,00
ENGAGE A MANAGEMENT CONSULTANT	YES	4	7,69
	Not necessary or Already doing so	48	92,31
Group Total		52	100,00
CHANGE CLIENT EXECUTIVES	YES	3	5,77
	Not necessary or Already doing so	49	94,23
Group Total		52	100,00

* As those advertisers who were already engaged in formal agency evaluations were established by their responses to other questions, here those who thought the action not necessary could be separated from those who were already engaged in the practice.

Sharing with the agency more information regarding client goals and objectives and training client executives were also indicated by nearly 29% of advertisers as possible measures they could take to resolve some of the issues with the agency. Involving the agency in the formulation of the brief, streamlining their own approval levels, and instituting formal agency evaluations also found favor with advertisers.²⁵

The suggested actions that were the least popular among advertisers were changing their own executives dealing with the agency (only 5.8% indicated this as a plausible action for improvement); engaging a management consultant to resolve the issues with the agency (7.7% of advertisers thought this a good idea); and changing the agency's compensation plan (which found favor with 11.5% of the respondents).

Advertisers were also given the option of expressing any action that they thought might improve the agency-client relationship. Coming as one of the last questions in a considerably long questionnaire, this question drew only 18 responses. However, precisely because some respondents took the time to answer this question at the end of an already lengthy questionnaire, their responses bear particular investigation. (Please see the table below.)

Table 5-38: Advertisers' suggestions for relationship improvement (open-ended)

Advertisers' responses to open-ended question on suggestions for relationship improvement					
Suggestions for the Agency	No. of responses	% in total number of responses	Suggestions for the Advertiser	Number of responses	% in total number of responses
Better strategy; more business understanding; better use of research	9	50,00	Give agency more information	2	40,00
Agency team changes; motivated team	3	16,67	Involve agency in strategy	1	20,00
Better creative	2	11,11	Faster approval/feedback	1	20,00
Wider range: Below-the-line	1	5,56	Give agency more time	1	20,00
Two-way performance evaluation; bonus, penalty	1	5,56			
Lower production costs	1	5,56			
Transparency	1	5,56			
TOTAL	18	100,00		5	100,00

²⁵ The number regarding those considering formal agency evaluation a good idea needs explanation: Already a substantial number of the respondents were engaged in formal agency reviews (Please refer back to Section 5.8.2.4) and among those who had no such reviews, a considerable number indicated this as a good idea.

The majority of those respondents answering this question placed the onus for improving the relationship on the agency rather than themselves. It is interesting to note, however, that about 28% indicated the advertiser also had some responsibility concerning relationship improvement. The responses indicated that the area in greatest need of improvement from the advertiser's point of view is strategy: Advertisers seem to think that the agency should improve its understanding of the advertiser's business, make better use of research, and thus provide better strategic advice (50%).

Team-related issues were the next most frequently mentioned area, followed by the need for greater creativity. Other issues which were mentioned by one advertiser each were the need for the agency to offer below-the-line in addition to above-the-line advertising, the need for a two-way performance evaluation, lower production costs, and transparency in dealings. Again, simply the fact that some respondents have felt it necessary to express these issues - unprompted - at the end of an already lengthy questionnaire seems to indicate their significance to the advertiser. By the same token, some advertisers (though of a far smaller number) have also pointed the finger at themselves and noted areas that they as clients could improve; these were the need for greater information disclosure to the agency, faster approval and feedback, involvement of the agency in strategy, and allowing the agency more time.

5.8.4.3 Satisfaction and Intention to Continue the Relationship

Commitment has been identified as one of the key characteristics of successful relationships (e.g., Dwyer et al., 1987; Morgan & Hunt, 1994). In fact, long-term commitment is seen as a basic necessity for achieving loyalty and growth (Moriarty et al., 1983, as cited in Barnes et al., 2005), for commitment is seen as leading to not only repeat exchanges but also increased scope of exchange. Selnes (1998) found satisfaction with the supplier to have a strong effect on the intention to continue the relationship: Satisfied customers were found to be more motivated to continue the relationship with the supplier and to enhance the scope of the relationship. Ganesan (1994) established a significant association between satisfaction with outcomes and

the customer's long-term orientation. Past agency-client research has also found that satisfaction with the advertising agency leads to the advertiser's longer association with the agency (Michell & Sanders, 1995; LaBahn & Kohli, 1997).

Advertisers were investigated with regard to their intention to continue with the present agency. The majority agreed that if it were completely up to them, they would want to continue working with the present agency for a long time to come. However, nearly one-quarter (23.1%) disagreed or definitely disagreed, and 17.3% gave neutral responses. Considering that respondents would be reticent about expressing definite disagreement about this sensitive issue, the proportion of neutrals is important for it may mask a higher proportion of advertisers that are unwilling to continue with the present agency.

Next, the level of correlation between advertiser's satisfaction and the intention to continue the relationship was investigated. The two variables of agency grade and advertiser's intention to continue the agency relationship were found to be highly correlated by both Pearson's and Spearman's correlation measures. These results are given in the table below.

Table 5-39: Relationship between advertiser’s intention to stay with the agency and satisfaction

Advertiser’s Intention to Continue the Agency Relationship						
Descriptives						
N	Mean	Median	Mode	Std. Dev.	Min.	Max.
52	3,48	4,00	4	1,244	1	5
Frequencies						
	Frequency	Percent	Valid %	Cum. %		
Agree	20	38,5	38,5	38,5		
Definitely Agree	11	21,2	21,2	59,6		
Neither agree not disagree	9	17,3	17,3	76,9		
Disagree	7	13,5	13,5	90,4		
Definitely disagree	5	9,6	9,6	100,0		
Total	52	100,0	100,0			
Correlations between Advertiser’s Intention to Continue the Agency Relationship and Satisfaction with the Agency						
		Agency Overall Grade	Intention to Continue the Relationship			
AGENCY OVERALL GRADE	Pearson Correlation	1	,778(**)			
	Sig. (2-tailed)	.	,000			
	N	52	52			
INTENTION TO CONTINUE THE RELATIONSHIP	Pearson Correlation	,778(**)	1			
	Sig. (2-tailed)	,000	.			
	N	52	52			
AGENCY OVERALL GRADE	Correlation Coefficient (Spearman’s rho)	1,000	,805(**)			
	Sig. (2-tailed)	.	,000			
	N	52	52			
INTENTION TO CONTINUE THE RELATIONSHIP	Correlation Coefficient (Spearman’s rho)	,805(**)	1,000			
	Sig. (2-tailed)	,000	.			
	N	52	52			
** Correlation is significant at the 0.01 level (2-tailed).						

The high level of correlation established between the variables of agency grade and intention to continue with the agency suggests that advertisers’ satisfaction with the advertising agency leads to a longer-term association with the agency. But, higher level analyses are needed to claim the existence of a causal relationship in the proposed direction.

CHAPTER 6

CONCLUSIONS AND IMPLICATIONS FOR FUTURE RESEARCH

This chapter provides a discussion of the hypothesis test results. Following this, contributions of the research and managerial implications are addressed. Finally, limitations of the study and future research directions are discussed.

6.1 *Discussion of Results*

6.1.1 Discussion of Hypothesis Test Results

The proposed structure of advertiser's satisfaction with the agency suggests that the agency's work product, contribution to the advertiser's business results, work pattern, organizational attributes, and the quality of the relationship as perceived by the advertiser should favorably influence satisfaction. The results showed support for all of these proposed relationships and for the proposed model.

As expected, the advertiser's satisfaction with the agency is found to be significantly determined by the agency's work product, work pattern, perceived contribution to the advertiser's business results, organizational attributes, and the agency-client relationship. More specifically, advertiser's satisfaction is found to be primarily a function of the agency's creativity and partnership, the relationship with the agency, the agency's perceived contribution to the advertiser's business results, the service range provided (organizational), agency's cost-consciousness (organizational), strategic input (work product), compatibility (relationship), trust (relationship),

leadership (relationship), cooperativeness (relationship), and scale (organizational). The dimensions proposed by Wackman et al. (1986/87) were thus confirmed in the setting of Turkey's advertising industry today.

Importance ratings of agency selection and termination criteria also support these results: Creativity is the number-one reason for selection of the agency and dissatisfaction with creativity is one of the top reasons for termination of the agency. Creativity is clearly the advertiser's first requirement. On the other hand, advertisers are in general satisfied with the level of creativity they receive from the agency as mean satisfaction ratings show. In other words, creativity is considered to be a core product.

Relationship attributes are also important determinants of satisfaction. Evidence was found for a shift in agency evaluation criteria from work product attributes to relationship attributes, as proposed by Wackman et al. (1986/87). The factor analysis revealed a predominance of relationship factors. Furthermore, beta weights of the regressed factor scores indicated that the compatibility factor (which had received two relationship variables) contributes more to the explanatory power of the equation than any of the other variables with the exception of the "Creativity/Partnership Factor."

Cost-consciousness was found to be the third most important predictor of agency satisfaction, higher than a related cost variable, i.e. agency's price. It appears as though advertisers appreciate the agency's ability to negotiate good deals for them and adherence to their budget constraints more than a low price for agency services.

The dimension of "agency's perceived contribution to the advertiser's business results," proposed as an addition to the Wackman et al. (1986/87) model, was found to be a significant predictor of advertiser satisfaction. This dimension was a contribution to the original model.

The range of services offered by the advertising agency has also been found to contribute to advertiser's satisfaction. There seems to be a segment of advertisers who appreciate integrated marketing communications capability and below-the-line

advertising of good quality in their lead advertising agency. Strategic input from the agency is also found to be a predictor of advertiser satisfaction, and an area of discontent, as revealed by both the relatively low satisfaction rating it received and by subsequent analyses of problem areas and actions for improvement. Advertising agencies seem to be falling short of advertiser expectations in the quality of the strategic advice they offer.

Other factors found to make a significant contribution to the advertiser's satisfaction with the agency are trust, cooperativeness, and scale, in declining order of importance. The lower importance associated with scale gives an indication of the competitiveness level – and perhaps also of the sophistication – the Turkish advertising market has reached. Although the majority of the agencies evaluated for this survey are large agencies capable of providing a full service, advertisers seem to think that they do not need to rely on a big, full-service agency in order to receive top-notch creative and strategic service. This result also points to the diminished importance of the full-service agency in the Turkish market.

6.1.2 Discussion of the Results of Additional Analyses

6.1.2.1 Narrowing Purview of the Advertising Agency

Findings from the descriptives of the study revealed the narrowed range of advertising agency services. The compass of services now expected from the advertising agency seems to be confined to the planning and production of traditional media advertising (above-the-line advertising), brand-related below-the-line advertising, and strategic input. Media planning, media buying, research, and public relations functions appear to have largely devolved from the advertising agency. These services that were considered to belong with the advertising agency 15 years ago (when the Odabaşı, 1992, and Koç et al., 1993, surveys were conducted – in the spring and fall of 1991, respectively) are now sourced from specialist providers (or, in some rare instances, produced in-house). This indicates the growing level of sophistication of the marketing communications industry of Turkey. Also, it is an indication of the advertiser's increased sophistication in marketing communications

(or, the “customer experience effect” as noted by DeBruicker & Summe, 1985, as cited in Szmigin, 1993: 15): Instead of doing one-stop shopping for all of their marketing communications needs, advertisers seem to prefer shopping piecemeal, based on a comparison of costs and other criteria, indicating an increased competitiveness of the market. The increased size of the advertiser’s agency roster (to be discussed in Section 6.1.2.2 below) also points to increased competition in the advertising agency market for the advertiser’s business.

6.1.2.2 Influence of Control Variables

Company-related attributes such as years of operation and size as well as the advertiser’s agency roster and agency experience were not found to account for any significant differences in terms of advertisers’ satisfaction with the advertising agency. This may simply be due to the relatively small sample size. An examination of the advertisers’ reasons for staying with their current agencies revealed a structural factor (dictate of advertiser company’s network) as the most important reason, suggesting that advertiser’s agency satisfaction may be affected by other structural factors. The effect of structural factors and agency policy on the advertiser’s agency satisfaction was investigated for the first time in the Turkish context. To tease out the relative importance of the effects of such structural factors, however, more research with larger samples is needed.

One of the findings of this study has been the increased use of multiple agency partners compared to the related finding of Koç et al. (1993). The advertiser’s multiple agencies are often rivals with one another for the advertiser’s business, and this type of rivalry has been found to increase the risk of any one agency’s being terminated (Baker et al., 1998). Used as a measure of market competition, this type of rivalry indicates a more competitive environment as far as the agencies are concerned.

Another finding of interest was the lack of a contractual basis to one-fifth of the agency-client relationships surveyed. Considering that the advertisers who prefer to work without a contract are among Turkey’s biggest advertisers, this finding is

surprising, for it points to a lack of formalization. The same lack of formalization is suggested also by the procedures surrounding advertiser's agency selection. The majority of the advertisers surveyed (57.7%) have no written procedure in place for agency selection, and the most prevalent method used to choose the present agency (used by nearly one-third of the advertisers) was direct choice; in other words, the agency was simply picked by the advertiser company without a contest, calling into question the objectivity of the criteria employed in the use of such a method. In a related finding, one-third of the advertisers surveyed do not have a formal agency evaluation in place. Again, considering that these companies are among Turkey's leading advertisers, this lack is noteworthy.

Agency-client relationships in Turkey are of fairly short duration, with three-quarters of the relationships surveyed having been formed less than 10 years ago, and 64% less than 5 years ago (indicating the disruptive effect of the economic downturn of 2001). However, a clear positive association was found between satisfaction with the agency and intention to stay with the agency even though higher level analyses are needed to establish the strength of this relationship.

6.2 Contributions of the Research

This study examines the determinants of the advertiser's satisfaction in the agency-client relationship, but in doing so, it attempts to go beyond actual agency performance and examine the possible effects on satisfaction of the advertiser's organizational attributes and policies concerning advertising agencies. While the impact of structural factors and policies, for instance, have been tested on client loyalty (Michell & Sanders, 1995), they have never been tested for a possible effect on client satisfaction within a framework that includes also the components of account performance. Other aspects of the agency-client relationship that have been investigated for the first time in Turkey are advertiser's policies on agency selection, evaluation, and contracting, and type and frequency of information disclosure to the agency. In that sense, the study may be one of the most comprehensive treatments of advertiser satisfaction, where not only the dimensions of advertiser's satisfaction

with agency performance but also several parameters of the interorganizational context have been taken into consideration.

One of the contributions of this research is the disaggregation of the dimensions of advertiser satisfaction into their components and the validation of these components in the setting of Turkey's advertising industry. The study has attempted to identify in as much detail as possible within measurement constraints those individual components making up such constructs as creativity, cost-consciousness, and relationship, and the relative weight of those components in the advertiser's satisfaction with the agency.

Another contribution involves the grounding of agency evaluation in advertisers' actual experience. Previous studies in this research area have mostly focused on the identification of factors which were crucial in the decision to switch agencies, whereby respondents were asked to rationalize past decisions and report their reasons for dissatisfaction after the event. There are two types of problems with this approach: For one, it assumes that respondents know the truth and are willing to report it; however, especially where such sensitive information as the reasons for the firing of the former agency is concerned, respondents may not be willing to report reasons that may not reflect well on their employers, as noted by Kulkarni et al. (2003). Another problem with this approach is that after-the-fact explanations of the firing decision may be colored by the evaluative criteria used for the more recent decision to hire an agency, whereas in reality the criteria used for hiring may differ from the criteria used for firing, as observed by Henke (1995). Another type of study in the area of agency-client relationships has focused on the identification of satisfaction/dissatisfaction factors where respondents have been asked to rate the importance of a given set of criteria. The problem with that approach is that perceptions of importance may tend towards the hypothetical, as Lace (1998) has pointed out. There are very few studies besides Wackman et al.'s (1986/87) that have focused on the experience of advertisers in current relationships. The study of ongoing relationships is important for the insights they reveal into the factors that drive current satisfaction. Also important is that respondents be asked to report their actual recent experience of satisfaction on each criterion rather than their perceptions of importance (Lace, 1998). This study is one of the few in this area of research

where advertisers have been asked to report their experience with their current agencies and to base their responses on actual satisfaction with each of the proposed evaluation criteria rather than on perceptions of importance.

This study has also sought to clarify the advertiser's perceptions regarding their own role and the agency's role in the management of advertising. The findings suggest that advertisers consider themselves as having a role in every function involved in the management of advertising and also that the advertising agency is regarded as having responsibility in many of the functions involved but especially in the formulation of the advertising strategy. In product development, however, only a minority of advertisers saw any role for the agency. This finding is the first of its kind.

Another contribution involves the context of the study. Very few studies in Turkey have focused on the exchange relationship between advertisers and their advertising agencies. This study attempts to redress this research gap.

Finally, this study includes actual improvement suggestions by advertisers for both advertisers and agencies, which have important managerial implications.

6.3 *Managerial Implications*

The findings of the study provide implications for advertising agencies and advertisers. First the managerial implications for advertising agencies and then those for advertisers will be discussed in the following two sections.

6.3.1 *Managerial Implications for Advertising Agencies*

This study has found a clear link between advertiser satisfaction and agency service behaviors. Creativity, although the advertiser's first requirement, is considered a core capability expected from any advertising agency. Thus, the competitive edge will be found in such service behaviors as demonstrating a clear interest in and

understanding of the advertiser's business; keeping to the advertiser's strategy and budget constraints; and restructuring the agency processes to achieve maximum efficiency. One respondent (marketer of a Turkish FMCG company) summed up his expectations of the advertising agency with the following words: "The agency has to be one of the departments in the advertiser's company."

The number-one issue for advertisers appears to be timing; 75% of the advertisers surveyed have indicated "Agency takes too long, makes too many revisions" to be a problem, and it is a problem of some magnitude (mean importance rating = 3.33). Agencies need to plan carefully to ensure that deadlines are met, time is used efficiently in agency-client meetings, and the account is serviced by a well-trained group with some stability so that clients do not have to continually educate new agency personnel on their business.

This study has found that relationship and people-related factors are among the most important predictors of advertiser's satisfaction. Advertisers are happier with their agencies if the agency staff is knowledgeable, easy to reach, and compatible in expertise and authority to the client's staff.

Agencies have to make sure their client servicing staff match their contacts in the client firm in both expertise and authority. Such personnel-related issues as turnover have to be addressed by agencies; clients seem to appreciate stability in agency staff (though a certain amount of rotation and concomitant fresh ideas is also appreciated, but this need seems to pertain to creatives rather than account executives).

In fact, one relationship factor, compatibility (good cooperation and compatibility of corporate cultures), was found to affect advertiser satisfaction more than any other attribute except creativity. Advertisers are more satisfied with their agencies if they feel they have a good cooperation with their them. This factor was found to play a greater role in advertiser satisfaction than even concrete contributions to the advertiser's business. Agencies are advised to increase cooperative behaviors such as keeping to the advertiser's strategy, being in agreement with advertiser's targets and objectives, and placing well-matched people on the advertiser's account.

Willingness to sacrifice some profit for the sake of better service does not go unnoticed by advertisers: They are happier with their agencies when they see indication of investment in their account. Among the relationships surveyed, one stood out as the epitome of partnership, and what made it so was the attitude of the agency which had apparently spared nothing in order to help the brand grow in its early days. Agencies would do well to put the same care into each assignment irrespective of the amount of return the assignment represents; the return in goodwill might well compensate for the amount of forgone profit. Also advisable is not refraining from making the necessary investments to meet the advertiser's evolving needs. These needs may be met by devoting more resources to the advertiser's account or by investing more in the training of the people servicing the account. More than 40% of the advertisers surveyed have expressed the wish for a larger agency team to service their account; and one-third have indicated that agencies should provide internal training for their people. Obviously, investment in the extension and improvement of human resources is one area where advertisers see a deficiency, and that is where agencies should concentrate.

A related issue concerns agency policy regarding creatives; this study has found that relations with agency creatives is one of the components of the primary factor of creativity/partnership in advertiser satisfaction. However, another finding of this study indicates that advertiser exposure to agency creatives is limited so that several advertisers reported they had no relationship with agency creatives. Some amount of interaction between agency creatives and clients would have positive implications based on the findings of this study. This interaction is also important for the work product since creatives would receive firsthand information from clients regarding such key issues for the creation of advertising as campaign objectives and product characteristics.

Agency's contribution to advertiser's business results is also found to be an important predictor of advertiser's satisfaction with the agency. Yet, nearly half of the advertisers surveyed complained of bad market results and unattained brand targets (44% and 42%, respectively). While the majority of the advertisers surveyed agree that advertising is an investment in the future of their brands, it is still an investment that is different in nature from any other investment. As one respondent

(marketer of a Turkish FMCG manufacturer) put it: “When your investment is a factory, even when the business goes down, you can at least tell yourself you have the factory building left.” Advertising, on the other hand, is an irrecoverable investment if it fails to achieve its objective. As measuring the effectiveness of advertising is becoming easier day by day, advertisers are now able to track better the contribution of the agency to their business results. Agencies would therefore do well to concentrate more on delivering results (though not at the expense of relationship quality, as indicated above).

The contraction of the advertising agency’s service range also has important implications. Now advertisers rely on their agencies primarily for creative ideas, creative executions, and to a lesser extent, strategic input. As media planning, media buying, research, or public relations functions are now sourced from other providers of marketing communications services, the agency has no chance of making up for its deficiency in creativity by its strength in media buying or research. For ad agencies, this has to mean “be creative or perish.” As one respondent (of a multinational FMCG manufacturer) put it: “The agencies’ business [now] is creativity.” Though advertisers on the whole seem to be happy with the level of the creativity provided by their agencies, privately a couple of them have mentioned that the agency comes with too few creative alternatives. Where creativity is increasingly seen to be the main business of advertising agencies, it appears that no amount of effort should be spared in strengthening that capability.

If agencies want to provide themselves with a competitive edge, however, they have to bolster their strategic planning capability as well. For 46% of advertisers, the agency’s standard of strategic input is a problem (mean importance rating = 3.08), and again 46% of advertisers complain that the agency provides no thought leadership (mean importance rating = 3.17). Even when creativity is of a top order, lack of strategy may strain relations. One respondent (of a Turkish FMCG manufacturer) commented: “A lot of creative solutions come [from the agency] but it is difficult to fit them into the strategy.” “The advertising agency has to be able to think in more strategic terms and understand that an advertising campaign is about more than advertising creativity,” wrote the marketer of a multinational durables manufacturer (in response to the open-ended question on how to improve the

relationship). Another respondent (of a Turkish FMCG manufacturer) wrote (for the same question): “Account executives / account directors should be trained to learn the dynamics of our business. Agencies should keep a trained team for strategic marketing planning. They have to have the vision to see the big picture and to offer long-term brand strategies.” Yet another respondent (of a multinational FMCG manufacturer) commented: “I expect my agency to be a strategic partner. They don’t tell me for instance: ‘Such and such a development may come about in the market, and we in response could do this.’ [In other words,] there is not much of a ‘next step.’” Based on this research, it appears that advertising agencies will be increasingly relied upon to come up with suggestions for that “next step.”

An interesting finding of this study with respect to service range has been the importance of the agency’s provision of below-the-line advertising as well as above-the-line. About one-fifth of the advertisers appear to prefer receiving below-the-line advertising in addition to above-the-line advertising from their main advertising agency (19.23% of advertisers have indicated the agency’s not offering BTL services as a problem - though of small magnitude, with a mean rating of importance = 2.20). In interviews these advertisers have indicated that their need arises from their interest in providing an integrated message across media. It is indeed paradoxical that integrated marketing communications is paid frequent lip service while below-the-line advertising keeps devolving from the advertising agency. Thus, agencies would do well to pay attention to these advertisers with a clear need for agency involvement in below-the-line advertising, even if only to the extent of providing ideas and strategies, which could later be implemented by specialist agencies. The finding that for 46% of advertisers, the standard of creative ideas that work across media is inadequate (mean importance rating = 3.17) has to be considered in this respect.

Cost-consciousness is also found to be a significant predictor of advertiser satisfaction. Again, as in the case of compatibility, improvement in agency’s cost-consciousness affects advertiser satisfaction more than the same amount of improvement in advertiser’s business results. Yet, production costs are advertisers’ second biggest complaint, mentioned by 60% of advertisers at a mean importance rating of 3.39. “The agency does not know how to negotiate good deals in my name,” was a complaint mentioned by a number of respondents during the interviews.

Agencies would therefore do well by concentrating on keeping to the advertiser's budget constraints and negotiating better deals with third parties such as film production houses.

As the increased size in advertiser's agency roster has shown (Section 5.1.3.3), the competition is keen among advertising agencies in Turkey of 2006. In this competitive buyer's market, agencies are likely to increase their value in the eyes of current and potential clients by focusing on areas that are important to advertisers.

6.3.2 Managerial Implications for Advertisers

Some managerial implications for advertisers have also emerged from this study. Based on advertisers' own perceptions, several relationship aspects were found to significantly affect advertisers' satisfaction with the advertising agency; however, it bears to keep in mind that the advertiser is the other party to the agency-client relationship and the resulting relationship is as much the work of the advertiser as that of the agency.

"The first and most important principle in developing an effective agency relationship is to recognize that it is a two-way street – both sides, client and agency, must work hard and continuously if the relationship is to succeed," wrote Weilbacher (1983/1991: 176). Weilbacher is seconded by an industry association: "The most productive and successful client-agency relationships are based upon a mutually rewarding marketing partnership concept" (European Association of Advertising Agencies, 1994, p. vi).

"As someone involved in the relationship," advises another industry observer to advertisers, "you need to inspire, excite, negotiate, manage, monitor, and act the diplomat" (Sims, 2005: 27). One respondent to this survey (marketer of a Turkish FMCG manufacturer) commented: "You get from the agency as much as you give." After all, as Weilbacher has also noted: "The only reason than an advertiser-agency relation exists is to produce first-rate advertising work" (1983/1991: 186). Therefore, advertisers would do well to foster a productive relationship with their agencies. The

starting point would be initiating the relationship on the basis of a well-designed contract.

“We may operate in a creative environment but the day-to-day routine of the campaign development process is very much based on strong project management processes,” writes Sims (2005: 117) and suggests that the advertiser is as much responsible for good project management as the agency. By giving the agency clear scope and direction; timely and accurate information; and regular feedback, the advertiser can contribute to the quality of the work produced by the agency, as the respondents to this survey have honestly indicated. Here the importance of a regular formal agency evaluation needs to be stressed. Again Weilbacher notes: “Formal appraisals of the work of the agency ... are an important ingredient in maintaining the effectiveness of an advertiser-agency relationship,” (1983/1991: 200). In fact, the advertiser should insist on having a two-way evaluation, whereby the agency is also given a chance to evaluate the advertiser.

“Why do you work with an ad agency? Simply because you trust their expertise,” pointed out one of the survey respondents (marketer of a Turkish FMCG manufacturer). The implication is that advertisers should respect the agency’s expertise and allow that expertise to thrive to their brands’ benefit by giving the agency the cooperation it needs.

This study has sought to clarify advertisers’ perceptions regarding their own role and the role of the agency in the management of advertising. The findings indicate that few advertisers ascribe a role to the agency in product development. This perception of the agency’s role appears to be misguided. Professional literature is replete with anecdotes of successful product/service innovations that came out of the advertising agency. In a memorable passage, the advertising professional Ward writes about the results of his personal experience of the agency’s involvement with the advertiser’s research and development team:

... every single time, the man (or woman) in the white coat says something startling that the marketing people didn't think was important. This can involve everything from ingredients through to molecular properties and testing techniques, but it's amazing how often something they say encourages the agency people to ask 'Suppose people wanted a ... could you do it?'; and equally, it's amazing how often these R&D bods then take this as a serious challenge. On one occasion, the man in question answered me by saying, 'We already can.' A year later, the product was in test market. (Ward, 2000: 10)

Therefore, advertisers would do well to involve the agency in the new product development process as well as in the formulation of the brand's marketing strategy.

Finally, the study has found that the average agency-client relationship in Turkey lasts about five years on average, and more often about two to three years. Considering that advertising is a labor-intensive professional field, where the agency team needs some time to learn the advertiser's business, two or three years do not appear to be enough time to judge whether an agency has been successful. Research has indicated, for instance, that the age of the agency-client relationship is associated with a greater number of advertising awards (West et al., 2003). In other words, agencies appear to perform better with time, and advertisers would probably find it were worth their while to allow the agency a longer time frame to show its potential.

In sum, the findings of this research suggest that advertisers are happier with agencies with whom they feel compatible, which invest in the advertiser's account, agree with the advertiser's goals, and make a palpable contribution to the advertiser's business success. Advertisers also seem to think that this is a two-way street, where their own satisfaction with the agency depends to some extent on what they as clients contribute to the relationship. The respondents have indicated that for a better relationship they should give their agencies timely and accurate information, involve the agency in the formulation of the strategy, and share more of their goals with the agency.

Perhaps it is best to conclude this section with the words of the agency veteran Ward (2000: 56): "It is a cliché, but the fact remains that the best relationships *are* [author's italics] those where there is a common agreement on goals, a strong

personal chemistry at all levels, plenty of give and take, and above all, success.” This research suggests that the above statement has a lot of truth to it.

6.4 *Limitations and Future Research*

The primary limitation of this research is the sample size. Although the advertisers surveyed represent 52% of the universe (and 58% of the universe eligible to participate in the study), sheer numbers make it impossible to conduct some of the analyses. Some of the tests may have revealed significant results if the sample size had been larger. As respondents, high-level executives were chosen who had both the authority and enough contact with the agency to be able to make informed judgements about their advertising agencies. Even in the largest companies, those executives who satisfy these criteria are limited in number and difficult to reach. (This sample consists of some of the hardest-to-reach executives; it includes a company owner, a board member, two general managers, and several vice presidents.) Yet, it could be argued that it is precisely a sample such as this one that can provide the most reliable information on agency-client relationships. So, the tradeoff between size and information quality seems justified for the purposes of this study.

Another important limitation is that only one side of the dyad has been researched; the findings are based on the perceptions of the advertisers. Given the extent to which advertising agencies are proprietary with information about their clients and protective of their client relationships, however, surveying agencies was not an option. Nevertheless, an attempt was made to reflect agency concerns in the survey questionnaire, and some respondents have commended this aspect. (One respondent, when questioned about how she found the questionnaire in general, made the comment: “I like the fact that it is not one-sided.”) Nonetheless, research into the agency side of the relationship might reveal agency concerns more extensively and disclose perceptual discrepancies between agency and advertiser.

The cross-sectional nature of the study is another limitation. Most of the research in this area is also multi-industrial, including home care/personal care, automotive,

retail, banking, food/drinks, etc., assuming that the attitudes of these advertisers and their relationships with their agencies would be similar, as Waller has noted (2004). As sector-based analyses in this study have revealed, some important differences may exist in the nature and importance of agency evaluation criteria between different sectors. There is very little industry-specific research on the topic of agency-client relationships; the studies in the UK food/drinks industry by Michell (1988b), among UK charities by Boyd (1982, as cited in Waller, 2004) and by Bennett (1999) seem to be the only three exceptions. Further research may focus on specific industries to determine particular differences among advertisers of different industries. Also, furniture and publishing companies are underrepresented in the sample while home care/personal care products and automotive categories are overrepresented. Although due to the multi-industry nature of this study, industry-specific effects are assumed to be at limited levels, these proportions can nonetheless lead to biased findings.

This study focuses on the largest advertisers. The evaluation criteria of smaller advertisers may differ in nature and in order of importance, which future research may help reveal.

Several areas are worth exploring further. This study has offered some preliminary findings regarding the relationship between advertiser satisfaction and such constructs as perceived importance of the agency's role and the role for advertising, level and type of information disclosure to the agency, policies towards agencies (such as selection, contracting, compensation, and evaluation) and the advertiser's organizational attributes. Future research could develop finer measures for testing these constructs against satisfaction.

Another area of research is the interplay of satisfaction with the intention to continue the relationship. Previous research has suggested increasing agency performance has a positive impact on advertiser commitment (LaBahn & Kohli, 1997), but the satisfaction construct tested has not incorporated a wide variety of dimensions. This study, which attempted to test a multifaceted satisfaction construct, has found a high level of correlation between satisfaction with the agency and intention to continue

with the agency, but this link needs to be tested for causality, and other antecedents of the construct of intention to continue with the agency need to be explored further.

The influence of each of the control variables on the independent variables of the model could furnish material for new research (such as the influence of relationship duration on work product, etc.).

Other possible extensions of this research may include testing the model in a different context, such as management consultancy-client or auditor-client relationships.

Finally, this is not a longitudinal study. A longitudinal study could fully verify the dimensions developed in this study.

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APPENDICES

- Appendix A:** Turkish Advertising Industry in Figures
- Appendix B:** Sampling Frame: List of Top Advertisers 2004
- Appendix C:** Turkey's Top Advertisers and Their Brands
- Appendix D:** Results of Reliability Analysis of Scale Items
- Appendix E:** Results of KMO Analysis
- Appendix F:** Normality Analyses
- Appendix G:** Findings to Some of the Additional Analyses
- Appendix H:** Advertiser Questionnaire in Turkish
- Appendix I:** Advertiser Questionnaire in English

APPENDIX A Turkey's Advertising Industry in Figures

Table A.1: Turkey's advertising industry at a glance

Turkish advertising industry at a glance
Advertising agencies: About 100 established advertising agencies, employing around 3000 people
Advertisers: The Advertisers Association has 93 members, belonging to a total of 69 companies*
Television: 16 national, 15 regional, and 229 local TV stations
Radio: 30 national, 108 regional, and 1.062 local radio stations
Print media: 32 nationally distributed newspapers; 85 nationally distributed magazines
Production: 30 advertising commercial production companies
Media planning and Buying: 12 media agencies
Source: Reklamcılar Derneği, Website www.rd.org.tr , April 2006; *Reklamverenler Derneği.

Table A.2: Highest-Spending Advertiser Industries

Highest-Spending Industries on TV and in Print Media	
Biggest TV Advertisers by Industry	Biggest Print Advertisers by Industry
2004	2004
Telecommunications	Tourism companies
Newspapers	Telecommunications
Beverages	Radio and TV
Marketing companies	Official announcements
Automobiles	Automobiles
Detergents	Automotive dealers
Shampoos / Conditioners	Department stores
Credit cards	Computer hardware
Diapers / Hygienic pads	Companies
Dairy products	
Source: Bileşim Medya Reklam Yıllığı 2004.	

APPENDIX B Sampling Frame: Turkey's Top Advertisers 2004

Table B.1: Turkey's Top Advertisers for 2004 – Sampling Frame

TURKEY'S TOP 101* ADVERTISERS 2004			
1	UNILEVER	51	MOTOROLA
2	ÜLKER	52	ZORLU ŞİRKETLER GRUBU
3	P&G	53	HENKEL
4	COCA-COLA	54	DIŞBANK
5	BENCKISER	55	PARK MEDYA/STAR
6	TURKCELL	56	ÖNENTAŞ DARDANEL
7	ETİ	57	HYUNDAI ASSAN MOTOR
8	EVYAP	58	PERFETTI GIDA SAN.
9	VESTEL	59	HAS GIDA / PANDA
10	DANONE	60	BAĞIMSIZ YAYINCILIK / VATAN
11	ARÇELİK	61	KOÇBANK
12	GILLETTE**	62	DENİZBANK
13	TT&TIM / AVEA	63	İHLAS HOLDİNG
14	FRITO-LAY	64	OPET PETROLÇULUK A.Ş.
15	HAYAT KİMYA	65	OPEL TÜRKİYE
16	SÜTAŞ GIDA	66	ARZUM
17	NESTLE	67	DR.OETKER GIDA
18	İSTİKBAL MOB.	68	YATAŞ
19	LOREPAR / L'OREAL	69	POLARİS
20	BEKO	70	TANSAŞ
21	JOHNSON & JOHNSON	71	ERDEMOĞLU A.Ş. / MERİNOŞ HALI
22	AKBANK	72	JOHNSON WAX
23	TELSİM (Now VODAFONE)	73	MİGROS
24	TOFAŞ-FIAT	74	ÇELİK MOTOR / KIA
25	BOYTAŞ	75	GİDASA
26	YAPI KREDİ	76	UNIKOM
27	BOSCH	77	ANADOLU EFES BİRACILIK
28	COLGATE-PALMOLIVE	78	BMC
29	BİLGİN YAYINCILIK / SABAH	79	TÜRKİYE GAZETESİ
30	HSBC BANK	80	FIRAT PLASTİK
31	PEUGEOT	81	İPEK KAĞIT
32	HOMEDROM SHOP	82	KOÇ ALLIANZ
33	DIGITURK	83	KİLİM MOBİLYA
34	PEPSİ BOTTLING GROUP	84	PAMES AYAKKABI
35	DOĞUŞ OTOM.	85	SİMGE YAY. / RADİKAL, POSTA, FANATİK
36	FORD-OTOSAN	86	GLOBAL YAY.
37	İŞ BANKASI	87	DÜNDAR KİMYA / BİODER
38	RENAULT - MAIS	88	GİMA
39	ASLI GAZ. VE MAT. AŞ. / AKŞAM	89	BRISA
40	KENT GIDA / CADBURY SCHWEPES	90	FAMILY FİNANS KURUMU
41	GARANTİ BANKASI	91	BİLGİSAYAR KULLANICILARINI BİLGİLENDİRME PLATFORMU
42	SEB GROUPE / TEFAL	92	ALFEMO MOBİLYA
43	HÜRRİYET GAZETECİLİK	93	AYTAÇ ENTEGRE TESİSLERİ
44	MİLLİYET GAZETECİLİK	94	BURGER KING
45	ECZACIBAŞI	95	İPEK MOBİLYA
46	CASPER BİLGİSAYAR	96	SHOW BASIN
47	PINAR	97	AYGAZ
48	FİNANSBANK	98	DOĞUŞ ÇAY
49	KRAFT	99	CANAN KOZMETİK
50	ANADOLU FİNANS KURUMU	100	ROZİ KAĞIT
		101	TOYOTASA

Source: Bileşim Medya. Excluded: The categories of "Classifieds" and "Other".
* As the list of top 100 contained a "platform" (as well as the categories of "Classifieds" and "Other"), the sampling frame has been enlarged to 101 to include 100 companies.
** Braun and Duracell have been separately given on the original list, while on the above list, they have been subsumed under Gillette. That is why the ranking above is slightly different from that on the original list.

APPENDIX C Turkey's Top Advertisers and Their Brands

Table C.1: Turkey's Top Advertisers for 2004 and Their Selected Brands

Turkey's Top 101* Advertisers of 2004 and Their Selected Brands**				
2004 Adspend Ranking	Advertiser	Brands	Industry	Rev. 3 ISIC Code (3 digits)
1	UNILEVER	Sana, Becel, Knorr, Algida, Max, Cornetto, Magnum, Viennetta, Carte d'Or; Lipton; Komili Zeytinyağı; Cif, Omo, Rinso, Domestos, Dove, Rexona, Yumoş; Elidor, Clear; Signal	Foods; personal care; home care products	151, 152, 155; 242
75	GIDASA AŞ	Luna + Ona vegetable oils, Piyale (meats, ready-to-cook soups, dried legumes, fruits, jams, marmalades, snack foods, pastas, breads, puddings, food flavorings), Saka water, Deren teas, Ömür chicken	Food manufacturing	151, 154, 155
2	ÜLKER	Ülker Hanmeller, Biskrem, Cocostar, Dankek, Çokonat, Golf, Piko, Kremini, Mavi Yeşil, Rodeo, Rondo, Stars, Toto, Yıldız, Yupo; Chewydent; İçim Süt, İçim Ayran; probiotic yoghurt AktaVitale and AktiPro (October 2005); Café Crown, Cola Turka, Çamlıca Gazoz, Türk Kahvesi; Bizim Soya; soups, spaghetti sauces	Confectionery; beverages, dairy products; vegetable oils	152; 154; 155
93	AYTAÇ ENTEGRE TESİSLERİ (YİMPAŞ HOLDİNG)	Aytaç sausages, salami, etc. (Also: dairy products, cooking oils, olives, juice nectars, spring water, confectionery)	Food manufacturing	151
56	DARDANEL ÖNENTAŞ	Dardanel Ton tuna products; frozen foods	Food manufacturing	151
76	UNIKOM	Yudum, Sirma	Food manufacturing	151
10	DANONE	Tikveşli yoghurt and ayran; Birtat yoghurt, Petit Danino, fruit yoghurt range Danone, Danette milk pudding, probiotic yoghurt Activia, Danone Akmina mineral water, Hayat Su, Şaşal spring water	Food manufacturing	152
47	PINAR	Pınar Süt (puddings, whipped cream, fruit juices, probiotic yoghurt), Pınar Et, Pınar Su	Food manufacturing	152
16	SÜTAŞ GIDA	Sütaş dairy products; juices; Yovita probiotic yoghurt (2005)	Food manufacturing	152
59	HAS GIDA	Panda ice creams	Food manufacturing	152
14	FRITOLAY	Potato chips, corn chips: Doritos, Lay's, Ruffles, Cheetos	Food manufacturing	153
49	KRAFT	Cipso, Patos, Çerezos chips, Tang juices, Jacobs coffees, Milka and Toblerone chocolates	Food manufacturing	153, 154
67	DR. OETKER GIDA SAN. AŞ	Dr. Oetker cake mixes, desserts, puddings, corn flakes, etc.	Food manufacturing	154
7	ETİ	Eti Form, Eti Topkek, Eti Browni, Eti Turti, Eti Tutku, Eti Çay Keyfi, Susamlı Çubuk Kraker, Petit Beurre, Soho, Wanted, Yami, Atabarı, tablet chocolates, Etimek, Eti Cicibebe	Confectionery manufacturing	154

Table C.1 (continued)

2004 Adspend ranking	Advertiser	Brands	Industry	Rev. 3 ISIC Code (3 digits)
40	KENT	Tofita, Olips, Bonibon, Misbonbon; Nazar, Tipitip	Confectionery (candy, chocolate, chewing gum) manufacturing	154
17	NESTLE	Nestle, Nescafe, Maggi, Nestea	Confectionery, coffees, ice tea, soups	154
58	PERFETTI GIDA SAN.	Mentos, Vivident	Confectionery manufacturing	154
77	ANADOLU EFES AŞ	Efes Pilsen, Marmara, Miller	Alcoholic beverages manufacturing	155
4	COCA-COLA	Coca-Cola, Fanta, Cappy, Turkuaz water	Soft drinks manufacturing	155
34	PEPSI BOTTLING GROUP	Pepsi, 7Up, Fruko, Gatorade	Soft drinks manufacturing	155
98	DOĞUŞ ÇAY	Looseleaf tea, teabags, etc.	Tea manufacturing	155
71	ERDEMOĞLU AŞ	Merinos, Dinarsu (Nov. 2005); carpet manufacturing	Home furnishings	172
52	ZORLU ŞİRKETLER GRUBU	Linens; Corporate	Home furnishings	172
84	PAMES AYAKKABI	MP; Arow sneakers	Shoe manufacturing	192
69	POLARİS COLLECTION	Polaris sandals	Shoe manufacturing	192
81	İPEK KAĞIT	Selpak, Solo, Silen tissue papers, napkins, etc. (for the consumer market); Marathon, Lotus Professional	Manufacturing of cleaning towels	210
39	ASLI GAZ. VE MATB.	Akşam newspaper	Newspaper publishing	221
60	BAĞIMSIZ YAYINCILIK AŞ	Vatan newspaper	Newspaper publishing	221
29	BİLGİN YAYINCILIK	Sabah, Takvim, Tarafat newspapers	Newspaper publishing	221
86	GLOBAL YAYINCILIK	CDs	Publishing of recorded media	221
43	HÜRRIYET GAZETECİLİK	Hürriyet newspaper	Newspaper publishing	221
44	MİLLİYET GAZETECİLİK AŞ	Milliyet newspaper	Newspaper publishing	221
55	PARK MEDYA	Star	Newspaper publishing	221
96	SHOW BASIN		Publishing	221
85	SİMGE YAYINCILIK	Radikal, Posta, Fanatik, Finansal Forum	Newspaper publishing	221
79	TÜRKİYE GAZETESİ	Türkiye newspaper	Newspaper publishing	221
97	AYGAZ	Aygaz Tüpgaz, Aygaz LPG	Domestic LPG production/Energy	231
5	BENCKISER	Calgon, Calgonit, Marc, Kosla, Cillit Bang	Manufacturing of soap, detergents, household cleaning products	242
99	CANAN KOZMETİK	İpek shampoos and other hair care products	Cosmetics	242
28	COLGATE PALMOLIVE	Palmolive, Hacı Şakir; Colgate; Ajax	Personal care, oral care, home care, fabric care products; manufacturing of soap, toothpaste, deodorants.	242
87	DÜNDAR KİMYA	Bio-der epilation creams	Cosmetics and pharmaceuticals manufacturing	242
45	ECZACIBAŞI	Selin colognes, 8x4 deodorants; Egos hair gels; Nivea; Igora; Bonacure, Silhouette hair salon products; OK (Also: Vitra vitrified products; Artema fittings)	Personal care products	242

Table C.1 (continued)

2004 Adspend ranking	Advertiser	Brands	Industry	Rev. 3 ISIC Code (3 digits)
8	EVYAP	Arko facial creams and suntanning lotions; Duru soaps, shampoos, and colognes; Evy Lady sanitary pads, Evy Baby diapers, Fax detergents, Savoy soaps, Sanino toothpastes, Gibbs shaving creams	Manufacturing of soap, creams, toothpaste, shampoo, sanitary pads and diapers (personal hygiene), colognes	242
12	GILLETTE ^a	Gillette razor blades; Oral-B mouth care; Braun electric shavers; Duracell batteries	Personal care, mouth care	242, 293, 314
15	HAYAT KİMYA	Hayat soaps; Molfix, Molped; Bingo, Has	Sanitary pads + napkins, soaps, detergents; wet towels	242
53	HENKEL	Persil, Tursil etc. laundry detergents	Manufacturing of detergents	242
72	JOHNSON WAX	Mr. Muscle; Pronto; Glade; Raid, Baygon, Off	Home cleaning products; insecticides	242
21	JOHNSON & JOHNSON	J&J Baby Shampoo, Neutrogena soaps	Personal care products; pharmaceuticals	242
19	LOREPAR KOZMETİK	Elseve, L'Oreal	Cosmetics manufacturing	242
3	P&G / PROCTER & GAMBLE	Orkid, Alldays, Discreet sanitary pads; Alo, Ariel, Ace washing detergents; Prima diapers; Blendax, Pantene, Rejoice, Herbal Essences shampoos; Ipana toothpastes; Koleston hair coloring; Wella, New Wave hair gel; Max Factor makeup cosmetics; Mr. Proper wet surface cleaning detergent; Pringles potato chips (imported)	Personal care, home care products	242
100	ROZI KAGIT	Rozi	Personal care products	242
89	BRISA AŞ	Lassa, Bridgestone tyres	Tyres	251
80	FIRAT PLASTİK	Fırat pipes and tubes	Pipe and tube manufacturing	252
11	ARÇELİK	Arçelik white goods, electronic appliances	Home appliances	293
66	ARZUM	Arzum blenders, kettles, irons	Home appliances	293
20	BEKO TİC. A.Ş.	Beko white goods, electronic appliances	Home appliances	293
27	BOSCH	Bosch white goods, home appliances	Home appliances	293
63	İHLAS HOLDİNG AŞ	İhlas Ev Aletleri; (TGRT; İhlas Haber Ajansı; Türkiye Hastanesi; İhlas Sigorta; Kristal Kola)	Home appliances	293
42	SEB GROUPE	Tefal, Rowenta	Home appliances	293
9	VESTEL	Vestel white goods, TV sets, etc.	Home appliances	293
46	CASPER BİLGİSAYAR	Casper desktop computers and laptops	Computer hardware	300
51	MOTOROLA	Motorola cellular phones	Cellular phones	322
78	BMC SAN. VE TİC.	BMC	Automotive	341
74	ÇELİK MOTOR	Kia, Lada	Automotive	341
35	DOĞUŞ OTOMOTİV AŞ	Volkswagen, Audi, Porsche, Seat	Automotive	341
36	FORD OTOSAN OTOMOTİV	Ford	Automotive	341
57	HYUNDAI ASSAN MOTOR	Hyundai	Automotive	341
65	OPEL TÜRKİYE	Opel	Automotive	341
31	PEUGEOT OTOMOTİV AŞ	Peugeot	Automotive	341
38	RENAULT-MAIS	Renault	Automotive	341
24	TOFAŞ FIAT	Fiat	Automotive	341
101	TOYOTASA	Toyota	Automotive	341
92	ALFEMO MOBİLYA	Alfemo furniture	Furniture manufacturing	361
25	BOYTAŞ MOBİLYA SAN. AŞ	Bellona furniture	Furniture manufacturing	361
95	İPEK MOBİLYA	İpek furniture	Furniture manufacturing	361
18	İSTİKBAL MOBİLYA	İstikbal furniture	Furniture manufacturing	361
83	KİLİM MOBİLYA	Kilim furniture	Furniture manufacturing	361
68	YATAŞ	Yataş furniture	Furniture manufacturing	361

Table C.1 (continued)

2004 Adspend ranking	Advertiser	Brands	Industry	Rev. 3 ISIC Code (3 digits)
64	OPET PETROLÇULUK AŞ	OPET gas stations	Petroleum	505
88	GİMA	Gima supermarket chain	Supermarket chain	522
73	MİGROS	Migros supermarket chain	Supermarket chain	522
70	TANSAŞ	Tansaş supermarket chain	Supermarket chain	522
32	HOMEDROM SHOP	TV retailing of sports equipment, beauty products, toys, VCDs, books, etc.	Nonstore retailing	525
94	BURGER KING	Burger King fast-food restaurant chain	Fast-food restaurant chain	552
23	TELSİM	Telsim	GSM operator, telecommunications	642
13	TT&TIM (Turk Telekom & Telecom Italia Mobile)	Avea	GSM operator, telecommunications	642
6	TURKCELL	Turkcell	GSM operator, telecommunications	642
22	AKBANK		Banking & Finance	651
50	ANADOLU FİNANS KURUMU		Banking & Finance	651
62	DENİZBANK		Banking & Finance	651
54	DIŞBANK		Banking & Finance	651
90	FAMILY FİNANS KURUMU		Banking & Finance	651
48	FİNANSBANK		Banking & Finance	651
41	GARANTİ BANKASI		Banking & Finance	651
30	HSBC		Banking & Finance	651
37	İŞ BANKASI		Banking & Finance	651
61	KOÇBANK		Banking & Finance	651
26	YAPI VE KREDİ BANKASI		Banking & Finance	651
82	KOÇ ALLIANZ SİGORTA		Insurance	660
91	BİLGİSAYAR KULLANICILARINI BİLGİLENDİRME PLATFORMU		Sectoral announcements	911
33	DİGİTÜRK		Satellite subscription broadcasting	921

Source for the list of the advertising companies is Bileşim Medya, which includes only the company names and not the brands that were advertised by those companies. Excluded: "Classifieds" and "Other".

* The Bileşim Medya list includes the categories of "Classifieds" and "Other", which have been excluded from the present list. As the list of top 100 advertisers included a "platform" (as well as the categories of "Classifieds" and "Other"), the sampling frame has been enlarged to include 100 companies. Also, Braun and Duracell have been separately given on the original list, while on the above list, they have been subsumed under Gillette. That is why the ranking above is slightly different from that on the original list.

** Drawn up by the researcher in the summer of 2005, this list reflects the companies and a selection of their brands at that time. Some of the companies have since either ceased operations or merged with other companies.

^a Includes Braun and Duracell ratecard-based advertising expenditure. Please see the first note above.

APPENDIX D Reliability Analyses

Table D.1: Reliability Analysis of Independent Variables

Reliability Analysis for the Independent Variables to be Factor-Analyzed						
***** Method 2 (covariance matrix) will be used for this analysis *****						
RELIABILITY ANALYSIS - SCALE (ALPHA)						
1.	V01_03_1	SMEAN(V01_03)				
2.	V01_05_1	SMEAN(V01_05)				
3.	V01_06_1	SMEAN(V01_06)				
4.	V01_07_1	SMEAN(V01_07)				
5.	V01_08_1	SMEAN(V01_08)				
6.	V01_09_1	SMEAN(V01_09)				
7.	V01_10_1	SMEAN(V01_10)				
8.	V01_12_1	SMEAN(V01_12)				
9.	V01_13_1	SMEAN(V01_13)				
10.	V01_14_1	SMEAN(V01_14)				
11.	V01_15_1	SMEAN(V01_15)				
12.	V01_16_1	SMEAN(V01_16)				
13.	V01_17_1	SMEAN(V01_17)				
14.	V01_18_1	SMEAN(V01_18)				
15.	V01_19_1	SMEAN(V01_19)				
16.	V01_20_1	SMEAN(V01_20)				
17.	V01_22_1	SMEAN(V01_22)				
18.	V01_23_1	SMEAN(V01_23)				
19.	V01_24_1	SMEAN(V01_24)				
20.	V01_25_1	SMEAN(V01_25)				
21.	V01_26_1	SMEAN(V01_26)				
22.	V01_27_1	SMEAN(V01_27)				
23.	V01_28_1	SMEAN(V01_28)				
24.	V01_29_1	SMEAN(V01_29)				
25.	V01_30_1	SMEAN(V01_30)				
26.	V01_31_1	SMEAN(V01_31)				
27.	V01_32_1	SMEAN(V01_32)				
28.	V01_33_1	SMEAN(V01_33)				
29.	V01_34_1	SMEAN(V01_34)				
30.	V01_35_1	SMEAN(V01_35)				
31.	V02_1	SMEAN(V02)				
32.	V03_1	SMEAN(V03)				
33.	V04_1	SMEAN(V04)				
34.	V05_1	SMEAN(V05)				
35.	V06_1	SMEAN(V06)				
36.	V07_1	SMEAN(V07)				
37.	V09_1	SMEAN(V09)				
38.	V10_1	SMEAN(V10)				
39.	V17_01_1	SMEAN(V17_01)				
40.	V17_02_1	SMEAN(V17_02)				
41.	V17_03_1	SMEAN(V17_03)				
42.	V28_1	SMEAN(V28)				
43.	V29_1	SMEAN(V29)				
44.	V30_1	SMEAN(V30)				
45.	V31_1	SMEAN(V31)				

Table D.1 (continued)

RELIABILITY ANALYSIS - SCALE (ALPHA)				
		Mean	Std Dev	Cases
1.	V01_03_1	3,4907	,9975	52,0
2.	V01_05_1	3,9423	,9582	52,0
3.	V01_06_1	3,7115	1,0163	52,0
4.	V01_07_1	3,8269	,9014	52,0
5.	V01_08_1	4,4231	,6958	52,0
6.	V01_09_1	3,6615	,7740	52,0
7.	V01_10_1	3,5100	,9975	52,0
8.	V01_12_1	4,2155	,8475	52,0
9.	V01_13_1	3,6467	,9037	52,0
10.	V01_14_1	4,0000	,8165	52,0
11.	V01_15_1	3,4038	,9131	52,0
12.	V01_16_1	4,0385	,7399	52,0
13.	V01_17_1	3,7657	1,0211	52,0
14.	V01_18_1	3,8771	,9827	52,0
15.	V01_19_1	4,1966	,7415	52,0
16.	V01_20_1	3,3654	1,0295	52,0
17.	V01_22_1	3,5344	,9723	52,0
18.	V01_23_1	3,1497	1,0478	52,0
19.	V01_24_1	3,9038	1,0527	52,0
20.	V01_25_1	3,8462	,9576	52,0
21.	V01_26_1	3,2449	1,0200	52,0
22.	V01_27_1	3,5385	,8509	52,0
23.	V01_28_1	3,5769	,9361	52,0
24.	V01_29_1	4,0577	,7253	52,0
25.	V01_30_1	3,7115	,9769	52,0
26.	V01_31_1	3,8846	,9000	52,0
27.	V01_32_1	2,8478	,8849	52,0
28.	V01_33_1	3,7200	,7420	52,0
29.	V01_34_1	3,2766	,9641	52,0
30.	V01_35_1	3,7500	,8135	52,0
31.	V02_1	3,4375	,9478	52,0
32.	V03_1	3,5192	1,0192	52,0
33.	V04_1	3,7885	,9147	52,0
34.	V05_1	4,0769	,9256	52,0
35.	V06_1	3,6346	,8863	52,0
36.	V07_1	3,8462	,7767	52,0
37.	V09_1	3,7885	,8930	52,0
38.	V10_1	3,9423	,7518	52,0
39.	V17_01_1	4,0192	,8282	52,0
40.	V17_02_1	3,9808	,8743	52,0
41.	V17_03_1	4,5385	,6704	52,0
42.	V28_1	3,3922	,7941	52,0
43.	V29_1	2,1154	,7835	52,0
44.	V30_1	2,5294	,9151	52,0
45.	V31_1	2,2885	1,0163	52,0
*** Warning *** Determinant of matrix is close to zero: 1,802E-27				
Statistics based on inverse matrix for scale ALPHA				
are meaningless and printed as .				
	N of Cases =	52,0		
			N of	
Statistics for Mean Variance Std Dev Variables				
Scale	164,0155	401,0103	20,0252	45

Table D.1 (continued)

RELIABILITY ANALYSIS - SCALE (ALPHA)					
Item-total Statistics					
	Scale	Scale	Corrected		
	Mean	Variance	Item-	Squared	Alpha
	if Item	if Item	Total	Multiple	if Item
	Deleted	Deleted	Correlation	Correlation	Deleted
V01_03_1	160,5247	379,6274	,5245	.	,9279
V01_05_1	160,0732	377,0862	,6182	.	,9271
V01_06_1	160,3039	386,2937	,3425	.	,9297
V01_07_1	160,1885	378,1186	,6298	.	,9271
V01_08_1	159,5924	391,9776	,3103	.	,9296
V01_09_1	160,3539	389,4905	,3574	.	,9293
V01_10_1	160,5055	381,7233	,4693	.	,9285
V01_12_1	159,8000	386,2084	,4228	.	,9288
V01_13_1	160,3687	386,9413	,3728	.	,9293
V01_14_1	160,0155	379,1090	,6678	.	,9269
V01_15_1	160,6116	381,0471	,5366	.	,9279
V01_16_1	159,9770	384,4595	,5515	.	,9279
V01_17_1	160,2498	385,7137	,3554	.	,9296
V01_18_1	160,1384	381,7834	,4755	.	,9284
V01_19_1	159,8189	385,6100	,5100	.	,9282
V01_20_1	160,6501	384,7604	,3761	.	,9294
V01_22_1	160,4811	380,0601	,5277	.	,9279
V01_23_1	160,8658	377,2444	,5569	.	,9276
V01_24_1	160,1116	382,6421	,4191	.	,9290
V01_25_1	160,1693	387,1929	,3423	.	,9296
V01_26_1	160,7706	377,2159	,5743	.	,9274
V01_27_1	160,4770	379,2032	,6362	.	,9271
V01_28_1	160,4385	382,9788	,4682	.	,9285
V01_29_1	159,9578	386,7185	,4826	.	,9284
V01_30_1	160,3039	374,8884	,6653	.	,9266
V01_31_1	160,1309	376,0679	,6914	.	,9265
V01_32_1	161,1676	382,5618	,5103	.	,9281
V01_33_1	160,2955	391,8098	,2945	.	,9297
V01_34_1	160,7389	381,3185	,4983	.	,9282
V01_35_1	160,2655	377,0650	,7370	.	,9264
V02_1	160,5780	381,2134	,5106	.	,9281
V03_1	160,4962	376,6606	,5892	.	,9273
V04_1	160,2270	376,7124	,6607	.	,9268
V05_1	159,9385	389,2773	,2978	.	,9299
V06_1	160,3809	380,2399	,5782	.	,9275
V07_1	160,1693	378,0552	,7400	.	,9265
V09_1	160,2270	392,6720	,2131	.	,9306
V10_1	160,0732	390,1475	,3467	.	,9294
V17_01_1	159,9962	391,3453	,2740	.	,9300
V17_02_1	160,0347	391,3229	,2580	.	,9302
V17_03_1	159,4770	389,0643	,4347	.	,9288
V28_1	160,6233	385,0835	,4908	.	,9283
RELIABILITY ANALYSIS - SCALE (ALPHA)					
Item-total Statistics					
	Scale	Scale	Corrected		
	Mean	Variance	Item-	Squared	Alpha
	if Item	if Item	Total	Multiple	if Item
	Deleted	Deleted	Correlation	Correlation	Deleted
V29_1	161,9001	395,2504	,1652	.	,9307
V30_1	161,4861	394,8227	,1471	.	,9312
V31_1	161,7270	391,0159	,2230	.	,9308
Hotelling's T-Squared = 4894,4859 F = 17,4491 Prob. = ,0001					
Degrees of Freedom: Numerator = 44 Denominator = 8					
Reliability Coefficients 45 items					
Alpha = ,9300 Standardized item alpha = ,9308					

APPENDIX E Results of KMO and Bartlett's Tests

Table E.1: Results of KMO and Bartlett's Tests

KMO and Bartlett's Tests		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		,508
Bartlett's Test of Sphericity	Approx. Chi-Square	1276,787
	df	990
	Sig.	,000

APPENDIX F Normality Analyses

Table F.1: Normality Analyses

Kolmogorov-Smirnov Normality Test^a			
Creativity/Partnership Factor		Cooperativeness Factor	
N	52	N	52
Kolmogorov-Smirnov	0,078	Kolmogorov-Smirnov	0,085
Significance Level	,200*	Significance Level	0,200*
People/Relationship Factor		Marcom. Teamwork Factor	
N	52	N	52
Kolmogorov-Smirnov	0,108	Kolmogorov-Smirnov	0,130
Significance Level	0,187	Significance Level	0,028
Results Factor		Scale Factor	
N	52	N	52
Kolmogorov-Smirnov	0,093	Kolmogorov-Smirnov	0,100
Significance Level	0,200*	Significance Level	0,200*
Service Range Factor		Agency Grade	
N	52	N	52
Kolmogorov-Smirnov	0,152	Kolmogorov-Smirnov	0,175
Significance Level	0,004	Significance Level	0,000
Cost-Consciousness Factor		Organizational Age	
N	52	N	52
Kolmogorov-Smirnov	0,136	Kolmogorov-Smirnov	0,209
Significance Level	0,018	Significance Level	0,000
Strategy Factor		Organizational Size	
N	52	N	48
Shapiro-Wilk	0,105	Kolmogorov-Smirnov	0,236
Significance Level	0,200*	Significance Level	0,000
Compatibility Factor		Relationship Length	
N	52	N	51
Kolmogorov-Smirnov	0,108	Kolmogorov-Smirnov	0,247
Significance Level	0,187	Significance Level	0,000
Trust Factor		Agency Roster	
N	52	N	52
Kolmogorov-Smirnov	0,078	Kolmogorov-Smirnov	0,284
Significance Level	0,200*	Significance Level	0,000
Price/Leadership Factor			
N	52		
Kolmogorov-Smirnov	0,103		
Significance Level	0,200*		
Undefined Factor			
N	52		
Kolmogorov-Smirnov	0,084		
Significance Level	0,200*		
^a Lilliefors significance correction. * This is a lower bound of the true significance.			

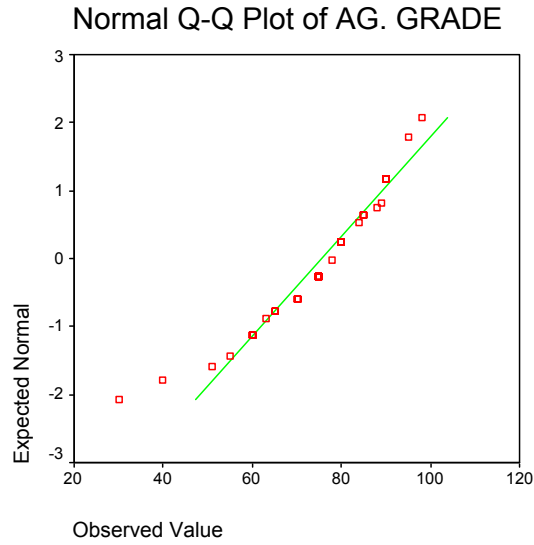


Figure F-1: Normality plot for the dependent variable of agency grade

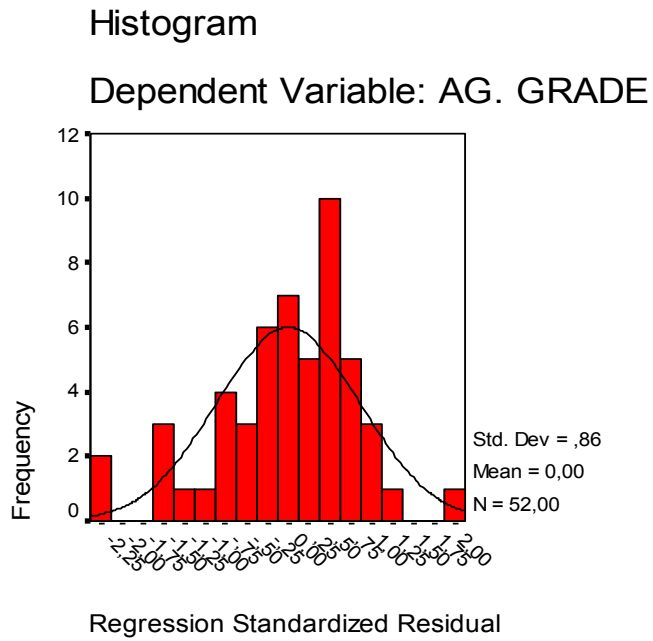
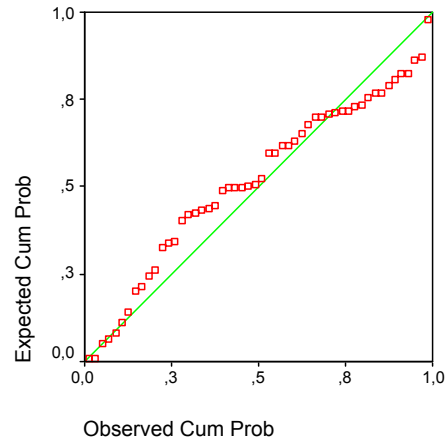


Figure F-2: Plot for regression standardized residual for agency grade

Normal P-P Plot of Regression ϵ

Dependent Variable: AG. GRAD



Scatterplot

Dependent Variable: AG. GRADE

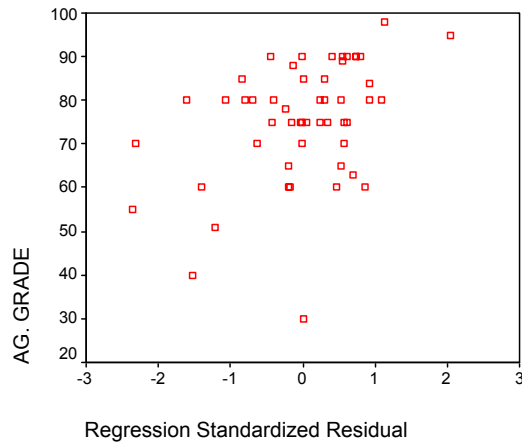


Figure F.3: Normal P-P and scatter plots of regression standardized residual

APPENDIX G Findings to Some of the Additional Analyses

Table G.1: Regression analysis results for the dependent variable measure of “Overall Satisfaction”

Regressing Factor-Scores Against “Overall Agency Satisfaction”: Results									
Model Summary									
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	0,893 ^a	0,797	0,728	0,412	0,797	11,490	13	38	0,000
ANOVA ^b									
Model		Sum of Squares	df	Mean Square	F	Sig.			
1	Regression	25,311	13	1,947	11,490	0,000			
	Residual	6,439	38	0,169					
	Total	31,750	51						
a	Predictors: (Constant), Scale Factor, Marcom. Teamwork Factor, Cooperativeness Factor, Undefined Factor, Leadership/Price Factor, Trust Factor, Compatibility Factor, Strategy Factor, Cost-Consciousness Factor, Service Range Factor, Results Factor, People/Relationship Factor, Creativity/Partnership Factor								
b	Dependent variable: Overall satisfaction with agency								
Coefficients									
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.			
		B	Std. Error	Beta					
1	(Constant)	3,750	0,057		65,691	0,000			
	Creativity/Partnership Factor	0,405	0,058	0,514	7,029	0,000			
	People/Relationship Factor	0,185	0,058	0,235	3,210	0,003			
	Results Factor	0,077	0,058	0,097	1,330	0,191			
	Service Range Factor	0,241	0,058	0,305	4,178	0,000			
	Cost-consciousness Factor	0,235	0,058	0,298	4,084	0,000			
	Strategy Factor	0,189	0,058	0,240	3,281	0,002			
	Compatibility Factor	0,219	0,058	0,277	3,793	0,001			
	Trust Factor	-0,061	0,058	-0,077	-1,060	0,296			
	Leadership/Price Factor	0,241	0,058	0,305	4,180	0,000			
	Undefined	0,048	0,058	0,061	0,833	0,410			
	Cooperativeness Factor	0,018	0,058	0,023	0,308	0,760			
	Marcom. Teamwork Factor	0,082	0,058	0,104	1,422	0,163			
	Scale Factor	0,154	0,058	0,196	2,680	0,011			

Table G.2: Client attitude towards intervention with agency staffing decisions

Do you make demands from your agency regarding who should be placed on your account (or be excluded from your account, as the case may be)?							
Descriptives		Frequencies					
				Freq.	%	Valid %	Cum. %
Mean	1,78	Valid	When we consider it necessary	36	69,2	72,0	72,0
Median	1,00		Only when offered by the agency as an option	3	5,8	6,0	78,0
Mode	1		Rarely	3	5,8	6,0	84,0
St. Dev.	1,418		As a last resort	2	3,8	4,0	88,0
Variance	2,012		Never	6	11,5	12,0	100,0
Min.	1		Total	50	96,2	100,0	
Max.	5	Missing	No opinion	2	3,8		
Range	4	Total		52	100,00		

APPENDIX H Advertiser Questionnaire in Turkish

Soru Formu

Lütfen aşağıdaki soruların her birini kendi işletmeniz ve çalıştığınız ajans ilişkileri açısından değerlendirip, verilen seçeneklerden sadece birisini (✓) ile işaretleyerek cevaplayınız. Birden fazla reklam ajansı ile çalışıyorsanız, soruları, aksi belirtilmedikçe, yalnızca ana reklam ajansınız için cevaplayınız.

1. Reklam ajansınızı, aşağıda belirtilen hizmetlerin, hizmet boyutlarının ve ajansla aranızdaki ilişkilerin niteliği açısından nasıl değerlendirirsiniz?

Reklam ajansından almadığınız hizmetlerle ilgili sorunun cevabını lütfen boş bırakınız. Eğer hizmeti aldığınız halde bir görüşe sahip değilseniz (Fikrim yok) seçeneğini işaretleyiniz.

	Çok tatminkâr	Tatminkâr	Ne tatminkâr ne tatminkâr değil	Tatminkâr değil	Hiç tatminkâr değil	Fikrim yok
I) Ajansınızın medya planlama çalışmalarının niteliği	5	4	3	2	1	9
II) Ajansınızın yürüttüğü halkla ilişkiler kampanyasının niteliği	5	4	3	2	1	9
III) Ajansınızın çalışmaları önceden planlanan tarihte bitirebilme becerisi	5	4	3	2	1	9
IV) Ajansınızın yaptığı reklam araştırmalarının niteliği	5	4	3	2	1	9
V) Ajansınızın, birlikte belirlediğiniz stratejilere bağlı kalarak çalışması	5	4	3	2	1	9
VI) Ajansınızın onay sürecinin hızı (Sizinle ilgili bir konunun onaylanmasındaki işlem azlığı)	5	4	3	2	1	9
VII) Ajansınızın yaratıcı çalışmalarının niteliği	5	4	3	2	1	9
VIII) Ajansta çalışan yönetici ve diğer kişilere gerektiğinde ulaşılabilirlik kolaylığı	5	4	3	2	1	9
IX) Ajansın çevre değişmelerine (teknolojideki gelişmeler, makro düzeydeki gelişmeler, yasal değişiklikler, rekabet vb.) çabuk uyum sağlama yeteneği	5	4	3	2	1	9
X) Ajansın, sunduğu hizmet karşılığında talep ettiği komisyonun (ücret) uygunluğu	5	4	3	2	1	9
XI) Ajansınızın yaptığı pazarlama araştırmalarının niteliği	5	4	3	2	1	9
XII) Ajans çalışanları arasındaki görev ve sorumluluk dağılımının belirliliği	5	4	3	2	1	9
XIII) Ajansınızın bir ajanstan beklenen tür hizmetleri sunabilmesi (hizmet yelpazesinin genişliği)	5	4	3	2	1	9

	Çok tatminkâr	Tatminkâr	Ne tatminkâr ne tatminkâr değil	Tatminkâr değil	Hiç tatminkâr değil	Fikrim yok
XIV) Ajans çalışanları ile yaptığımız toplantıların verimliliği ve etkililiği	5	4	3	2	1	9
XV) Ajansın çalışmalarınızı yönlendirme konusundaki liderlik gücü	5	4	3	2	1	9
XVI) Ajans çalışanlarının mesleki deneyimleri	5	4	3	2	1	9
XVII) Ajansın, çalışanlarını elinde tutabilme oranı	5	4	3	2	1	9
XVIII) Ajanstaki yaratıcı bölüm elemanlarıyla ilişkilerinizin niteliği	5	4	3	2	1	9
XIX) Ajanstaki müşteri temsilcileriyle ilişkilerinizin niteliği	5	4	3	2	1	9
XX) Ajansınızın önceden belirlenen bütçe sınırları içerisinde çalışabilmesi	5	4	3	2	1	9
XXI) Ajansınızın uygun fiyatlarla medya yeri satın alabilme becerisi	5	4	3	2	1	9
XXII) Ajansınızın araştırma sonuçlarından yararlanabilme becerisi	5	4	3	2	1	9
XXIII) Ajansınızın pazarlama planlarınızın / pazarlama stratejinizin oluşumuna katkısı	5	4	3	2	1	9
XXIV) Ajansın üst yönetiminin sizin işinize gösterdiği ilgi (düzenli olarak sizi araması, çalışmalarınızla ilgili bilgilendirmesi vb.)	5	4	3	2	1	9
XXV) Ajansınızın kurumsallık düzeyi	5	4	3	2	1	9
XXVI) Ajansınızın bütünsel pazarlama iletişimi sunabilme yeteneği	5	4	3	2	1	9
XXVII) Ajansın, pazarlama sorunlarınıza yaratıcı çözümler bulabilme yeteneği	5	4	3	2	1	9
XXVIII) Ajansın eleştiriye açık olması	5	4	3	2	1	9
XXIX) Ajansın, sunduğu fikirlerin ve çalışmaların arkasında durabilmesi	5	4	3	2	1	9
XXX) Ajansın, çeşitli reklam ortamlarına uygulanabilen yaratıcı fikirler üretebilmesi	5	4	3	2	1	9
XXXI) Ajansın, yaratıcı uygulamadaki başarısı	5	4	3	2	1	9
XXXII) Ajansın, çalışmalarınız için üçüncü kuruluşlardan en iyi fiyatları alabilmesi	5	4	3	2	1	9
XXXIII) Çalıştığımız diğer pazarlama iletişimi firmalarıyla ajansın işbirliği yapabilmesi	5	4	3	2	1	9

	Çok tatminkâr	Tatminkâr	Ne tatminkâr ne tatminkâr değil	Tatminkâr değil	Hiç tatminkâr değil	Fikrim yok
XXXIV) Ajansın sunduğu çizgi altı reklam hizmetlerinin niteliği	5	4	3	2	1	9
XXXV)Hedefleriniz ve amaçlarınız konusunda ajansla aranızdaki fikir birliğinin düzeyi	5	4	3	2	1	9
XXXVI) Ajansın yaptığı medya araştırmalarının niteliği	5	4	3	2	1	9

Lütfen aşağıdaki ifadelere katılıp katılmadığınızı belirtiniz. Katılıp katılmama derecenizi en iyi gösteren seçeneği işaretleyiniz.

	Kesinlikle katılıyorum	Katılıyorum	Ne katılıyorum ne katılmıyorum	Katılmıyorum	Kesinlikle katılmıyorum	Fikrim yok
2. İhtiyaçlarımız değiştikçe, ajansımız yeni taleplerimizi karşılamak için yatırımdan kaçınmaz.	5	4	3	2	1	9
3. Ajansımız, verdiğimiz işin getirisine bakmaksızın işimize özen gösterir.	5	4	3	2	1	9
4. Birlikte çalıştığımız reklam ajansı, bizim sektörümüzü anlıyor.	5	4	3	2	1	9
5. Birlikte çalıştığımız reklam ajansı, Türkiye'nin en prestijli ajanslarından biridir.	5	4	3	2	1	9
6. Reklam ajansımızla şirketimizin kurum kültürü uyumlu.	5	4	3	2	1	9
7. Reklam ajansımızla aramızda uyumlu bir işbirliği var.	5	4	3	2	1	9
8. Ajansımızın diğer müşterileri arasında bizim rakibimiz sayılabilecek ürün veya şirket(ler) bulunmuyor.	5	4	3	2	1	9
9. Ajans çalışanlarıyla şirketimiz çalışanlarının uzmanlık düzeyi birbirine uygun.	5	4	3	2	1	9
10. Ajans çalışanlarıyla şirketimizdeki muhataplarının yetki düzeyi birbirine uygun.	5	4	3	2	1	9

11. Çalıştığımız ajansı genel olarak değerlendirdiğinizde tatminkârlık düzeyiniz nedir?

5	4	3	2	1	0
Çok tatminkâr	Tatminkâr	Ne tatminkâr ne tatminkâr değil	Tatminkâr değil	Hiç tatminkâr değil	Fikrim yok

11a. Lütfen 0 ile 100 arası bir puan veriniz.

[Lütfen Yazınız]:

12. Lütfen aşağıdaki soruları ana reklam ajansınız için cevaplayınız.

	Aşağıdaki hizmetlerden hangilerini reklam ajansınızdan sağlıyorsunuz? (Uyanların hepsini işaretleyebilirsiniz.)	Aşağıdaki hizmetlerden hangilerini reklam ajansınız sunmasaydı onunla çalışamazdınız? (Lütfen 1 en öncelikli seçeneğiniz olmak üzere en çok 3 seçenek işaretleyiniz.)
Çizgi üstü reklam hizmetleri (Televizyon, sinema, radyo, gazete, dergi, açık hava reklamları)	1	
İnternet reklamları, Web sitesi tasarımı	1	
Kurum kimliği tasarımı	1	
Ambalaj tasarımı	1	
Basılı malzeme tasarımı (ürün broşürü, ürün tanıtım kiti vb.)	1	
Basılı kurumsal iletişim tasarımı (kurum dergisi, kurum tanıtım kitapçığı vb.)	1	
Faaliyet raporu tasarımı	1	
Görüntülü iletişim tasarımı (kurum tanıtım videosu, ürün tanıtım videosu vb.)	1	
Satış noktası malzemesi tasarımı / POP	1	
Mağaza içi satış faaliyetleri (ürün demonstrasyonları vb.)	1	
Stratejik marka planlama	1	
Reklam araştırmaları	1	
Pazarlama araştırmaları (ürün, potansiyel pazarlar, tüketici, rekabet, satışlar, pazar payı araştırmaları)	1	
Medya araştırmaları	1	
Doğrudan pazarlama / CRM	1	
Halkla ilişkiler	1	
Fuarlar	1	
Olay yönetimi	1	
Tüketici promosyonları	1	
Bayi promosyonları	1	
Medya planlama	1	
Medya yeri alımı	1	
Diğer	1	

13. Ana reklam ajansınızın sorumluluğundaki markanızın rekabet gücünü oluşturan en önemli unsurlar nelerdir?

(Ajansınız birden çok markanızdan sorumluyorsa, soruyu en büyük reklam yatırımını temsil eden markanız için cevaplayınız.)

	Yandaki seçeneklerin markanın rekabet gücüne katkı payını lütfen belirtiniz. (%)
Ürünün kendisi (Temel ürün ya da hizmet)	
Marka	
Kurum adımız	
Fiyat	
Dağıtım gücümüz	
Reklam	
Reklam dışı pazarlama iletişimi (satış noktası faaliyetleri, promosyon, doğrudan pazarlama, CRM, İnternet/Web iletişimi, sponsorluk, halkla ilişkiler faaliyetleri vb.)	
Diğer:	

14. Geçen yıl pazarınızın bir önceki yıla göre büyüme oranı (2003'e göre 2004'teki sektörel gelirin büyüme oranı, ABD doları cinsinden):

[Lütfen Yazınız]: %.....

Lütfen aşağıdaki ifadelere katılıp katılmadığınızı belirtiniz. Katılıp katılmama derecenizi en iyi gösteren seçeneği işaretleyiniz.

	Kesinlikle katılıyorum	Katılıyorum	Ne katılıyorum ne katılmıyorum	Katılmıyorum	Kesinlikle katılmıyorum	Fikrim yok
15. Reklam, marka(ları)mızın satışlarını artırmada önemli bir araçtır.	5	4	3	2	1	9
16. Reklam, marka(ları)mızın geleceğine yaptığımız yatırımdır.	5	4	3	2	1	9

17. Reklam ajansınızın aşağıdaki sonuçlara katkısını önem düzeyine göre belirtiniz.

	Çok önemli	Önemli	Önemli sayılır	Önemli değil	Hiç önemli değil	Fikrim yok
Satışlarınızın artması	5	4	3	2	1	9
Pazar payınızın artması	5	4	3	2	1	9
Markanızın imajına yönelik hedefleri tutturmanız (bilinirlik, algılanan kalite, sadakat, olumlu tutum vb.)	5	4	3	2	1	9

Lütfen aşağıdaki ifadelere katılıp katılmadığınızı belirtiniz. Katılıp katılmama derecenizi en iyi gösteren seçeneği işaretleyiniz.

	Kesinlikle katılıyorum	Katılıyorum	Ne katılıyorum ne katılmıyorum	Katılmıyorum	Kesinlikle katılmıyorum	Fikrim yok
18. Birlikte çalıştığımız reklam ajansı şirketimizin başarısı için kritik önem taşıyan hizmetler sunuyor.	5	4	3	2	1	9
19. Markamızla ilgili her tür bilgiyi reklam ajansımızla paylaşıyoruz.	5	4	3	2	1	9
20. Ajansımızı şirketimizde olup bitenlerden haberdar ederiz.	5	4	3	2	1	9
21. Genel pazarlama stratejimizi ajansımızla paylaşıyoruz.	5	4	3	2	1	9

22. Aşağıdaki ifadelerden firmanız için uygun olanlarını işaretleyiniz.

Reklam ajansımıza kampanya öncesi yönlendirici bilgi (brief) veririz.	
Reklam ajansımız için zaman zaman eğitim toplantıları düzenleriz.	
Reklam ajansımızla ortak bir bilgisayar ağıımız mevcut.	
Reklam ajansımızda markamızla ilgili yeni çalışacak ajans elemanları için oryantasyon programı uyguluyoruz.	
Diğer: _____	

23. Reklam ajansınızla yaptığınız toplantılarda yaratım bölümü çalışanları da bulunur mu?

- (5) Evet, her zaman.
- (4) Çoğunlukla.
- (3) Ara sıra.
- (2) Nadiren.
- (1) Hiçbir zaman.
- (9) Fikrim yok.

24. Sizce, aşağıdaki işlevlerden hangisi yalnızca şirketinizin sorumluluğu, hangisi yalnızca ana reklam ajansınızın sorumluluğu, hangisi ise ortak sorumluluğunuz altındadır?

	Şirketimizin sorumluluğu	Reklam ajansımızın sorumluluğu	Ortak sorumluluğumuz	Fikrim yok
Ürün geliştirme	1	2	3	9
Marka kimliğini oluşturmak	1	2	3	9
Pazarlama stratejisini belirlemek (hedef kitlenin tanımlanması, ürün konumlandırması, fiyatlandırma politikası, dağıtım politikası)	1	2	3	9
Reklam yaratım stratejisini belirlemek	1	2	3	9
Reklamın medya stratejisini belirlemek	1	2	3	9
Pazarlama iletişiminin diğer öğeleriyle reklamın koordinasyonu	1	2	3	9

25. Yapılacak çalışmalarla ilgili ajansınıza verdiğiniz yönbilgilerde (brief) aşağıdakilerden hangisi yer alır?

	Her zaman	Çoğunlukla	Ara sıra	Nadiren	Hiçbir zaman
Markanın pazarındaki konumu ve geçmişi	5	4	3	2	1
Markayla ilgili pazar araştırmalarının sonuçları	5	4	3	2	1
Rekabet araştırmalarının sonuçları	5	4	3	2	1
Pazarın hacim ve değer olarak büyüklüğü	5	4	3	2	1
Çalışmaya ayrılan bütçe	5	4	3	2	1

Lütfen aşağıdaki ifadelere katılıp katılmadığınızı belirtiniz. Katılıp katılmama derecenizi en iyi gösteren seçeneği işaretleyiniz.

	Kesinlikle katılıyorum	Katılıyorum	Ne katılıyorum ne katılmıyorum	Katılmıyorum	Kesinlikle katılmıyorum	Fikrim yok
26. Yapılacak çalışmalarla ilgili ajansa verdiğimiz yönlendirici bilgilerde (brief) bütçemizle ilgili kesin sınırlamaları belirtmeye önem veririz.	5	4	3	2	1	9
27. Yapılacak çalışmalarla ilgili ajansa verdiğimiz yönlendirici bilgilerde (brief) beklentilerimizi kesin bir şekilde tanımlamaya önem veririz.	5	4	3	2	1	9
28. Çalışmalarını kontrol etmediğimizde dahi ajansımızın işini gerektiği gibi yapacağına güvenimiz.	5	4	3	2	1	9
29. Ulaşamadığımız durumlarda, ajansımızın biz olmaksızın önemli kararlar almasına izin veririz.	5	4	3	2	1	9
30. Ajansımızın işini doğru yapıp yapmadığını kontrol etme gereğini pek ender duyarız.	5	4	3	2	1	9
31. Ajansımızın önerilerini, ardında başka nedenler aramaksızın kabul ederiz.	5	4	3	2	1	9

32. Reklam ajansınızın kadrosuna müdahale ettiğiniz olur mu?

1. Gerekli gördüğümüz zaman.
2. Ancak ajans kendisi bu yönde bir öneri getirirse.
3. Nadiren.
4. Ajansla ilişkimizi bitirmeden önce son çare olarak başvururuz.
5. Hiçbir zaman.
9. Fikrim yok.

33. Halen birlikte çalışmakta olduğunuz reklam ajansınızla ne zaman çalışmaya başladınız?

[Lütfen Yazınız]:
tarihinden itibaren çalışıyoruz.

34. Halen birlikte çalışmakta olduğunuz reklam ajansından önce şirketinizden bağımsız (şirketinizin kurum içi ajansı olmayan) bir reklam ajansı ile çalıştınız mı?

1. Evet
2. Hayır

Yukarıdaki soruya cevabınız hayır ise lütfen 38. sorudan devam ediniz.

35. Halen birlikte çalışmakta olduğunuz reklam ajansınızdan önce çalıştığınız reklam ajansı ile ne kadar süreyle çalıştınız?

[Lütfen Yazınız]:

36. Önceki reklam ajansınızdan ayrılma kararında sizin etkiniz oldu mu?

1. Evet
2. Hayır

Yukarıdaki soruya cevabınız hayır ise lütfen 38. sorudan devam ediniz.

37. Önceki reklam ajansınızdan ayrılmanızda aşağıda önerilen nedenler ne denli önemliydi?	Çok önemli	Önemli	Önemli sayılır	Önemli değil	Hiç önemli değil	Fıkrım yok
Yaratıcı işlerin standartlaşması	5	4	3	2	1	9
Ajansın işten uzaklaşması	5	4	3	2	1	9
Ajansın bize yeterince zaman ve kaynak ayırmaması	5	4	3	2	1	9
Ajans üst yönetiminin ilgisizliği	5	4	3	2	1	9
Satış yaratmada zayıflık	5	4	3	2	1	9
İmaj, bilinirlik vb. tutumsal kampanyaların zayıflığı	5	4	3	2	1	9
Pazarlama danışmanlığında yetersizlik	5	4	3	2	1	9
Ajansın bizim rakiplerimize de hizmet vermesi	5	4	3	2	1	9
Mali açıdan daha iyi teklif gelmesi	5	4	3	2	1	9
Ajansın kurumsallık düzeyi	5	4	3	2	1	9
Ajansın tazmini konusunda anlaşamamazlık	5	4	3	2	1	9
Ajans çalışmalarının maliyetlerinin yüksek olması	5	4	3	2	1	9
Tam hizmet ajansına gerek duymamız	5	4	3	2	1	9
Ajansın teknolojik donanımının yetersizliği	5	4	3	2	1	9
Ajansın hizmet yelpazesinin yeterince geniş olmaması	5	4	3	2	1	9
Ajans çalışanlarının uzmanlık düzeyi	5	4	3	2	1	9
Ajansla ilişkilerin zayıflığı	5	4	3	2	1	9
Ajans çalışanlarının çok sık değişmesi	5	4	3	2	1	9
Müşteri temsilcilerinin değişmesi	5	4	3	2	1	9
Yaratıcı ekibin değişmesi	5	4	3	2	1	9
Ajans üst düzey yönetiminin değişmesi	5	4	3	2	1	9
Bizim üst düzey yönetimimizin değişmesi	5	4	3	2	1	9
Pazarlama ekibimizin değişmesi	5	4	3	2	1	9
Ajansın başka bir şirketle birleşmesi veya bölünmesi	5	4	3	2	1	9
Uluslararası ajans ağı içinde yer alan bir ajansla çalışmayı istememiz	5	4	3	2	1	9
Yurtdışındaki merkez ofisimizin / Bağlı olduğumuz şirket grubunun kararı	5	4	3	2	1	9
Ajansın bizimle artık çalışmak istemediğini belirtmesi	5	4	3	2	1	9
Diğer: _____	5	4	3	2	1	9

38. Aşağıda, reklamverenlerin reklam ajanslarıyla ilişkilerini bitirme gerekçesi olarak gösterdikleri çeşitli nedenler yer almaktadır. Benzer bir kararda bu nedenler sizin için ne denli önemli olabilir?	Çok önemli	Önemli	Önemli sayılır	Önemli değil	Hiç önemli değil	Fikrim yok
Yaratıcı işlerin standartlaşması	5	4	3	2	1	9
Ajansın işten uzaklaşması	5	4	3	2	1	9
Ajansın bize yeterince zaman ve kaynak ayırmaması	5	4	3	2	1	9
Ajans üst yönetiminin ilgisizliği	5	4	3	2	1	9
Satış yaratmada zayıflık	5	4	3	2	1	9
İmaj, bilinirlik vb. tutumsal kampanyaların zayıflığı	5	4	3	2	1	9
Pazarlama danışmanlığında yetersizlik	5	4	3	2	1	9
Ajansın bizim rakiplerimize de hizmet vermesi	5	4	3	2	1	9
Mali açıdan daha iyi teklif gelmesi	5	4	3	2	1	9
Ajansın kurumsallık düzeyi	5	4	3	2	1	9
Ajansın tazmini konusunda anlaşamamazlık	5	4	3	2	1	9
Ajans çalışmalarının maliyetlerinin yüksek olması	5	4	3	2	1	9
Tam hizmet ajansına gerek duymamız	5	4	3	2	1	9
Ajansın teknolojik donanımının yetersizliği	5	4	3	2	1	9
Ajansın hizmet yelpazesinin yeterince geniş olmaması	5	4	3	2	1	9
Ajans çalışanlarının uzmanlık düzeyi	5	4	3	2	1	9
Ajansla ilişkilerin zayıflığı	5	4	3	2	1	9
Ajans çalışanlarının çok sık değişmesi	5	4	3	2	1	9
Müşteri temsilcilerinin değişmesi	5	4	3	2	1	9
Yaratıcı ekibin değişmesi	5	4	3	2	1	9
Ajans üst düzey yönetiminin değişmesi	5	4	3	2	1	9
Bizim üst düzey yönetimimizin değişmesi	5	4	3	2	1	9
Pazarlama ekibimizin değişmesi	5	4	3	2	1	9
Ajansın başka bir şirketle birleşmesi veya bölünmesi	5	4	3	2	1	9
Uluslararası ajans ağı içinde yer alan bir ajansla çalışmayı istememiz	5	4	3	2	1	9
Yurtdışındaki merkez ofisimizin / Bağlı olduğumuz şirket grubunun kararı	5	4	3	2	1	9
Diğer: _____	5	4	3	2	1	9

39. **Su anda birlikte çalıştığımız reklam ajansı sayısı:**

[Lütfen Yazınız]:

Tek ajansla çalışıyorsanız, lütfen 42. sorudan devam ediniz.

40. **Niçin birden fazla reklam ajansı ile çalışıyorsunuz?**

(Lütfen sadece iki seçenek işaretleyiniz.)

İş yükümüz, tek ajansın kaldıramayacağı kadar ağır.	1
Kimi markalarımız ana ajansımızın diğer müşterileriyle çakışma yaratıyor.	1
Ana ajansımız çizgi altı hizmetler sunmuyor.	1
Aradığımız bazı tür hizmetler ancak uzmanlaşmış ajanslar tarafından sunuluyor.	1
Rekabet, ajanslarımızdan daha iyi hizmet almamızı sağlıyor.	1
Rekabet, maliyet avantajı sağlıyor.	1
Birden fazla ajansla çalışmamız, performanslarını ve maliyetleri karşılaştırmamıza olanak tanıyor, böylece kıstaslar belirlememizi sağlıyor.	1
Birden fazla ajansla çalışarak, ajanslarımızdan birinden ayrılmamız gerektiğinde dahi şirketimizin ajans hizmetlerinden yoksun kalmamasını sağlamış oluyoruz.	1
Bağlı olduğumuz şirket grubunun / Yurtdışındaki merkez ofisimizin kararı.	1
Diğer:	1

41. **Birden fazla reklam ajansı ile çalışıyorsanız, bu reklam ajansları arasında nasıl bir işbölümü yapıyorsunuz?**

- Ajanslarımıza birbirinden farklı ürün gruplarını veriyoruz.
- Ajanslarımızı bize verdikleri hizmet türüne göre (çizgi üstü, çizgi altı, doğrudan pazarlama gibi) ayırıyoruz.
- Diğer: _____

42. **Şirketinizin reklam ajansı seçiminde uyguladığı yazılı bir prosedür var mı?**

- Evet
- Hayır
- Fikrim Yok

43. **Su anda birlikte çalıştığımız ana reklam ajansımızın seçimi için hangi yöntemi kullandınız?**

- Konkur açtık
- Çalışmak istediğimiz ajansı doğrudan belirledik ve onunla çalışmaya başladık.
- Ajansın kendi inisiyatifiyle yaptığı sunum sonucu birlikte çalışma kararı aldık.
- Bağlı olduğumuz uluslararası şirket ağının belirlediği ajansla çalışma kararı aldık.
- Diğer: _____
- Fikrim yok.

44a. **Halen birlikte çalışmakta olduğunuz reklam ajansının seçiminde bağlı bulunduğunuz şirket grubunun veya yabancı şirket ağının etkisi söz konusu muydu?**

- Evet
- Hayır
- Fikrim Yok

44b. **Halen birlikte çalışmakta olduğunuz reklam ajansının seçiminde sizin etkiniz oldu mu?**

- Evet
- Hayır

Yukarıdaki sorunun (b) şıkkına cevabınız hayır ise lütfen 46. sorudan devam ediniz.

45. Halen birlikte çalıştığımız reklam ajansının seçiminde aşağıdaki kriterler ne denli önemliydi?

	Çok önemli	Önemli	Önemli sayılır	Önemli değil	Hiç önemli değil	Fikrim yok
Ajansın tanınmışlığı	5	4	3	2	1	9
Ajansın yaratıcılığı	5	4	3	2	1	9
Ajansın kazanmış olduğu ödüller	5	4	3	2	1	9
Ajansın bizim sektörümüz/ürün grubumuz konusunda deneyimli olması	5	4	3	2	1	9
Ajansın gerek çizgi üstü, gerekse çizgi altı reklam hizmetlerini sunabilmesi	5	4	3	2	1	9
Bütünsel pazarlama iletişimi sunabilmesi	5	4	3	2	1	9
Pazarlama/strateji konularında danışmanlık yapabilmesi	5	4	3	2	1	9
Ajansın kurumsallığı	5	4	3	2	1	9
Ajansın büyüklüğü	5	4	3	2	1	9
Ajansın saygınlığı	5	4	3	2	1	9
Ajansın teknolojik donanımı	5	4	3	2	1	9
Ajansın geçmişte yapmış olduğu reklam kampanyalarının pazar başarısı	5	4	3	2	1	9
Ajansın önemli şirketlere hizmet veriyor olması	5	4	3	2	1	9
Tam hizmet ajansı olması	5	4	3	2	1	9
Ajansın uluslararası bir ajans ağı içinde yer alması	5	4	3	2	1	9
Ajansın sunduğu mali teklifin uygunluğu	5	4	3	2	1	9
Ajansın medyadan uygun fiyatlarla reklam yeri alabilmesi	5	4	3	2	1	9
Ajans sunumunun genel kalitesi	5	4	3	2	1	9
Ajansın sunduğu örnek çalışmaların verdiğimiz yönlendirici bilgiye (brief) uygunluğu	5	4	3	2	1	9
Ajansın bizim işimize atamayı taahhüt ettiği kişiler	5	4	3	2	1	9
Ajansın ortaklarıyla veya yöneticileriyle dostluk ilişkileri	5	4	3	2	1	9
Ajans üst yönetimiyle aramızda oluşan sinerji	5	4	3	2	1	9
Ajans çalışanlarıyla aramızda oluşan sinerji	5	4	3	2	1	9
Meslektaş ve dost tavsiyeleri	5	4	3	2	1	9
Tanıdığımız ajans müşterilerinin tavsiyeleri	5	4	3	2	1	9
Eskiden de belirli bir dönem boyunca reklamveren-reklam ajansı ilişkisi deneyimimizin olması / Ajansla önceden ortak projelerde görev almamız sonucunda edindiğimiz deneyim	5	4	3	2	1	9
Bağlı olduğumuz şirket grubunun / Yurtdışındaki merkez ofisimizin kararı.	5	4	3	2	1	9
Diğer: _____	5	4	3	2	1	9

46. Bugün yeni bir reklam ajansı seçmek durumunda olsanız, aşağıdaki kriterler sizin için ne denli önemli olur?

	Çok önemli	Önemli	Önemli sayılır	Önemli değil	Hiç önemli değil	Fikrim yok
Ajansın tanınmışlığı	5	4	3	2	1	9
Ajansın yaratıcılığı	5	4	3	2	1	9
Ajansın kazanmış olduğu ödüller	5	4	3	2	1	9
Ajansın bizim sektörümüz/ürün grubumuz konusunda deneyimli olması	5	4	3	2	1	9
Ajansın gerek çizgi üstü, gerekse çizgi altı reklam hizmetlerini sunabilmesi	5	4	3	2	1	9
Bütünsel pazarlama iletişimi sunabilmesi	5	4	3	2	1	9
Pazarlama/strateji konularında danışmanlık yapabilmesi	5	4	3	2	1	9
Ajansın kurumsallığı	5	4	3	2	1	9
Ajansın büyüklüğü	5	4	3	2	1	9
Ajansın saygınlığı	5	4	3	2	1	9
Ajansın teknolojik donanımı	5	4	3	2	1	9
Ajansın geçmişte yapmış olduğu reklam kampanyalarının pazar başarısı	5	4	3	2	1	9
Ajansın önemli şirketlere hizmet veriyor olması	5	4	3	2	1	9
Tam hizmet ajansı olması	5	4	3	2	1	9
Ajansın uluslararası bir ajans ağı içinde yer alması	5	4	3	2	1	9
Ajansın sunduğu mali teklifin uygunluğu	5	4	3	2	1	9
Ajansın medyadan uygun fiyatlarla reklam yeri alabilmesi	5	4	3	2	1	9
Ajans sunumunun genel kalitesi	5	4	3	2	1	9
Ajansın sunduğu örnek çalışmaların verdiğimiz yönlendirici bilgiye (brief) uygunluğu	5	4	3	2	1	9
Ajansın bizim işimize atamayı taahhüt ettiği kişiler	5	4	3	2	1	9
Ajansın ortaklarıyla veya yöneticileriyle dostluk ilişkileri	5	4	3	2	1	9
Ajans üst yönetimiyle aramızda oluşan sinerji	5	4	3	2	1	9
Ajans çalışanlarıyla aramızda oluşan sinerji	5	4	3	2	1	9
Meslektaş ve dost tavsiyeleri	5	4	3	2	1	9
Tanıdığımız ajans müşterilerinin tavsiyeleri	5	4	3	2	1	9
Eskiden de belirli bir dönem boyunca reklamveren-reklam ajansı ilişkisi deneyimimizin olması / Ajansla önceden ortak projelerde görev almamız sonucunda edindiğimiz deneyim	5	4	3	2	1	9
Bağlı olduğumuz şirket grubunun / Yurtdışındaki merkez ofisimizin kararı.	5	4	3	2	1	9
Diğer: _____	5	4	3	2	1	9

47. Halihazırdaki reklam ajansınızla birlikte çalışmayı sürdürmenizde aşağıda önerilen gerekçeler ne denli önemlidir?

	Çok önemli	Önemli	Önemli sayılır	Önemli değil	Hiç önemli değil	Fikrim yok
Bu ajans, şu anda bulabileceğimiz en iyi reklam ajansı.	5	4	3	2	1	9
Bu ajanstan ayrılmamız, ajansa yaptığımız yatırımın büyük ölçüde boşa gitmesi demektir.	5	4	3	2	1	9
Ajansla çalışmaktan vazgeçmemiz bizim açımızdan belirsizlik doğurur.	5	4	3	2	1	9
Yeni bir ajans arayışı, yeni ajansın işimize adapte olması bize zaman kaybettirecektir.	5	4	3	2	1	9
Bu ajansla aramızdaki uyumu başka bir ajansla yakalamamız zor.	5	4	3	2	1	9
Ajansa ödediğimiz ücretin karşılığında daha iyi bir başka ajans bulamayız.	5	4	3	2	1	9
Ajans, performans hedeflerimize ulaşmada çok başarılı.	5	4	3	2	1	9
Ajanstan ayrılmamız kişisel ilişkilerimizi zedeler.	5	4	3	2	1	9
Ajanstan ayrılmamız reklam kampanya(ları)mızın sürekliliğini etkiler.	5	4	3	2	1	9
Bağlı bulunduğumuz şirket grubunun ya da yurtdışındaki merkez ofisimizin kararı.	5	4	3	2	1	9
Diğer:	5	4	3	2	1	9

48. Ajansınız için genel performans değerlendirmesi yapar mısınız?

1. Evet
2. Hayır

49. Ajansınızla ilgili performans değerlendirmesini hangi sıklıkta gerçekleştiriyorsunuz?

- (5) Yılda iki kez.
- (4) Yılda bir kez.
- (3) İki yılda bir kez.
- (2) İki yıldan daha uzun süreli aralıklarla.
- (1) Belirli bir düzen izlemiyoruz.

(8) Diğer: _____

50. Ajansınızın performansını değerlendirme yönteminiz:

(Uyanların hepsini işaretleyebilirsiniz.)

Yaptığı çalışmaların pazar payı hedefimizi tutturmasına katkısı	1
Yaptığı çalışmaların satış hedefimizi tutturmasına katkısı	1
Yaptığı çalışmaların kârlılık hedefimizi tutturmasına katkısı	1
Yaptığı çalışmaların finansal hedeflerimizi tutturmasına katkısı	1
Yaptığı çalışmaların genel olarak finansal performansımıza katkısı	1
Yaptığı çalışmaların marka hedeflerimizi tutturmasına katkısı (bilinirlik, imaj, algılanan kalite, olumlu tutum, sadakat vb.)	1
Hizmet kalitesi	1
Kazandığı ödüller	1
Yaratıcılığı	1
Diğer:	1

51. Reklam ajansınız sizin performansınızı formel olarak değerlendiriyor mu?

- (5) Evet; yılda iki kez.
(4) Evet; yılda bir kez.
(3) Evet, iki yılda bir kez.
(2) Evet; iki yıldan uzun süreli aralıklarla.
(1) Hayır; bugüne kadar ajansımız bizimle ilgili bir performans değerlendirmesi yapmadı.
(8) Diğer: _____.

52. Reklam ajansınızı ücretlendirme yönteminiz aşağıdaki biçimlerden hangisine uymaktadır? (Uyanların hepsini işaretleyebilirsiniz.)

Mecralarda yapılan reklam harcamaları üzerinden yüzde/komisyon	1
Mecralarda yapılan reklam harcamaları üzerinden, harcama tutarı arttıkça azalan oranlarda komisyon	1
Yapılan reklam masrafları üzerinden yüzde	1
Performans ölçütlerine dayalı ödeme	1
Aylık fiiks ücret artı masraf	1
Yıllık fiiks ücret artı masraf	1
Harcanan zaman esasına göre ücret	1
Proje başına ücret	1
Minimum garantisi (Medya komisyonları, reklam ajansına garanti edilen minimum gelire ulaşmadığı zaman ajansa ek ödeme yapılacağını garanti edilmesi)	1
Diğer:	1

53. Reklam bütçenizi belirlerken reklam ajansınızın görüşüne başvurur musunuz?

1. Evet
2. Hayır

54. Reklam ajansınızla sözleşme çerçevesinde mi çalışıyorsunuz?

1. Evet
2. Hayır, sözleşmemiz bulunmuyor

55. Aşağıda sıralanan sorunlar şirketinizle ana reklam ajansınız arasında sizce ne denli önemli olmaktadır?

	Çok önemli	Önemli	Önemli sayılır	Önemli değil	Hiç önemli değil	Böyle bir sorunumuz yok	Fikrim yok
Ajans, işimizi anlamıyor.	5	4	3	2	1	8	9
Strateji, yaratıma aktarılamıyor.	5	4	3	2	1	8	9
Ajansın çalışmaları çok uzun zaman alıyor; işlerde çok fazla revizyon yapılıyor.	5	4	3	2	1	8	9
Ajans çalışmalarının etkisi, pazar sonuçlarımıza yansımıyor.	5	4	3	2	1	8	9
Ajans çalışmalarının etkisi, marka hedeflerimize (bilinirlik, algılanan kalite, sadakat, olumlu tutum vb.) ulaşmada yetersiz kalıyor.	5	4	3	2	1	8	9
Ajans bize yeterince zaman ve kaynak ayırmıyor.	5	4	3	2	1	8	9
Ajans, çizgi altı reklam hizmetlerini sunmuyor.	5	4	3	2	1	8	9
Ajans, bizim işimize en iyi elemanlarını atamıyor.	5	4	3	2	1	8	9
Ajans, işimizle ilgili çalışanlarını çok sık değiştiriyor.	5	4	3	2	1	8	9
Bizim çalışmalarımız için en uygun fiyatları almıyor.	5	4	3	2	1	8	9
Ajans, işimizle ilgili çalışanlarını yeterince sık değiştirmiyor; taze soluğa ihtiyaç duyuyoruz.	5	4	3	2	1	8	9
Bizi yönlendirecek fikirler geliştirmiyor.	5	4	3	2	1	8	9
Firmamızın hizmet aldığı diğer pazarlama iletişimi firmalarıyla yeterince işbirliği yapmıyor.	5	4	3	2	1	8	9
Ajans, özellikle yaratımla ilgili konularda eleştirilerimize açık değil.	5	4	3	2	1	8	9
Ajansın diğer müşterileri arasında bize rakip markalar var / oluştu.	5	4	3	2	1	8	9
Ajans, etkili reklamlar üretmek yerine, yaratıcı ödüller kazanmaya çalışıyor.	5	4	3	2	1	8	9
Yaratıcı fikirlerin zayıflığı	5	4	3	2	1	8	9
Yaratıcı uygulamaların zayıflığı	5	4	3	2	1	8	9
Ajans üst yönetiminin ilgisizliği	5	4	3	2	1	8	9
Müşteri ilişkilerinin düzeyi	5	4	3	2	1	8	9
Yaratıcılarla ilişkilerin düzeyi	5	4	3	2	1	8	9
Ajans üst yönetimiyle uyumsuzluk	5	4	3	2	1	8	9
Ajansla strateji konusunda anlaşamamazlık	5	4	3	2	1	8	9
Strateji / pazarlama konusunda sunulan fikirlerin yetersizliği	5	4	3	2	1	8	9
Çeşitli reklam ortamlarına uygulanabilecek yaratıcı fikirlerin yetersizliği	5	4	3	2	1	8	9
Ajansın kurumsallık düzeyi	5	4	3	2	1	8	9
Ajansın teknolojik donanımının yetersizliği	5	4	3	2	1	8	9
Ajans ücretinin yüksekliği	5	4	3	2	1	8	9
Yapım (prodüksiyon) maliyetlerinin yüksekliği	5	4	3	2	1	8	9
Ajansın medyadan uygun fiyatlarla yer alamaması	5	4	3	2	1	8	9
Ajans çalışanlarının yetkinlik düzeyi	5	4	3	2	1	8	9
Ajans çalışanlarının deneyim düzeyi	5	4	3	2	1	8	9
Ajansla şirketimizin hedeflerinin örtüşmemesi	5	4	3	2	1	8	9
Diğer: _____	5	4	3	2	1	8	9

56. Sizde, ana reklam ajansınızla aranızdaki sorunları gidermede aşağıda önerilen reklamveren girişimlerinden hangisi yararlı olabilir?

		Önerilen girişimlerden hangilerini uyguladınız veya uygulamaktasınız?
	<i>(Uyanların hepsini işaretleyebilirsiniz.)</i>	<i>(Uyanların hepsini işaretleyebilirsiniz.)</i>
Ajans performans değerlendirmesi yapmak	1	
Reklamveren firmadaki onay mekanizmasını yalınlaştırmak	1	
Reklam yönlendirici bilgi (brief) oluşturulması sürecine ajansın katılımını sağlamak	1	
Çalışmalar için ajansa daha çok süre tanımak	1	
Üstün performans (satışlar, diğer pazar sonuçları, markaya ilişkin bilinirlik, imaj vb. hedefler) gösterdiğinde ajansı ödüllendirmek	1	
Çalışmaların kapsamını daha kesin çizgilerle tanımlamak	1	
Ajans revizyonlarını azaltmak için ilk yaratıcı çalışma sunumlarında daha çok sayıda üst düzey reklamveren yetkilisinin bulunmasını sağlamak	1	
Firma hedeflerine ilişkin ajansa daha çok bilgi vermek	1	
Ajanslarla ilişkileri yürüten elemanları eğitmek	1	
Ajanslarla ilişkileri yürüten elemanları değiştirmek	1	
Ajansın tazmin planında değişiklik yapmak	1	
Ajanstan reklamverenin performansını değerlendirmesini istemek	1	
Bir yönetim danışmanından destek almak	1	
Diğer:	1	

57. Sizce, ana reklam ajansınızla aranızdaki sorunları gidermede aşağıda önerilen reklam ajansı girişimlerinden hangisi yararlı olabilir?

		Ajansınız, önerilen girişimlerden hangilerini uyguladı veya uygulamakta?
	(Uyanların hepsini işaretleyebilirsiniz.)	(Uyanların hepsini işaretleyebilirsiniz.)
Marka takımını değiştirmek	1	
İş süreçlerini değiştirmek	1	
Çalışanlarını eğitmek	1	
Tazmin biçimini değiştirmek	1	
Daha düşük ücret talep etmek	1	
Reklamverenin bütçe sınırları içinde kalmaya daha çok özen göstermek	1	
Marka takımını genişletmek	1	
Hizmet yelpazesini genişletmek (örneğin, çizgi altı reklam hizmetlerini de sunmak)	1	
Ajans üst yönetiminin reklamverene daha çok ilgi göstermesi	1	
Diğer: _____	1	

Lütfen aşağıdaki ifadeye katılıp katılmadığınızı belirtiniz. Katılıp katılmama derecenizi en iyi gösteren seçeneği işaretleyiniz.

	Kesinlikle katılıyorum	Katılıyorum	Ne katılıyorum ne katılmıyorum	Katılmıyorum	Kesinlikle katılmıyorum	Fikrim yok
58. Eğer seçim hakkı tümüyle bana ait olsa, bu ajansla uzun süre çalışmak isterim.	5	4	3	2	1	9

61. Şirketiniz ne zamandan beri faaliyet göstermektedir? (Eğer şirketiniz yabancı kökenli bir firma ise Türkiye’de ne zamandan beri şirket olarak yapılanmıştır?)

[Lütfen Yazınız]:yılından beri.

[Lütfen Yazınız]: Yaklaşık yıldır.

62. Şirketinizin toplam çalışan sayısı:

[Lütfen Yazınız]:

63. 2005 yılı için öngördüğünüz tahmini toplam brüt reklam bütçeniz (ajans komisyonu, çizgi altı harcamalar, prodüksiyon masrafları, yerel mecralarda yapılan harcamalar ve KDV dahil):

[Lütfen Yazınız]:

64a-b. Şirketinizin sermaye yapısı:

[Yerli Sermaye]: Yüzde

[Yabancı Sermaye]: Yüzde

64c. Şirketinizin halka açıklık oranı:

[Halka Açıklık Oranı]: Yüzde

Ankete cevap verenin

Adı ve soyadı:

Görevi:

Bu görevde bulunduğu süre: _____ tarihinden itibaren / _____.

Bu sektörde bulunduğu süre: _____ tarihinden itibaren / _____.

İşletmenizin adı:

İşletmenizin faaliyet dalı:

Tarih:

Gösterdiğiniz ilgiye teşekkür ederiz.

APPENDIX I Advertiser Questionnaire in English

Questionnaire

*The following is a questionnaire pertaining to the relationship between your company and your advertising agency. If you are engaging the services of more than one advertising agency, please answer the questions for your **principal agency only** unless otherwise indicated.*

1. Please rate your advertising agency with respect to the following services, service dimensions, and the quality of the relationship between your company and your agency, indicating your choice with a check mark.

If the service in question is not one that you are currently buying from your advertising agency, then please leave the question blank. If you are currently receiving the service in question but do not have an opinion, please check the (No opinion) choice.

		Very satisfactory	Somewhat satisfactory	Neither satisfactory nor dissatisfactory	Somewhat dissatisfactory	Very dissatisfactory	No opinion
I)	Quality of the media planning services of your agency	5	4	3	2	1	9
II)	Quality of the public relations campaigns conducted by your advertising agency	5	4	3	2	1	9
III)	The agency's ability to make the deadlines	5	4	3	2	1	9
IV)	Quality of the advertising research conducted by your agency	5	4	3	2	1	9
V)	The agency's ability to operate within agreed-upon strategies	5	4	3	2	1	9
VI)	The efficiency of the approval process within the agency (i.e., The agency is not burdened with too many levels of approval.)	5	4	3	2	1	9
VII)	Quality of your agency's creative work	5	4	3	2	1	9
VIII)	The ease with which you can get in touch with the account executives and other essential people in the agency	5	4	3	2	1	9
IX)	The agency's ability to quickly react to changes in the environment (such as technological progress, macro developments, legal changes, competition, etc.)	5	4	3	2	1	9

		Very satisfactory	Somewhat satisfactory	Neither satisfactory nor dissatisfactory	Somewhat dissatisfactory	Very dissatisfactory	No opinion
X)	The agency's price (i.e., Does the agency charge fairly? How satisfied are you with the commission the agency charges for its services?)	5	4	3	2	1	9
XI)	Quality of the marketing research conducted by the agency	5	4	3	2	1	9
XII)	Clarity and specificity of the delineation of responsibility among agency personnel (Is the assignment of responsibility among agency personnel clear and specific?)	5	4	3	2	1	9
XIII)	The agency's capability to provide full range of services (agency service breadth)	5	4	3	2	1	9
XIV)	Productivity and efficiency of agency meetings	5	4	3	2	1	9
XV)	The agency's ability to show strong leadership	5	4	3	2	1	9
XVI)	The experience level of agency personnel	5	4	3	2	1	9
XVII)	The agency's rate of (low) personnel turnover	5	4	3	2	1	9
XVIII)	Quality of personal relationship with agency creative people	5	4	3	2	1	9
XIX)	Quality of personal relationship with the account service people	5	4	3	2	1	9
XX)	Agency's ability to stay within your budget limitations	5	4	3	2	1	9
XXI)	Ability of your advertising agency to buy media at favorable prices	5	4	3	2	1	9
XXII)	Agency's ability to make good use of research results	5	4	3	2	1	9
XXIII)	Agency's contribution to the development of your marketing plans / marketing strategy	5	4	3	2	1	9

	Very satisfactory	Somewhat satisfactory	Neither satisfactory nor dissatisfactory	Somewhat dissatisfactory	Very dissatisfactory	No opinion
XXIV) The involvement of the agency's top management in your work (e.g. regularly calling you, updating you on work in progress, etc.)	5	4	3	2	1	9
XXV) Level of establishment of agency procedures (How formalized are the agency's ways of conducting its business?)	5	4	3	2	1	9
XXVI) Agency's integrated marketing communications capability	5	4	3	2	1	9
XXVII) Agency's ability to find creative solutions to your marketing problems	5	4	3	2	1	9
XXVIII) Agency's openness to criticism	5	4	3	2	1	9
XXIX) How well the agency stands behind the proposals and the work it presents	5	4	3	2	1	9
XXX) Agency's ability to produce ideas that work well in a variety of advertising media	5	4	3	2	1	9
XXXI) Quality of the agency's creative execution	5	4	3	2	1	9
XXXII) Agency's ability to get good prices from third parties for your work	5	4	3	2	1	9
XXXIII) How well the agency collaborates with your other marketing communications suppliers	5	4	3	2	1	9
XXXIV) Quality of the agency's below-the-line advertising	5	4	3	2	1	9
XXXV) Level of agreement with the agency over your targets and objectives	5	4	3	2	1	9
XXXVI) Quality of media research conducted by the agency	5	4	3	2	1	9

Please indicate how strongly you agree or disagree with the following statements by placing a checkmark next to the statement that best expresses your position.

	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree	No opinion
2. Our agency does not shy away from new investments to meet our evolving needs.	5	4	3	2	1	9
3. Our agency puts the same care into all our assignments irrespective of the amount of revenue the assignment represents.	5	4	3	2	1	9
4. Our agency has a good understanding of our business/sector.	5	4	3	2	1	9
5. Our agency is one of Turkey's most prestigious advertising agencies.	5	4	3	2	1	9
6. Our corporate culture is compatible with that of our agency.	5	4	3	2	1	9
7. We have good rapport with our agency.	5	4	3	2	1	9
8. There are no accounts among our agency's other clients that could be considered our competition (no account conflicts).	5	4	3	2	1	9
9. Our people and agency people are compatible in terms of their expertise levels.	5	4	3	2	1	9
10. Our people and agency people are compatible in terms of their authority levels.	5	4	3	2	1	9

11. How satisfactory do you find your agency overall?

5	4	3	2	1	9
Very satisfactory	Somewhat satisfactory	Neither satisfactory nor dissatisfactory	Somewhat dissatisfactory	Very dissatisfactory	No opinion

11a. Please rate your agency on a scale of 0-100.

.....

12. Please answer the following questions for your principal advertising agency.

	Which of the following services do you buy from your advertising agency? <i>(Please indicate all that apply.)</i>	Which of the services below do you consider essential for your advertising agency to provide if you are to continue working with this agency? <i>(Please indicate at most 3 choices in priority order, with 1 as having top priority.)</i>
Above-the-line advertising (Television, cinema, radio, newspaper/magazine advertising, outdoor advertising)	1	
Internet advertising, Web site design	1	
Corporate identity design	1	
Packaging design	1	
Print material design (product brochures, product handbooks etc.)	1	
Printed corporate communications (corporate magazines, corporate booklets, etc.)	1	
Annual reports	1	
Visual communications design (corporate videos, product videos etc.)	1	
POP design	1	
In-store activities (product demonstrations, sampling etc.)	1	
Strategic brand planning	1	
Advertising research	1	
Marketing research (studies on products, potential markets, consumers, competition, sales, market share)	1	
Media research	1	
Direct marketing / CRM	1	
Public relations	1	
Trade shows, fairs, exhibitions, etc.	1	
Event management	1	
Consumer promotions	1	
Trade promotions	1	
Media planning	1	
Media buying	1	
Other	1	

13. What is your brand's best weapon in its market?

(Please answer for the brand handled by your principal agency. If your agency handles several of your brands, please answer for that brand which represents your biggest advertising investment.)

	Please indicate the contribution of each of the following to your brand's competitive power. (%)
The product itself (the core product or service)	
The brand	
Our corporate name	
Price	
Our distribution power	
Advertising	
Marketing communications other than advertising (in-store activities, sales promotion, direct marketing, CRM, Internet/Web communications, sponsorship, public relations activities, etc.)	
Other: _____	

14. Market growth rate over the past year (growth rate of sectoral income from 2003 to 2004 in US dollars):%.

Please indicate how strongly you agree or disagree with the following statements by placing a checkmark next to the statement that best expresses your position.

	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree	No opinion
15. Advertising is an important tool for increasing the sales of our brand(s).	5	4	3	2	1	9
16. Advertising is an investment we make in our brands' future.	5	4	3	2	1	9

17. Please indicate the contribution of your advertising agency to the following results.

	Very important	Important	Somewhat important	Somewhat unimportant	Not important at all	No opinion
Increasing sales	5	4	3	2	1	9
Increasing market share	5	4	3	2	1	9
Meeting objectives related to your brand's image (brand awareness, perceived quality, brand loyalty, positive attitude, etc.)	5	4	3	2	1	9

Please indicate how strongly you agree or disagree with the following statement by placing a checkmark next to the statement that best expresses your position.

	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree	No opinion
18. Our advertising agency provides services that are critical to the success of our company.	5	4	3	2	1	9
19. We share all brand-related information with our advertising agency.	5	4	3	2	1	9
20. We keep our agency well-informed of what is going on in our company.	5	4	3	2	1	9
21. We share our overall marketing strategy with our agency.	5	4	3	2	1	9

22. Please indicate all of the following statements that apply.

We brief our agency before each advertising campaign.	
Occasionally we organize training programs for our advertising agency.	
We have an intranet with our agency.	
We have an orientation program in place for the agency people new to our account.	
Other: _____	

23. Do agency creatives attend the meetings you have with your advertising agency?

- (5) Always.
- (4) Mostly.
- (3) Sometimes.
- (2) Rarely.
- (1) Never.
- (9) No opinion.

24. In your opinion, which of the following functions fall under your company's charge only, which under your advertising agency's charge only, and which under your joint charge with your agency?

	It is our company's responsibility	It is the responsibility of our advertising agency	It is our mutual responsibility together with our advertising agency	No opinion
Product development	1	2	3	9
Creating brand identity	1	2	3	9
Formulation of marketing strategy (target group definition, product positioning, pricing, distribution policy)	1	2	3	9
Formulating the creative strategy for our advertising	1	2	3	9
Formulating the media strategy for our advertising	1	2	3	9
Coordination of advertising with other marketing communications	1	2	3	9

25. Which of the following appears in your briefs to the agency?

	Always	Mostly	Sometimes	Rarely	Never
The brand's market position and background	5	4	3	2	1
Findings of brand-related market research	5	4	3	2	1
Findings of competition-related research	5	4	3	2	1
Size of the market in terms of volume and value	5	4	3	2	1
The budget allocated for the assignment	5	4	3	2	1

Please indicate how strongly you agree or disagree with the following statements by placing a checkmark next to the statement that best expresses your position.

	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree	No opinion
26. In the briefs we give our agency we make sure to specify budget constraints.	5	4	3	2	1	9
27. In the briefs we give our agency we make sure to specify our expectations.	5	4	3	2	1	9
28. We trust our agency to get the job done right, even if we do not review their work.	5	4	3	2	1	9
29. We are willing to let our agency make important decisions without our involvement, if we cannot be reached.	5	4	3	2	1	9
30. We rarely feel the need to check our agency's work to make sure it is being done correctly.	5	4	3	2	1	9
31. We are willing to accept the agency's advice without questioning their motives.	5	4	3	2	1	9

32. Do you make demands from your advertising agency regarding who should be placed on your account (or be excluded from your account, as the case may be)?

1. When we consider it necessary.
2. Only when the agency offers it as an option.
3. Rarely.
4. As a last resort before breaking up with the agency.
5. Never.
9. No opinion.

33. When has your company begun working with your present advertising agency?

Since

34. Has your company worked with an outside advertising agency before your present agency?

1. Yes.
2. No.

If your response to the above question is in the negative, then please continue on to question 38.

35. For how long did your company work with the advertising agency previous to your present agency?

.....

36. Did you personally have any influence in terminating the relationship with the former advertising agency?

1. Yes
2. No

If your response to the above question is in the negative, then please continue on to question 38.

37. How important were the following reasons in terminating your relationship with your former advertising agency?

	Very important	Important	Somewhat important	Somewhat unimportant	Not important at all	No opinion
Standard of agency creative work	5	4	3	2	1	9
Agency not close enough to our business anymore	5	4	3	2	1	9
Agency not giving our account enough time or resources	5	4	3	2	1	9
Agency top management indifference	5	4	3	2	1	9
Sales weakness of campaigns	5	4	3	2	1	9
Image weakness of campaigns	5	4	3	2	1	9
Standard of agency marketing advice	5	4	3	2	1	9
Account conflict within agency	5	4	3	2	1	9
Better financial proposition	5	4	3	2	1	9
Agency not established enough	5	4	3	2	1	9
Disagreement over agency compensation	5	4	3	2	1	9
Agency costs too high	5	4	3	2	1	9
Need for a full-service agency	5	4	3	2	1	9
Standard of agency's technological capability	5	4	3	2	1	9
Agency unable to offer a wide enough service range	5	4	3	2	1	9
Agency staff not knowledgeable enough	5	4	3	2	1	9
Weakness of relations with the agency	5	4	3	2	1	9
High staff turnover at the agency	5	4	3	2	1	9
Changes in agency account service people	5	4	3	2	1	9
Changes in agency creative personnel	5	4	3	2	1	9
Changes in agency top management	5	4	3	2	1	9
Changes in our top management	5	4	3	2	1	9
Changes in our marketing team	5	4	3	2	1	9
Agency involved in merger or acquisition	5	4	3	2	1	9
Need for an international agency	5	4	3	2	1	9
Group decision / International network decision	5	4	3	2	1	9
It was the agency that terminated the relationship.	5	4	3	2	1	9
Other: _____	5	4	3	2	1	9

	Very important	Important	Somewhat important	Somewhat unimportant	Not important at all	No opinion
38. Below are some reasons advertisers have given for terminating their relationship with their advertising agencies. How important would those reasons be for you if you were to make a similar decision?						
Standard of agency creative work	5	4	3	2	1	9
Agency not close enough to our business anymore	5	4	3	2	1	9
Agency not giving our account enough time or resources	5	4	3	2	1	9
Agency top management indifference	5	4	3	2	1	9
Sales weakness of campaigns	5	4	3	2	1	9
Image weakness of campaigns	5	4	3	2	1	9
Standard of agency marketing advice	5	4	3	2	1	9
Account conflict within agency	5	4	3	2	1	9
Better financial proposition	5	4	3	2	1	9
Agency not established enough	5	4	3	2	1	9
Disagreement over agency compensation	5	4	3	2	1	9
Agency costs too high	5	4	3	2	1	9
Need for a full-service agency	5	4	3	2	1	9
Standard of agency's technological capability	5	4	3	2	1	9
Agency unable to offer a wide enough service range	5	4	3	2	1	9
Agency staff not knowledgeable enough	5	4	3	2	1	9
Weakness of relations with the agency	5	4	3	2	1	9
High staff turnover at the agency	5	4	3	2	1	9
Changes in agency account service people	5	4	3	2	1	9
Changes in agency creative personnel	5	4	3	2	1	9
Changes in agency top management	5	4	3	2	1	9
Changes in our top management	5	4	3	2	1	9
Changes in our marketing team	5	4	3	2	1	9
Agency involved in merger or acquisition	5	4	3	2	1	9
Need for an international agency	5	4	3	2	1	9
Group decision / International network decision	5	4	3	2	1	9
Other: _____	5	4	3	2	1	9

39. The number of advertising agencies your company currently employs:

.....
If you work with only one advertising agency, please continue on to question 42.

40. Why do you work with more than one advertising agency? (Please indicate only two reasons.)

Our workload is too heavy for a single agency to handle.	1
Some of our brands create conflicts with our principal agency's other accounts.	1
Our principal agency does not offer below-the-line advertising services.	1
Some of the services we seek are available only from specialist agencies.	1
Competition enables us to get better service from our agencies.	1
Competition enables us to enjoy cost advantages.	1
By working with more than one agency, we are able to compare their performances and costs and thereby establish benchmarks.	1
By working with more than one agency, we make sure we are not left without agency services even in the event that we have to part ways with one agency.	1
Group decision / Network decision.	1
Other: _____	1

41. If you employ more than one advertising agency, please indicate how you divide your account among them.

- a) We give our agencies different product groups.
- b) We divide our account based on the type of service we receive from our agencies (above-the-line, below-the-line, direct marketing, etc).
- c) Other: _____.

42. Does your company have a written procedure for advertising agency selection?

- 1. Yes.
- 2. No.
- 9. No opinion.

43. Which among the following methods did you use in selecting your present ad agency?

- 1. We opened a pitch.
- 2. We directly picked the agency we were interested in working with.
- 3. We decided to work with the agency as a result of the speculative presentation the agency made to us on their own initiative.
- 4. The agency we are working with was determined by our international network.
- 5. Other: _____.
- 9. No opinion.

44a. Did your group headquarters or international network have any influence in the selection of your present agency?

- 1. Yes.
- 2. No.
- 9. No opinion.

44b. Did you personally have any influence in the selection of your present agency?

- 1. Yes.
- 2. No.

If your response to part (b) of the above question is in the negative, please continue on to question 46.

45. How important were the following criteria in your selection of your present advertising agency?

	Very important	Important	Somewhat important	Somewhat unimportant	Not important at all	No opinion
Well-known agency	5	4	3	2	1	9
Agency's creativity	5	4	3	2	1	9
Awards won by agency	5	4	3	2	1	9
Past agency experience in our industry / our product group	5	4	3	2	1	9
Agency's ability to provide both ATL and BTL services	5	4	3	2	1	9
Agency's ability to provide integrated marketing communications	5	4	3	2	1	9
Agency's ability to provide marketing consultancy / strategic input	5	4	3	2	1	9
Well-established agency (with well-established procedures)	5	4	3	2	1	9
Agency size (large agency)	5	4	3	2	1	9
Agency's respectability	5	4	3	2	1	9
Agency's technological capability	5	4	3	2	1	9
Market success of past agency campaigns	5	4	3	2	1	9
Prestigious clients served by the agency	5	4	3	2	1	9
Full range of agency services	5	4	3	2	1	9
Agency is part of an international network	5	4	3	2	1	9
The financial package proposed by the agency	5	4	3	2	1	9
Agency's ability to buy media at favorable prices	5	4	3	2	1	9
Overall quality of agency presentation	5	4	3	2	1	9
The proposed work answered the brief we had given.	5	4	3	2	1	9
The agency people proposed to be put on our account	5	4	3	2	1	9
Personal friendship with the agency's owners or top management	5	4	3	2	1	9
Management chemistry/synergy	5	4	3	2	1	9
Chemistry/synergy between agency people and our people	5	4	3	2	1	9
Recommendations of friends and colleagues	5	4	3	2	1	9
Recommendations of agency clients	5	4	3	2	1	9
Past experience with agency either in a client-agency context or acquired as a result of participation in joint projects	5	4	3	2	1	9
Decision of group headquarters or international network.	5	4	3	2	1	9
Other:	5	4	3	2	1	9

46. If you were to choose a new advertising agency today, how important for you would be the reasons listed below?

	Very important	Important	Somewhat important	Somewhat unimportant	Not important at all	No opinion
Well-known agency	5	4	3	2	1	9
Agency's creativity	5	4	3	2	1	9
Awards won by agency	5	4	3	2	1	9
Past agency experience in our industry / our product group	5	4	3	2	1	9
Agency's ability to provide both ATL and BTL services	5	4	3	2	1	9
Agency's ability to provide integrated marketing communications	5	4	3	2	1	9
Agency's ability to provide marketing consultancy / strategic input	5	4	3	2	1	9
Well-established agency (with well-established procedures)	5	4	3	2	1	9
Agency size (large agency)	5	4	3	2	1	9
Agency's respectability	5	4	3	2	1	9
Agency's technological capability	5	4	3	2	1	9
Market success of past agency campaigns	5	4	3	2	1	9
Prestigious clients served by the agency	5	4	3	2	1	9
Full range of agency services	5	4	3	2	1	9
Agency is part of an international network	5	4	3	2	1	9
The financial package proposed by the agency	5	4	3	2	1	9
Agency's ability to buy media at favorable prices	5	4	3	2	1	9
Overall quality of agency presentation	5	4	3	2	1	9
Closeness of the proposed work to the brief given	5	4	3	2	1	9
The agency people proposed to be put on our account	5	4	3	2	1	9
Personal friendship with the agency's owners or top management	5	4	3	2	1	9
Management chemistry/synergy	5	4	3	2	1	9
Chemistry/synergy between agency people and our people	5	4	3	2	1	9
Recommendations of friends and colleagues	5	4	3	2	1	9
Recommendations of agency clients	5	4	3	2	1	9
Past experience with agency either in a client-agency context or acquired as a result of participation in joint projects	5	4	3	2	1	9
Decision of group headquarters or international network.	5	4	3	2	1	9
Other: _____	5	4	3	2	1	9

47. How important are the following reasons for your maintenance of your present advertising agency?

	Very important	Important	Somewhat important	Somewhat unimportant	Not important at all	No opinion
This is the best advertising agency available to us at this time.	5	4	3	2	1	9
Terminating our relationship with this agency would mean a waste of the investment we have made in the agency.	5	4	3	2	1	9
Terminating our relationship with this agency would create uncertainty on our part.	5	4	3	2	1	9
Searching for a new agency and the new agency's adaptation to our business would cost us time.	5	4	3	2	1	9
It would be difficult for us to find this sort of rapport with another agency.	5	4	3	2	1	9
We could probably not find a better agency at this price.	5	4	3	2	1	9
Agency is very successful in meeting our performance targets.	5	4	3	2	1	9
Terminating our relationship with the agency would damage our personal relationships.	5	4	3	2	1	9
Terminating our relationship with the agency would upset the continuity of our advertising campaign(s).	5	4	3	2	1	9
Decision of our group headquarters or international network.	5	4	3	2	1	9
Other: _____	5	4	3	2	1	9

48. Do you conduct an overall agency performance evaluation?

- 1. Yes
- 2. No

49. How often do you conduct an agency performance evaluation?

- (5) Twice a year.
- (4) Once a year.
- (3) Once every two years.
- (2) Less frequently than every two years.
- (1) With no particular regularity.
- (8) Other: _____

50. Which of the following methods do you use in evaluating your agency's performance?

(Please indicate all that apply.)

The contribution of the agency's work in helping us meet our targeted market share	1
The contribution of the agency's work in helping us meet our sales targets	1
The contribution of the agency's work in helping us meet our profitability targets	1
The contribution of the agency's work in helping us meet our financial targets	1
The contribution of the agency's work to our overall financial performance	1
The contribution of the agency's work in helping us meet our brand targets (awareness, image, perceived quality, positive attitude, loyalty etc.)	1
Service quality	1
Awards won by agency	1
Agency's creativity	1
Other:	1

51. Does your advertising agency formally evaluate your company's performance?

- (5) Yes; twice a year.
- (4) Yes; once a year.
- (3) Yes; once every two years.
- (2) Yes; less frequently than once every two years.
- (1) No; our agency has not yet conducted a formal performance evaluation for us.
- (8) Other: _____.

52. Which of the following methods best describes the way you compensate your advertising agency?

(Please indicate all that apply.)

Commission on media adspend	1
Phased commission on media adspend (sliding scale as media billing increases)	1
Commission on advertising costs	1
Performance-based compensation (Payment by results)	1
Monthly fee plus cost	1
Annual fee plus cost	1
Time-based payment	1
Project-based payment	1
Minimum guarantee (In the event of media commission falling short of the minimum billings guaranteed to the agency, an additional payment is made to the agency.)	1
Other:	1

53. Do you ask for your advertising agency's input in setting your advertising budget?

- 1. Yes
- 2. No

54. Do you have a contract with your advertising agency?

- 1. Yes
- 2. No, we do not have a contract.

55. If any of the problems listed below is an issue between your company and your advertising agency, how important, in your opinion, are those issues?

	Very important	Important	Somewhat important	Somewhat unimportant	Not important at all	We have no such problem	No opinion
The agency does not understand our business.	5	4	3	2	1	8	9
Strategy is not reflected in the creative output.	5	4	3	2	1	8	9
The agency takes too long, there are too many reworks/revisions.	5	4	3	2	1	8	9
The agency's work does not impact market results.	5	4	3	2	1	8	9
The agency's work is not sufficient in achieving our brand targets (awareness, perceived quality, loyalty, positive attitude, etc.).	5	4	3	2	1	8	9
The agency does not devote us enough time or resources.	5	4	3	2	1	8	9
The agency does not offer below-the-line services.	5	4	3	2	1	8	9
The agency does not put its best people on our account.	5	4	3	2	1	8	9
The agency rotates its people too frequently.	5	4	3	2	1	8	9
The agency does not negotiate the best deals for us.	5	4	3	2	1	8	9
The agency does not rotate its people enough; we need fresh thinking.	5	4	3	2	1	8	9
They don't provide thought leadership.	5	4	3	2	1	8	9
They do not collaborate enough with the other marketing communications partners we work with.	5	4	3	2	1	8	9
The agency does not take criticism too well, especially in creative matters.	5	4	3	2	1	8	9
Account conflicts exist / have arisen between us and other agency clients.	5	4	3	2	1	8	9
Instead of producing effective advertising, the agency is going after creative awards.	5	4	3	2	1	8	9
Weakness of creative ideas	5	4	3	2	1	8	9
Weakness of creative executions	5	4	3	2	1	8	9
Agency top management indifference	5	4	3	2	1	8	9
Standard of relations with the account service people	5	4	3	2	1	8	9
Standard of relations with creatives	5	4	3	2	1	8	9
We do not work well with agency's top management.	5	4	3	2	1	8	9
Disagreement with the agency over strategy	5	4	3	2	1	8	9
Standard of strategic ideas / marketing ideas	5	4	3	2	1	8	9
Inadequacy of creative ideas that work in a variety of advertising media	5	4	3	2	1	8	9
Agency is not well-established / not institutional enough.	5	4	3	2	1	8	9
Standard of agency's technological capability	5	4	3	2	1	8	9
The agency's price is too high.	5	4	3	2	1	8	9
Production costs are too high.	5	4	3	2	1	8	9
The ad agency is unable to buy media at favorable rates	5	4	3	2	1	8	9
Standard of agency people's expertise	5	4	3	2	1	8	9
Standard of agency people's experience	5	4	3	2	1	8	9
Lack of agreement between our objectives and theirs	5	4	3	2	1	8	9
Other: _____	5	4	3	2	1	8	9

56. In your opinion, which of the advertiser actions listed below can help resolve the issues between your company and your principal advertising agency?

		Which of the actions listed below has your company implemented or is already implementing?
	<i>(Please indicate all that apply.)</i>	<i>(Please indicate all that apply.)</i>
Institute performance evaluations of the agency	1	
Streamline our approval levels	1	
Engage the agency in the formulation of the advertising brief	1	
Give agency more time to develop work	1	
Provide a bonus for superior performance (sales, other market results, brand awareness, image and other brand-related targets, etc.)	1	
Provide more precise scope of work	1	
Reduce reworks with more client-side senior people attending initial agency presentations	1	
Share more of our company goals	1	
Train our people that deal with the agency	1	
Change our people that deal with the agency	1	
Change the agency's compensation plan	1	
Ask agency to evaluate our performance as client	1	
Engage an independent consultant	1	
Other:	1	

57. In your opinion, which of the agency actions listed below can help resolve the issues between your company and your advertising agency?

		Which of the actions listed below has your advertising agency implemented or is already implementing?
	<i>(Please indicate all that apply.)</i>	<i>(Please indicate all that apply.)</i>
Change the agency account team	1	
Change their processes	1	
Train their people	1	
Change the agency compensation type	1	
Lower their price	1	
Try to stay more within our budget constraints	1	
Enlarge their account team	1	
Extend their service range (e.g., offer below-the-line advertising services)	1	
Get agency top management more involved in our account	1	
Other: _____	1	

Please indicate how strongly you agree or disagree with the following statement by placing a checkmark next to the choice that best expresses your position.

	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree	No opinion
58. If it were completely up to me, I would want to work with this agency for a long time to come.	5	4	3	2	1	9

61. For how long has your company been in business? (If your company is of foreign origin, when was it incorporated in Turkey?)

Since.....

For..... years.

62. Total number of staff in your company:

63. Your total estimated advertising budget for 2005 (including agency commission, below-the-line expenditure, production costs, advertising expenditure in local media, and VAT):

.....

64a-b. Your company's equity structure:

[Domestic equity]: Percentage

[Foreign equity]: Percentage

64c. Your company's public equity:

[Public equity]: Percentage

Survey Respondent's

First Name and Last Name:

Position:

Length of tenure in this position: Since _____ / For _____ years.

Length of tenure in this industry: Since _____ / For _____ years.

Name of your company:

Your company's field of operations:

Date:

Thank you for your kind interest.

Vita

Tanses Y. Gülsoy was born in Verdun, France (where her father was working as an electrical engineer for NATO) and raised in Istanbul, Turkey. She graduated from Robert College with awards for superior academic achievement and began her university studies at the Business Administration Department of Boğaziçi University. Following completion of the first semester, she continued her university education in the US with a full scholarship from Pomona College in Claremont, California, as one of four scholarship students selected worldwide. Upon completion of her B.A., she received the Honnold Fellowship for Graduate Study from Pomona College as a graduation award. Subsequently, she won an H.F. Guggenheim Foundation Fellowship and New York University Research Assistantship, with which she attended New York University (New York, NY). Upon completion of her M.A. in Journalism and Mass Communication at New York University, one of the reports she had completed during her fellowship was published in New York as part of the H. F. Guggenheim Foundation's *Occasional Papers Series*. Following her return home to Istanbul, Turkey, Gülsoy worked as International Advertising Director for the advertising agency Manajans/Thompson (part of J. Walter Thompson Worldwide) for several years. In the year 2000 her book *İngilizce-Türkçe Reklam Terimleri ve Kavramları Sözlüğü / An English-Turkish Dictionary of Advertising* was published (Istanbul: Adam Yayınları, 1999), for which she received an honors award from Turkey's Association of Advertising Creatives (2002). In 2003 she began her Ph.D. studies in Contemporary Management at the Graduate School of Social Sciences of Işık University (Istanbul, Turkey).