

# **Service Quality of Advertising and Promotions Agencies in South Africa**

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A Research Report submitted to the Faculty of Commerce, Law and Management, University of the Witwatersrand, Johannesburg, in partial fulfilment of the requirements for the degree of Master of Business Administration.

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## **ABSTRACT**

To build a sustainable business, it is vitally important for service providers to develop profitable, long-term relationships with their customers. In order to do so, service providers need to ensure their clients are continuously satisfied with their service encounters, and that they perceive the service to be of superior quality. This is especially true for advertising and promotions agencies.

The purpose of this study is to assess perceptions of the service quality offered by agencies in South Africa, and to identify the most important service attributes of the agency offerings. The study considers the industry as a whole, and focuses on specific agency types – Above the Line services (referred to as ATL agencies), Below the Line services (BTL agencies), and Full Service (FS agencies).

Data was gathered through an online questionnaire based survey of 105 individuals within clients' buying centres. The study used INDSERV, a measurement instrument specifically designed for business-to-business services (Gounaris, 2005). INDSERV is a second-order model with four quality dimensions underpinned by twenty-two service attributes.

Through quantitative analysis, the study identified the relative strengths and weaknesses of agencies' services. It also identified the more important service attributes and dimensions. While all agency types display relative strength in Soft Process quality, clients assign little importance to this dimension and its constituent service attributes. Instead, clients assign greater importance to Hard Process quality and Output quality, dimensions agencies display relative weakness in. This is true regardless of the agency type.

The study also included a qualitative component aimed at identifying service attributes specific to the agency offering (i.e. not included in the generic INDSERV instrument). Several attributes were identified, and it is recommended that further research be carried out to determine whether the INDSERV instrument can be customised to include industry-specific attributes, as has been proposed for the SERVQUAL instrument.

## **DECLARATION**

I, Bruno Quebra, declare that this research is my own, unaided work. It is submitted in partial fulfilment of the requirements for the degree of Master of Business Administration, University of the Witwatersrand, Johannesburg. It has not been submitted for any degree or examination in this or any other university.

**Bruno Quebra**

**30 June 2011**

## **DEDICATION**

This research is dedicated to my wonderful wife, Dr. Natasha Morgado, and to my daughter, Georgia, who have been my source of inspiration and motivation.

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# 1 INTRODUCTION

## 1.1 Purpose of the study

The purpose of this study is to assess the perceptions of the service quality offered by Advertising and Promotions agencies in South Africa, and to identify the most important service attributes of the agency offerings. The study considers the industry as a whole, and focuses on specific agency types, differentiated by their service offering – Above the Line services (referred to as ATL agencies), Below the Line services (BTL agencies), and Full Service (FS agencies).

An agency's offering can best be described as a bundle of benefits – a mix of goods and services aimed at satisfying client needs. As it would be incorrect to classify an agency's offering as purely a service, the author utilises Services Marketing theory to show that the offering is primarily a business-to-business service with supporting tangible goods. For the purposes of maintaining continuity from Services literature, the author utilises the terms “customer” and “client” interchangeably when referring to agencies' clients.

Regardless of whether the client is an end-user or business client, in order to maintain a sustainable business, it is vitally important for a service provider to develop profitable, long-term relationships with customers, i.e. customer loyalty (Patterson, Johnson and Spreng, 1997; Buschken, 2004; Gupta and Lehmann, 2005; Gounaris, 2005; Keiningham, Aksoy, Cooil, Andreassen, 2007, 2008; Barnes, 2008). Customer loyalty is dependent on the continuous satisfaction with the service being provided, and perceptions of service quality (Bick, Abratt and Möller, 2009).

Satisfaction and service quality, while related, are distinct. Satisfaction is a short-term, transaction-specific feeling or attitude driven by disconfirmation of expectations (Oliver, 1981; East, 1997), whereas service quality is an assessment of superiority of the service (Zeithaml, 1988; and Hubbert, 1994; Gounaris, 2005; Bick *et. al.*, 2009). In spite of these distinctions (discussed in greater detail in Chapter 2), the literature agrees, satisfaction and service quality are key determinants of customer loyalty.

Various instruments have been proposed to measure satisfaction and service quality. Some are individual constructs measuring perceived quality on a globular scale (Spreng and Mackoy, 1996; Dabholkar, Shepherd and Thorpe, 2000), while others are multi-level constructs with individual service attributes and higher-order dimensions, which impact on perceptions of service quality (Parasuraman, Zeithaml and Berry, 1985, 1988, 1991a, 1993, 1994; Shemwell and Yavas, 1999; Brady and Cronin, 2001; Gounaris, 2005; Ladhari, 2008). While the more popular instrument, SERVQUAL, measures satisfaction among end-consumers (Parasuraman *et.al.*, 1988), this study identifies and uses INDSERV, an instrument developed to measure service quality in a business-to-business context (Gounaris, 2005).

Within a business-to-business relationship, ensuring adequate service quality can become complex. This is in large part due to the impact of organisational buying behaviour (Patterson, Johnson and Spreng, 1997), where the composition of the buying centre (group of individuals responsible for purchases) exposes the service provider to a number of stakeholders and functions, all at varying levels of the clients' organisational hierarchy, and all with potentially varying objectives and expectations - from best quality to cheapest price, to fastest turnaround times. The issues then become:

- Can the service provider satisfy some or all of the expectations of the various stakeholders?
- Which are the most important?
- Which does it attempt to satisfy?

The additional dynamics and individuals (their personalities, roles, objectives and responsibilities) impact on expectations and satisfaction in the short-term, and ultimately on their perceptions of service quality post the service encounter.

This is especially true for advertising and promotions agencies. The nature of the offering, the mix of stakeholders that comprise the buying centre, and the current trends in the market necessitate that agencies understand how the quality of their service is perceived, and what the key attributes of their service are, as identified by their clients.

Not only is this important in satisfying clients in the short-term, it is essential in ensuring customer loyalty and long-term survival (Bick *et. al.*, 2009).

## **1.2 Context of the study**

The advertising and promotions industry has changed significantly over the years. In the 1980's twenty advertising agencies dominated the market globally. Currently, four global holding companies – Publicis Group, WPP Group, Omnicom Group and Interpublic Group of Companies - account for 55% of worldwide advertising and marketing spend (Cappo, 2003). These holding companies are conglomerates that provide a myriad of products and services through their subsidiary companies – advertising, public relations, media, media research, specialised communications and branding services. Through the group of companies, a conglomerate is able to service competing clients (e.g. motor vehicle manufacturers), and is able to leverage one service off another (e.g. through the ATL agency introduce a media agency, a media research agency, a BTL agency, and so forth). The balance of the global market is competed for by many smaller, locally-owned agencies.

The traditional role of agencies has also come under threat (Cappo, 2003; Manning, 2006; Collings, 2008). Clients are increasingly questioning the role that agencies play, the bundle of benefits that they offer, and their associated costs. In addition, the proliferation of media and messaging has resulted in an abundance of potential touch points (“avenues” to reach the intended audience, e.g. television advertising (ATL) and retail environments (BTL)), with traditional mass media and revenue streams suffering as a result. In response, agencies have attempted to reinvent their service offerings, but these efforts have enjoyed limited success (Cappo, 2003; Manning, 2006).

These global trends have impacted on the South African market. All four global conglomerates operate in South Africa, and account for substantial market share. As an example, the WPP group has seventy-one offices nationally, with a combination of ATL, BTL, Media, Direct Marketing, Sales Agents, Public Relations, and Research agencies (WPP, 2011). Among these are the bigger, global ATL agencies that service heavy-spending multinational clients at a global level (The Annual, 2009):

- Ogilvy - South African Breweries (SAB), Coca-Cola, Volkswagen, Audi, GlaxoSmithKline (GSK);
- Grey Worldwide - GSK, Brandhouse, Visa, Procter and Gamble (P&G)
- J. Walter Thompson - Nokia, Ford, Kellogg's, Unilever, Nestle, De Beers, Shell;
- Young and Rubicam (Y&R) – Colgate Palmolive, Pick n' Pay, Danone

Of the nineteen clients listed, six are among the top twenty spenders in South Africa, and seventeen among the top 100 spenders (Adfocus, 2007).

This domination of the market has resulted in changes to the manner in which clients deal with smaller locally-owned agencies (those not globally aligned to their multinational clients). These tend to be smaller FS and BTL agencies. Increasingly, their goods and services are treated as commodities where price is a key determinant (Duncan, 2008). Clients aggressively “shop around” for better deals on promotional concepts, creative services, point-of-purchase material, gift items, and so forth. Further, agencies are being appointed and dismissed with what appears to be little consideration for the benefits of building long-term client-agency relationships (Duncan, 2008).

These trends appear to be driven by a number of key factors:

- *Conglomerate agency revenues under attack*: Historically ATL agencies earned commission (approximately 15%) from media purchases for use of their creative. As spend in traditional media (television, print, radio and outdoor) increased, this allowed agencies to become extremely profitable (Cappo, 2003). However, with the proliferation of media, and clients focus on cost-cutting, these commissions have either been reduced, or eliminated altogether (Cappo, 2003; Duncan, 2008).

In addition to this, the local subsidiaries of ATL agencies (which in turn form part of global conglomerates) have seen a reduction in their ability to develop and produce campaigns locally as a result of globalisation. Increasingly there is a trend to produce and rollout global campaigns (especially television creative) with only minor editing changes at the local level (change in voiceover and/or dubbing; changes to titles and pack shots). This not only reduces a revenue stream for the

local subsidiary (production of creative), it also limits the creative talent that agencies can attract based on the work on offer (it is the equivalent of hiring a gourmet chef to cook hamburgers at a fast food outlet). In addition, clients are challenging agencies' costing structure, forcing them to reduce their commissions and, as a result, their profits (Cappo, 2003; Manning, 2006).

As a result, ATL agencies increasingly encroach on the domain of their BTL counterparts, either bringing the work in-house, or outsourcing the service to a sister company within the conglomerate. An example of the latter is Ogilvy and its BTL subsidiary Brand Activation. In addition to their BTL offerings, Brand Activation promises strong synergies with their ATL parent company. That, coupled with their perceived ability to tap into Ogilvy's global insights, trends and innovations, makes Brand Activation an extremely appealing proposition to clients (Ogilvy, 2011).

- *Client staff turnover impacting on relationships:* Among clients, there continues to be a significant amount of staff turnover and / or movement internally, globally and to other employers. If this were to happen at lower levels only, agencies would be able to maintain relationships with Senior Managers at a local level. However, with the trend among multinationals of foreign assignments for middle and senior management, these managers are more likely to form relationships with their global agencies. It therefore becomes difficult at a local level to build and maintain relationships with individuals at any level of the client hierarchy. As an example, one agency's client database lists the following movements among individuals within eight of its Fast Moving Consumer Goods clients (Limelight, 2011):
  - Managing Directors: Three are new, and are expatriates on fixed-term assignments.
  - Marketing Directors: Five are expatriates with a contract of two to three years.
  - Marketing Managers: None have been in their position for longer than three years.
  - Brand Managers and/or Promotions Managers: Approximately half have been in their current position for less than twelve months.

Where individuals move to new employers, they are often empowered to appoint their own locally-owned agencies, particularly BTL agencies. This creates competition between the incumbent agency and the new employee's preferred supplier.

- *Growing influence of Procurement Departments over Marketing Decisions:* Globalisation has encouraged manufacturers to seek out the cheapest markets to source materials from and/or to manufacture in (textiles and sports apparel from the East, toothpaste from Brazil, and so forth). This cost-cutting emphasis has turned to Marketing expenditure too, where Procurement Departments are increasingly wielding more power, particularly in sourcing printed goods and marketing collateral (Duncan, 2008). This is not happening at a local level only, but at a global level too. It should be noted that agencies outsource the bulk of their production to a network of suppliers. They apply mark-ups to the finished goods before passing on to clients (thus effectively acting as middlemen).

The increasing influence of Procurement Departments is forcing agencies to compete more heavily on price (reducing margins), and in many instances cutting agencies out of the supply chain. This is exacerbated by the fact that agencies have limited contact with individuals in Procurement Departments, working instead through the brand assistants and brand managers, who supply agency quotations to individuals in the Procurement Department. They in turn source competitive pricing from various sources (often going directly to agencies' suppliers), and in many instances ultimately select the supplier. These suppliers are integrating vertically, assuming some of the design and client service functions traditionally offered by agencies, and in so doing negating some of the need for the agency partnerships (Barrows, 2011). In addition, clients are enforcing cost-cutting initiatives such as three-quote systems which commoditises the agency's service offering even further (Duncan, 2008).

- *The "pitching game":* All of the above has contributed to the current situation where clients increasingly force agencies (particularly BTL and FS agencies) to tender for business (commonly referred to as "pitching"). Historically this tender process was well-regulated and restricted to instances where advertisers were in

search of a new agency to partner with over an extended. These relationships where well defined, mutually agreed and governed contractually. The current trend sees clients forcing agencies to tender continuously for individual campaigns (Duncan, 2008). This is especially true for smaller agencies, where clients generally offer a shortlist of agencies an opportunity to tender on individual jobs. Agency proposals are normally judged on their potential to meet the brief, and on cost-competitiveness. This is currently the practice at Nestlé, Kellogg's and Danone, where agencies such as Limelight, POD, the Creative Council, Brand Ahoy, Paton Tupper and Y&R Touch (Y&R's BTL agency) are regularly invited to tender (Limelight, 2011).

- *Multinationals controlling activity centrally:* Given the greater degree of globalisation of their businesses, multinationals appear to apply greater central control across all areas of their business. As is indicated in some of the issues listed, the same is true for Marketing, particularly as it relates to:
  - Procurement and sourcing policies – in addition to specific instructions, there is a greater incidence of policies and procedures around who to source from, when, how and for how much (Duncan, 2008).
  - Flexibility to adapt the global message to local market conditions – this appears to be in a constant state of flux, where the driving factor seems to be the incumbent management. At times, the emphasis is very heavily on “think local act global” (“Glocalise”). With a few changes in local and global management, the emphasis changes to maintaining strict continuity in brand messages across all markets.

This global influence disempowers both the local subsidiary as well as its agencies, often reducing their collective functions to little more than implementation of global rollouts. In addition, by reducing the role of the agency, it devalues the agency's service, making cost once again a key determinant of securing and maintaining the business (Duncan, 2008).

While it appears that cost has grown in importance as a driver of client acquisition, this study aims to determine how clients perceive agencies' service across various service attributes, and to identify the relative importance of these various service attributes. In so

doing, it aims to provide agencies with platforms from which to build sustainable positionings and business strategies, so that they may provide satisfactory services that allow them to reduce their focus on costly, short-term job acquisition, to focus on long-term client retention.

### **1.3 Problem statement**

#### **1.3.1 *Main problem***

The purpose of this study is to assess the perceptions of the service quality offered by Advertising and Promotions agencies in South Africa, and to identify the most important service attributes of their offerings.

#### **1.3.2 *Sub-problems***

The first sub-problem is to assess the relative strengths and weaknesses of the service quality offered by Advertising and Promotions agencies in South Africa – at an overall level and by agency type (Above-the-Line, Below-the-Line or Full Service).

The second sub-problem is to determine the relative importance of the various service attributes that constitute the Advertising and Promotions agencies' service offering.

The third sub-problem is to determine if there are differences in the relative importance of the service attributes for clients of the three agency types.

### **1.4 Significance of the study**

The current mercenary nature of the relationship between clients and their agencies is neither conducive to long-term relationships nor to success for either party. For agencies, like any other service provider, the direct and indirect (financial and reputational) costs of continuously trying to gain new clients are exorbitant. These costs include the allocation of human, financial and technical resource to the tender process, as well as the opportunity costs of neglecting a current client base. This in turn impacts negatively on the latter's perceptions of service, leading to dissatisfaction, reduction in perceptions of

service quality, loss of clients, and ultimately, negative word-of-mouth. In addition to the increased costs, there is also the impact of competitive pricing which places further strain on agency profits (Lovelock, 1996; Buschken, 2004; Kotler 2006; Keiningham *et al.*, 2007, 2008).

For clients there are both costs and exposure to risk. As discussed in later sections, the services provided by agencies are high in experience and credence qualities, which make it extremely difficult to evaluate pre-purchase (Shostack, 1977; Zeithaml, 1981). The costs include financial costs of allocating resource to continuously identify potential new suppliers; working through an appropriate pitch process; possibly seeking assistance from a facilitator or consultant (e.g. Yardstick); allocating time to reviewing proposals; rejection fees paid for unsuccessful tenders, and so forth. There is an opportunity cost for this time, where clients could have allocated it more productively to managing their brands, their sales, and executing their strategies. There are also continuous emotional costs (stress) placed on the individuals within the client's buying centre, tasked with selecting appropriate agencies (Patterson *et al.*, 1997).

Clients are also exposed to risk whenever they share information of a strategic nature with potential agencies. In order for a client to evaluate an agency as a potential supplier working on their brands, they need to share information such as target audiences, insights, budgets, activity plans, product launch plans, and so forth. Agencies require this information to formulate concepts, designs, layouts, mechanics and implementation plans on which their evaluation and selection will be based (see Appendix A for a standard briefing template) (GSK, 2001). Sharing this information with various agencies, who in turn may come into contact with competing clients as they scrounge for business, increases the probability of the information being passed on to competitors (or applied in plans or promotional activities aimed at meeting competing clients' needs).

In addition, there is risk of non-delivery by relatively unknown service providers. Given the nature of the service, there is a high level of credence – clients must first believe that a new service provider is capable of delivering on requirements before they experience the service. Thus the client is often reliant on external information it gathers regarding the agency's service. The prospective agency will be the primary source of that information, along with word-of-mouth (Parasuraman, Zeithaml, and Berry, 1985). Thus

should a tender-winning agency over-promise, it increases the risk to the client of not receiving the service it came to expect from the agency.

The bulk of these costs and risks may be avoided if clients are sufficiently satisfied with the quality of their incumbent agencies' offering. The literature dictates – satisfaction and service quality engender customer loyalty. This in turn allows for a more stable trading environment with less emphasis on tendering for business and cost-cutting. The ultimate effect is that clients and agencies can aim to build and benefit from enduring client-agency relationships.

## **1.5 Delimitations of the study**

### **1.5.1 *Delimitations***

The scope of this study is limited to South African clients, among them subsidiaries of multinational companies included in the sample frame (Malhotra, 2006). The sample frame utilised, The Annual 2009, lists the bulk of marketing spenders, among them the top 100 advertisers (Adfocus (2007). It excludes clients whose spend is relatively small given the nature of their business and their target audiences - either niche audiences, small locally-owned businesses, or business clients for whom contact with a sales force is more effective than mass marketing techniques offered by the agencies in question.

This study is limited to ATL agencies, BTL agencies, and FS agencies. It excludes specialist agencies in marketing-related fields such as media agencies, media owners, packaging design specialists, public relations specialists and activations agencies (coordinators of promoters and activations in shopping environments, at events and so forth). That said, clients may expect that the agencies in question (ATL, BTL and FS agencies) interact with these specialist suppliers.

### **1.5.2 *Limitations***

The major limitation of the research is the potential for respondent bias. The data collection method used, online survey with a self-administered questionnaire, led to a high incidence of partial- and non-completion. A further limitation of the study is that the

research design is descriptive. Thus although problem areas and key service attributes are identified, it cannot be concluded from the results that improving and/or focusing on these will lead to improved perceptions of service quality and increased customer loyalty.

## 1.6 Definition of Terms

The following terms are defined for easier understanding of the information contained in this report:

- *Above the Line agency*: The term is closely linked to media type. ATL agencies are those agencies responsible for producing creative that is then used to advertise (see below) the brand (Koekemoer, 2005). ATL activities are generally associated with the longer-term objective of building brand equity (Shimp, 1993).
- *Below the Line agency*: BTL encapsulates those activities that do not necessarily enjoy traditional mass media support – promotions (see below), point of purchase communications (see below), and marketing collateral (brochures, information leaflets, branded gift items, and so forth) (Koekemoer, 2005). BTL activities are closely associated with short-term objectives, e.g. encouraging sales in the short-term through a consumer promotion (Shimp, 1993).
- *Full Service agency*: FS agencies provide a comprehensive range of services – strategic planning, marketing services, creative design, media services, and promotions services. Koekemoer (2005) argues that the FS agency format is falling away with clients and specialist service providers assuming some of the roles (e.g. the client being responsible for strategic planning). That said, the growing trend toward integrated marketing campaigns (see below) is evidence that this format offers clients value, even if only in a reduced capacity (Shimp, 2007).
- *Advertising*: Defined as “*either mass communication via newspapers, magazines, radio, television, and other media (e.g. billboards) or direct-to-consumer communication via direct mail. Both forms of advertising are paid for by an identified sponsor, the advertiser, but are considered to be non-personal because*

*the sponsoring firm is simultaneously communicating with multiple receivers....”*  
(Shimp, 1993: 8-9)

- *Promotion*: Derived from the Latin “promovere” (where “pro” means forward and “movere” to move), Promotion is defined as activities that motivate the audience (e.g. consumers and/or shoppers) to action (Shimp, 1993).
- *Sales Promotion*: Shimp (1993: 9) defines Sales Promotion as consisting of “...all marketing activities that attempt to stimulate quick buyer action, or, in other words, attempt to promote immediate sales of a product...”
- *Point-of-Purchase Communications*: These are communication materials “designed to influence buying decisions at the point of purchase” (Shimp, 1993: 9). These include among others, posters, wobblers, demarcators, free standing display units, gondola-end displays and a variety of other materials.
- *Integrated Marketing Communications (IMC)*: The preferred definition is supplied by Shimp (2007: 7). He states that IMC is “...a communications process that entails the planning, creation, integration, and implementation of diverse forms of marketing communication (advertisements, sales promotions, publicity, releases, events, etc.)...” where the goal is to “...ultimately influence or directly affect the behaviour of the targeted audience.” With IMC, all touch points (sources of contact) relevant to the target audience are considered.

## **1.7 Assumptions**

For the purposes of the study it is assumed that:

- The service quality dimensions, as defined by Gounaris (2005) – Potential Quality, Hard Process Quality, Soft Process Quality and Output Quality – encompass the general attributes of a business-to-business service provider.
- There is a clear enough distinction between ATL, BTL and FS agencies. The increased competitive environment, coupled with agencies’ attempts to reinvent

themselves by introducing and / or discontinuing services (Duncan, 2008), may blur the distinction between the various agency types.

- Respondents (clients) understand the difference between the various agency types – ATL, BTL, and FS agencies - and are able to identify and rank their service attributes. In order to ensure that a distinction is made, respondents will be given definitions of each agency type.

## **2 LITERATURE REVIEW**

### **2.1 Introduction**

The literature review investigates the following areas of interest:

- Characteristics of an agency's offering;
- Satisfaction and service quality;
- The role and management of expectations;
- Service quality in a business-to-business environment;
- Measuring service quality – instruments and methodologies.

### **2.2 Characteristics of an Agency's Offering**

This study is premised on the notion that the bundle of benefits (mix of goods and services) provided by an agency can be classified as being predominantly a service. As discussed in this chapter, an agency provides a specialised business-to-business offering, intrinsically difficult to evaluate given its intangibility and credence properties (Patterson *et. al.*, 1997). Given the almost complete lack of attention to business-to-business services in the literature (Patterson *et. al.*, 1997; Parasuraman, 1998; Gounaris, 2005; Ladhari, 2008), this section highlights the characteristics that help classify the agency's offering as a service.

#### **2.2.1 Combination of Services and Goods**

There are key characteristics that distinguish services from goods. Four characteristics are generally cited (Lovelock, 1996; Kotler and Keller, 2006) - intangibility, perishability of output, simultaneity of production and consumption, and heterogeneity (or variability) of service delivery.

It is argued that few suppliers offer pure goods or pure services, but rather that suppliers tend to offer a combination of the two. Some are primarily goods with supporting services, and others primarily services with supporting goods.

An agency (be it ATL, BTL or FS) offers a bundle of benefits aimed at satisfying its business clients' needs. These needs are often expressed in two key formats - the terms and conditions of the agreement between client and agency, and the client's brief to the agency. This bundle of benefits is primarily a service with supporting goods.

Take as an example the National Consumer Promotion for Natura Homeopathic Remedies shown in Appendix B (Limelight, 2009). This campaign was developed by a FS agency. Prior to this, the agency had not worked with Natura, but had worked with one of the individuals within the buying centre (the Marketing Manager) while previously employed by another client. Based on her referral, the client invited the agency to present its portfolio and discuss its service offering. The presentation was attended by the owner of the business, the General Manager, the Financial Manager, the Sales Manager, the Marketing Manager and the Brand Manager. Following the presentation, the buying team agreed to offer the agency the opportunity to work on a campaign.

The agency developed the promotional concept for Natura (Appendix B) based on the brief supplied by the Brand Team (Marketing Manager and Brand Manager). There were two key objectives in the brief (Limelight, 2009):

- Raise brand awareness;
- Recover annual volume declines (which required a growth over the promotional period in excess of 20%).

On approval of the concept and creative, the agency proposed an implementation plan that included the various elements to be produced, their timings, quantities and budget allocation. On agreement with the client, the agency went on to either produce or manage the production of the physical and electronic elements that brought the campaign to market. Among these:

- Detail aids aimed at the Trade, explaining the campaign and encouraging the Trade to participate by stocking additional product and co-ordinating co-op spend;

- Point-of-purchase materials to be implemented at store level by either the client's field sales force, or by the in-store media owner (Primedia Instore);
- Full page print executions to be featured in a range of magazines;
- Television commercials to be flighted on various stations;
- The agency also consulted on the media strategy being agreed and implemented by the client and its Media agency.

Three months elapsed from the time that the agency met with the client, to the time that the agency delivered the finished materials. The promotional campaign ran for four months (Limelight, 2009). Thus a total of seven months elapsed before the client was able to measure the impact of the agency's work (from the initial meeting to the end of the promotional campaign) (Limelight, 2009).

This example highlights a number of characteristics of the agency's offering, among them:

- An agency's offering is comprised of a combination of goods and services, where the latter are highly intangible (e.g. communication strategy, concepts, creative, and consultation on media strategy);
- The offering is not available "off the shelf", it has to be developed in response to the client's brief;
- Through the briefing and approval process, the client is involved in the development and production of the agency's offering;
- A significant amount of time elapses between the original request and the final delivery;
- The offering proposed is highly customised to meet the client's needs.

Each of these characteristics is considered in the sections that follow.

a. ***Intangibility***

Rathmell (1966) and Shostack (1977) distinguished between goods and services in terms of tangibility.

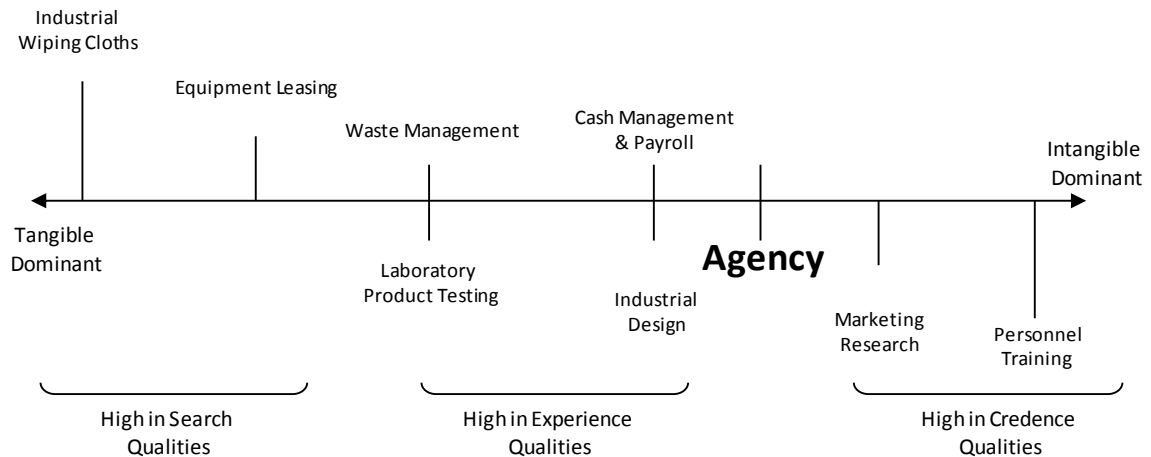


**Figure 1: Goods-Services Continuum (Business-to-Business)**

*Adapted from Shostack (1977) and Zeithaml (1981)*

They proposed a Goods-Services Continuum (Figure 1) to distinguish between goods and services, with a pure good at one end of the continuum, and a pure service at the opposite end. A pure good is a tangible economic product capable of being seen and touched and which may or may not be tasted, heard, or smelled (Rathmell, 1966). It is high in search attributes that the consumer can use to determine product quality prior to purchase - colour, style, shape and feel. Assessing product quality is easiest for products high in these search attributes.

A pure service is defined as “a deed, a performance, or an effort” (Rathmell, 1966: 33). A service is an intangible offering, and as such the customer does not take physical possession of anything tangible (Shostack, 1977). Lovelock (1996) suggests that product intangibility is perhaps the key distinguishing characteristic of service offerings.

There are few pure goods and pure services. Rather, goods tend to require supporting services, and services tend to require supporting goods, hence the importance of viewing goods and services on a continuum (Kotler and Keller, 2006; Zeithaml, 1981; Shostack, 1977; Rathmell, 1966). The products closest to the pure-goods end are often

defined as pure tangible goods, moving toward tangible goods with accompanying services (Kotler and Keller, 2006).

As the service component of the offering increases, products become hybrids (with equal components of goods and services) and then move along the continuum toward majority service components with only minor goods. As one moves along the continuum toward pure services, products become harder to evaluate as they become high in experience qualities (i.e. can only be evaluated during consumption or after purchase). The most difficult offerings to evaluate are those which are high in credence qualities – characteristics customers find difficult to evaluate even after consumption (Lovelock, 1996). As products become harder to evaluate, the risk of making a poor purchase decision increases.

Given the Buyers' inability to determine quality upfront, they look for other evidence of quality, drawing inferences from the place, people, equipment, communication material, symbols and the prices that they are exposed to (Kotler and Keller, 2006). It is up to the service provider to manage the evidence, and to supply tangible substitutes where possible, so as to help create a perception of a quality offering.

Patterson *et. al* (1997) argued that this is further complicated for business-to-business services, where the client is often a collective buying centre (a group of individuals as opposed to a single decision maker). Within these buying centres one may encounter individuals with varying levels of experience, expertise, and as a result, expectations. This plays a major role in their evaluation of the service provider. In these instances, it is best to try reassure and manage expectations (through activities as simple as progress reports).

Considering the agency's offering, there is a substantial amount of intangibility in its offering. The more obvious of these would be elements like the rationale driving the proposed communication strategy, creative or campaign; the proposed implementation plan; and the impact that a campaign will have on the client's brand and its ability to help the brand achieve its objectives.

If one considers the service in terms of the continuum in Figure 1, the author proposes that the agency's service lies somewhere between industrial design and marketing

research. The agency's service exhibits both Experience and Credence qualities. Considering each in turn:

- Experience: an existing client will experience the agency's offering through continuous work with the agency. The client will be involved in the production process of an agency's output through its involvement in the briefing process; its evaluation of the concept and direction supplied; its approval of the final output; and the coordination of the agency's work with its own internal operations (e.g. communicating the promotion to retailers, and selling stock into stores prior to the promotion being implemented).
- Credence: because of the nature of the agency's work and the client's ultimate needs (expressed as objectives in the client's brief to the agency), the client has to trust in the agency's ability to deliver. Unlike office furniture that the client can compare, test, feel and so forth, the client may find it difficult to evaluate the agency's offering. The client may therefore look for cues of service quality (Patterson *et. al.*, 1997).

b. ***Perishability***

A service is perishable because it is a deed. In other words, service providers cannot keep inventory of their services (Zeithaml, Parasuraman and Berry, 1985; Lovelock, 1992, 1996; Kotler and Keller, 2006). The service provider can however have the necessary facilities, equipment, and labour on hand to create the service. Given this perishability, fluctuations in demand impact more heavily on service providers as they are unable to "stock-up" during off-peak times to help meet demand during peak times.

Considering an agency – it cannot hold stock of creative concepts and the elements that these concepts translate into because it responds to the client's brief, providing solutions to specific problems. The agency's offering is thus highly customised to the client and its objectives. Further, it is bound by the timelines and budgets set by (or agreed with) the client. As a result, much of the material "expires" after the campaign period. Thus the agency needs to have resources available (client service staff, strategists, creative staff and third-party suppliers) when the client requires it.

Again this supports the notion that the agency's offering leans more toward the service end of the continuum.

c. ***Simultaneity of Production and Consumption***

In contrast to a consumer service like a haircut, the agency's offering is not produced and consumed simultaneously. That said, the agency's offering is normally "produced" through a process that requires the client's involvement at key stages – the briefing stage; through the various stages of approvals of concepts, artwork and scripts; and their physical presence at the production and editing of materials such as radio and television commercials (Appendix C includes an example of a process flow for printed materials) (Limelight, 2010). Thus while the client does not consume the offering directly, it experiences the service during the development and production of the campaign, and it then benefits from the results of the campaign's implementation in the market place.

In comparison to a supplier of raw materials used in the production of the client's product, e.g. packaging materials for toothpaste, there is considerable difference. For the latter, the packaging supplier will supply based on a production forecast. The factory will fill the toothpaste into tubes, pack these into cartons, shippers and cases, and then sell the finished goods to stores. Here shoppers will purchase the toothpaste to be taken home to be used by members of the family. Production and consumption happen sequentially, and at very different times.

This is therefore another indicator that the agency's offering leans more toward the service end of the continuum.

d. ***Heterogeneity***

Heterogeneity refers to the potential for high variability in the performance of the service (Lovelock, 1996; Kotler *et. al.*, 2006). There are several reasons why service delivery is heterogeneous:

- It cannot be mass-produced and requires customisation;
- Customers are involved in the production of the service;

- Customer contact personnel play a large role in service encounters and subsequent customer satisfaction.

The impact of heterogeneity of service delivery is that, although procedures may be standardised, it is highly unlikely that their implementation will be. This is largely due to the personal influences on service delivery - both by the client and the customer contact personnel. Considering the client-agency interaction, the client (and individuals within its buying centre), client service staff, strategists, creative staff, and so forth, all play a part in the production of the agency's offering, thereby personally influencing the agency's offering.

Further, the agency generally offers customised solutions to specific business problems and/or objectives (expressed in the client's brief). Thus the combination of these indicates that the agency's offering is heterogeneous.

Given the above review, it is evident that an agency exhibits the characteristics of a business-to-business service provider, where its offering constitutes a combination of goods and services, more heavily weighted toward service components. The agency's offering is high in experience and credence qualities, its offering is process driven, and there is client participation at key stages.

## **2.3 Satisfaction and Service Quality**

### **2.3.1 *Satisfaction versus Service Quality***

It is generally agreed that satisfaction and service quality, while related, are distinct. Oliver (1980, 1981, 1993) proposed that customer satisfaction is a function of expectation and expectancy disconfirmation. He defined satisfaction as a "*summary psychological state resulting when the emotion surrounding disconfirmed expectations is coupled with the consumer's prior feelings about the consumption experience*" (Oliver, 1981: 27). Simply put, if perceived performance is greater (less) than expected, there is said to be positive (negative) disconfirmation, resulting in satisfaction (dissatisfaction). In this definition, satisfaction is transaction-specific, and is reliant on disconfirmation – the difference between what a client expects of the service prior to experiencing it, and his

perception of the service post-service delivery. East (1997) defines satisfaction as the feeling or attitude of a customer toward a product or service after it has been used. Again, this definition is transaction-specific.

Zeithaml (1988) defined perceived service quality as the customer's assessment of the overall superiority of the service. In his definition perceived quality is an overall assessment, similar to attitude. Möller (2007) quotes an identical definition offered by Bitner and Hubbert (1994: 77), "*the customer's overall impression of the relative inferiority / superiority of the organization and its services.*" Gounaris (2005) proposes that service quality is best measured as a multi-level construct, where customers can assess quality across various service attributes.

To illustrate the distinction and relationship between satisfaction and service quality, consider the following example, which is adapted from Gounaris (2005). A customer could be satisfied simply because he has low expectations of the service. His satisfaction is as a result of his expectations being met or exceeded in a particular transaction. Thus initially, he expects relatively poor service quality. If however his expectations continue to be exceeded with each transaction, he will adjust his attitude toward the service over the longer-term (i.e. his expectations of the service will increase). In this instance, he will perceive the service to be of greater quality than he had originally perceived it to be.

This simplified example illustrates the distinction – a customer's assessment of service quality is influenced by satisfaction with the service, which in turn depends on the extent of the disconfirmation between perceived performance and expectations over multiple transactions (Bolton and Drew 1991).

### ***2.3.2 The Impact of Satisfaction and Service Quality on Loyalty and Profitability***

Customer satisfaction plays a significant role in the customer's future purchase intentions (Taylor and Baker, 1994; Keiningham *et. al.*, 2008). In their study of business-to-business service providers, Patterson *et. al.* (1997) demonstrated empirically that 78% of repurchase intentions are explained by satisfaction, thus highlighting the importance of satisfaction in building longer-term client relationships.

In addition to maintaining the relationship, there is also the impact of positive word-of-mouth. Satisfied customers are more likely to engage in positive word-of-mouth if they are satisfied with a service (File and Prince, 1992). Möller (2007) lists a study conducted by Levesque and McDougall (1996), in which they confirmed that unsatisfactory customer service leads to a drop in customer satisfaction and willingness to recommend the service. This in turn leads to an increase in customer switch and a reduction in new referral business. The financial effect is a negative impact on turnover and profitability.

Considering the impact of quality, if customers are continuously satisfied with the service, they may perceive its quality to be superior (dependent on the extent of the satisfaction), and therefore willing to pay more, thus affording service providers the opportunity to improve profitability (Lovelock, 1996).

It can therefore be deduced that customer satisfaction and perceived service quality are key to customer retention, growth through referrals, and company profitability.

### **2.3.3 The Role of Expectations**

Customer satisfaction and service quality literature agree that expectations play an important role in customer evaluations of service (Oliver, 1980, 1981; Swan and Trawick, 1981; Churchill and Suprenant, 1982; Cadotte, Woodruff and Jenkins, 1987; Tse and Wilton, 1988; Bolton and Drew, 1991; Boulding, Kalra, Staelin and Zeithaml, 1993; Parasuraman, Zeithaml and Berry, 1985, 1988, 1991a, 1991b, 1993, 1994; Robledo, 2001; Bick *et. al.*, 2009). Customers use expectations as reference points when assessing service performance. Parasuraman *et. al.* (1985, 1988, 1991a, 1991b, 1993, 1994) suggest that customers are satisfied with a service when their perceptions of performance exceed expectations.

Boulding *et. al.* (1993) defined expectations as pre-trial beliefs about a product or service. Parasuraman *et. al.* (1994, p 202) defined expectations as “*the level of service representing a blend of what customers believe ‘can be’ and ‘should be’ provided.*”

At a basic level, expectations are formed through the assimilation and influence of word-of-mouth; the customer’s needs and objectives; past experience and communication by

the service provider (in the form of advertising, personal selling and price) (Zeithaml *et. al.*, 1990; Parasuraman *et. al.*, 1985, 1988).

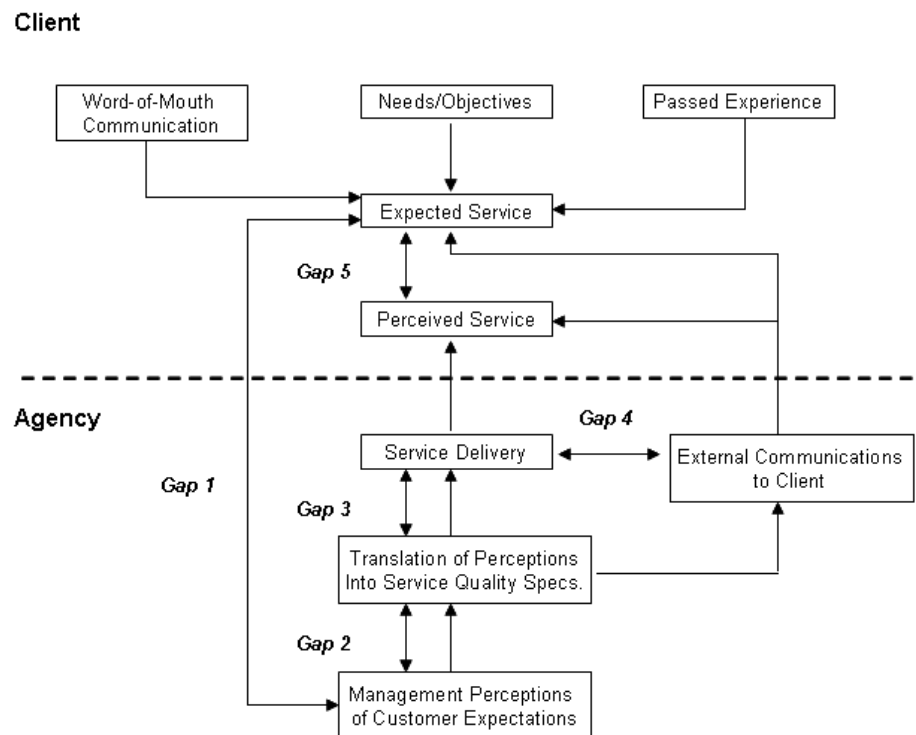


**Figure 2: Service Quality Model**

*Adapted from Parasuraman, Zeithaml, and Berry (1985)*

Parasuraman *et. al.* (1985) developed a service quality model (see Figure 2) to illustrate these influences on expectations. The model identifies potential gaps that cause discrepancies between expectations (pre-trial beliefs driven by the influences listed above) and perceptions, and how these gaps can positively (or negatively) influence the satisfaction score. That said, it should be noted that in spite of the title, this model does not represent service quality gaps. Instead, it represents drivers of satisfaction (dissatisfaction).

Other models have been proposed since, among them Robledo's (2001) Expectations Model. This model is more elaborate, listing not only the factors influencing expectations, but also ranking them from most influential to least influential. According to this model, past experience has the greatest influence on expectations, while pricing has the lowest.

That said, both models are derived from end-customer research. Patterson *et. al.* (1997) identified five variables that influence expectations of business clients, which they define as buying centres (the group of individuals who typically make up the business client). These are novelty; importance of the purchase decision; decision complexity; stakeholding and uncertainty. Considering each in turn:

a. ***Novelty***

In this instance, novelty refers to the lack of experience that individuals within a buying centre possess. Given the individuals' lack of experience, they will rely on external sources of information. This is especially likely as the service becomes more intangible (e.g. consulting), and search and experience qualities are lacking. The result is that expectations may be less realistic, as they are more likely to be based on the service provider's marketing and sales communication, and word-of-mouth. A more extreme situation could manifest where individuals' within the buying centre are unable to evaluate the service on completion, simply because they have no frame of reference (Patterson *et. al.*, 1997).

b. ***Importance of the Purchase Decision***

Importance of the purchase decision is defined within this context as the perceived effect of the purchase on the client's business (Patterson *et. al.*, 1997). Parasuraman *et. al.* (1991b) conducted qualitative research among business clients which showed that the greater the importance of the service, the higher the expectation.

c. ***Decision Complexity***

Decision complexity is distinct from product or technical complexity. Decision complexity relates to the complexity of the purchase situation. Typically, the more complex the purchase, the greater the search efforts and the larger the buying centre. Thus in situations where the purchase decision is complex, clients are more likely to rely on external sources of information (such as formal proposals and presentations by potential service providers) to form expectations of the service (Patterson *et. al.*, 1997).

d. ***Stakeholding***

Stakeholders are those individuals within the buying centre for whom the purchase decision will have the greatest impact. Patterson *et. al.* (1997) argue that the higher levels of stakeholding, the greater the expectations of the service.

e. ***Uncertainty***

In a buying decision, uncertainty is defined as a psychological state that results from inadequate information or knowledge about the outcome of the purchase situation (Duncan, 1972 in Patterson *et. al.*, 1997). Stated simply, the buying centre is uncertain that they have made the right decision. This impacts negatively on both expectations and perceptions of service delivery.

In brief, there are several variables that influence customer expectations. While an end-customer service faces challenges in understanding, managing and meeting expectations, a business service is faced with additional variables that it needs to understand in order to effectively manage expectations.

While the literature agrees that expectations are important, there is disagreement as to how to incorporate expectations into the measure of satisfaction and service quality. Disconfirmation proponents use expectation and perception scores to calculate satisfaction. But, as described previously, satisfaction does not equate directly to service quality. Thus if the objective of a study is to measure service quality, using the disconfirmation paradigm to infer quality would be inappropriate as the methodology would, at best, measure satisfaction. Instead, it would be more accurate to measure perceptions of service quality using an appropriate instrument such as INDSERV (Gounaris, 2005), discussed in the subsequent sections.

## **2.4 Managing Expectations**

While expectations are not the focus of this study, it is important to briefly discuss their management given that they form the basis of the evaluation of an individual service encounter (satisfaction), and over a longer period repeat performances (and the resultant satisfaction) influence the client's perception of service quality.

Parasuraman *et. al.* (1991b), Robledo (2001) and Patterson *et. al.* (1997) highlight the importance of understanding expectations in order to deliver a superior service. If the service provider knows how the client has come to form an expectation and what that expectation is, the service provider is in a better position to:

- Influence and/or manage the expectation;
- Structure the service offering so as to ensure that the expectation is met (or exceeded).

Parasuraman *et. al.* (1991b) propose that service providers should supply customers with cohesive and honest portrayals of their service, both explicitly (through their advertising and personal selling) and implicitly (through their pricing and appearance of facilities, documents and employees). By informing the customers of the exact offering provided, the service provider creates realistic customer expectations.

With regard to other factors influencing expectations (word-of-mouth communication, personal needs and past experiences), service providers have less control of their effects. It is suggested that they be consistent in their service delivery. This will result in word-of-mouth communication, as well as past experiences, which more accurately assess the quality of service provided (Parasuraman *et. al.*, 1991b).

For business services, it is important to understand the more complex dynamics of the buying centre. If, for example, there is uncertainty among individuals about the decision to work with a particular service provider, it might help to reassure the client by keeping them updated on the progress being made and educating them on the technical processes being used (Patterson *et. al.*, 1997). If there is a high degree of novelty (i.e. inexperience) among the buying centre, it may be in the supplier's best interests to educate the client. If the end-product is difficult to assess (e.g. a three-year strategic plan), the service provider should pay particular attention to the process dimensions of its performance (report presentations, meeting deadlines, general level of professionalism during client contact, and so forth). Where there is no concrete knowledge, inexperienced members of the buying centre in particular will use these as cues to assess quality (Patterson *et. al.*, 1997).

## **2.5 Service Quality in a Business-to-Business Environment**

Ensuring service quality is a key objective for a business-to-business service provider. Their ability (inability) to deliver their service has an effect beyond client satisfaction and perceptions of service quality – it also impacts on their clients' ability to operate. Gounaris (2005) lists an example of the impact that a shipping company has on its client (an exporter) – a shipping company that offers poor service will impact on the exporter's ability to deliver goods timeously to its customers, leading to potential loss of future orders; increased claims; the risk of reduced pricing (in order to salvage the sale and/or relationship); and face delayed payments and lower supplier ratings, which in turn impact on the exporter's ability to maintain long-term, healthy relationships with its client.

The same is true for an agency. Consider the example of the Natura campaign (see 2.2.1 and Appendix B) - if the agency were to delay delivery of the various elements, the client would be faced with queries and complaints from the retail and pharmacy trade, key distribution channels with whom they would have negotiated promotional space in stores and in trade advertising to promote the campaign and drive sales; full cancellation costs from the media owners (television, radio and print); and a shorter promotional timeframe from which to recover the investment made in the campaign. Thus a delay by the agency increases the risk for the client of failing to achieve its objectives for this campaign (brand awareness and volume growth), and damaging its relationship with its business customers (the distribution channels) and media suppliers.

Relatively little empirical work has been carried out to understand and measure service quality in a business-to-business environment. Instead, the majority of studies have employed end-consumer theory and measurements, such as the disconfirmation theory and resultant SERVQUAL instrument.

### **2.5.1 Service Quality for End-Consumers**

Parasuraman *et al.* (1985) evolved their understanding of service quality based largely on their studies of end-consumers. They proposed ten determinants of service quality – reliability, responsiveness, competence, access, courtesy, communication, credibility, security, understanding and tangibles. In their development of SERVQUAL, they reduced

the number of service quality dimensions to five – tangibles, reliability, responsiveness, assurance and empathy.

These dimensions are described in greater detail in Table 1.

**Table 1: Service Quality Dimensions for End-Consumers**

| Dimension      | Brief Definition                                                                                                                                                                              |
|----------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Tangibles      | Any physical evidence that consumers have of service quality                                                                                                                                  |
| Reliability    | Largely concerned with the service outcome. Reliability is the most important dimension in meeting consumer expectations, where the other dimensions are important in exceeding expectations. |
| Responsiveness | The service provider's ability to assist customers and to provide prompt service.                                                                                                             |
| Assurance      | Knowledge and courtesy of employees and their ability to inspire trust and confidence                                                                                                         |
| Empathy        | A reflection of the caring and individualised attention the firm provides its customers.                                                                                                      |

Source: Parasuraman *et. al.* (1988)

These dimensions are underpinned by a basic set of twenty-one variables (see Appendix D) (Parasuraman *et. al.*, 1988, 1993).

### **2.5.2 Service Quality for Business Clients**

The literature confirms that key differences exist between consumer markets and business-to-business markets. These in turn impact on the manner in which service quality perceptions are formed (Patterson *et. al.*, 1997; Parasuraman, 1998; Gounaris, 2005; Ladhari, 2008). Key among these differences:

- The difference in buying behaviour;
- The evaluation criteria for appraising suppliers;
- The existence of buying centres;
- Higher levels of qualification of the customer contact people;

- The level of interaction between the customer contact people and managers in the buying centre;
- The complexity of the service being offered, and the management required through the process to ensure delivery;
- Generally, the need for a highly customised solution for the Client;
- As stated previously, the impact that a service provider has on its clients' ability to deliver their goods and services, thus potentially impacting on their turnover, profits, client retention, and so forth.

Given these differences, research has been carried out to better understand the dimensions of service quality in a business-to-business context. Below is a summary of the evolution of the theory.

Gronrøos (1984) proposed Technical and Functional quality as two dimensions for service quality in the business-to-business environment. Technical quality encompasses the operational aspects of service delivery, while Functional quality considers the interaction between the individuals representing the client and service provider. Edvardsson, Gustavsson and Riddle (1990), in Gounaris (2005), introduced the concept of Integrative quality. It considers the service provider's ability to ensure that the various components of the service can come together to deliver the service.

Morgan (1991) proposed Process and Outcome as two quality dimensions. Process quality considers how the service is being delivered, and like Gronrøos' (1984) Functional quality, it considers the interaction between the individuals in both organisations. The Outcome quality dimension (also referred to as Output quality) encompasses what the client actually receives from the service provider. Szmigin (1993) and Halinen (1994) refined Output quality further, to consider not only the effects of the final solution, but also the ability of the service provider to deliver a solution. Halinen (1994) went as far as proposing a split of Output quality into two dimensions – Immediate and Final Output quality. Immediate Output quality relates to the service provider's ability to deliver a solution for the client's problem, and Final Output quality encompasses the effects of the solution. In the context of this study, an example of the distinction between

the two would be an agency delivering all the components of a campaign aimed at reversing volume declines (Immediate Output quality), versus the impact that the campaign has on the client's volumes at the end of the promotional period (Final Output quality). Through the validation of the INDSESV model, it was shown that Immediate and Final Output quality should be collapsed into one dimension – Output quality (Gounaris, 2005).

Szmigin (1993) introduced two additional dimensions - Hard Process quality and Soft Process quality – which consider the service delivery process. Hard Process quality encompasses what is being performed during the service process and the accuracy with which the service is being delivered (e.g. keeping time schedules and meeting deadlines). Soft Process quality encompasses how the service is being performed during the process (e.g. listens to problems; argues if necessary; and understands clients' needs).

Bochove (1994) (in Gounaris, 2005) proposed Potential quality, which encompasses the search attributes clients use to evaluate the service provider's ability to deliver pre-service delivery. This dimension is supported by Patterson *et. al.* (1995) who illustrated business clients' difficulty and uncertainty in assessing potential service providers given the complexity and degree of customization required in a business-to-business context. It is also supported by the characteristics of the service offering, specifically credence, which forces clients to look for cues of quality. Gounaris and Veneti (2002) offered further empirical evidence to illustrate the influence that this dimension has in the overall evaluation of service.

Based on the above, Gounaris (2005) proposed four dimensions of service quality for business clients - Potential quality, Hard Process quality, Soft Process quality and Output Quality. These are summarised in Table 2.

**Table 2: Service Quality Dimensions for Business Clients**

| Dimension    | Brief Definition                                                                                                                                                                             |
|--------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Potential    | Search attributes business clients use to evaluate and consider suppliers in advance (i.e. prior service delivery).                                                                          |
| Hard Process | The processes through which the service is actually delivered, and their suitability to produce a timely solution to match the client's needs.                                               |
| Soft Process | A reflection, through the front line personnel, of the service provider's empathy; openness to ideas and direction; benevolence and willingness to look out for the client's best interests. |
| Output       | The technical efforts by the service provider to deliver the service, as well as the impact that the service has on/for the client.                                                          |

Source: Gounaris (2005)

Section 2.3.1 considered definitions of service quality, with two schools of thought – service quality as an overall assessment, and service quality as a multi-dimensional construct. While an overall assessment of service quality is simpler to administer and analyse, it does not allow for an understanding of the antecedents or drivers of the assessment itself (Dabholkar *et. al.*, 2000; Gounaris, 2005). Thus it may be possible for a service to be very strong on some dimensions, but weak on others. If the service provider were to consider only an overall assessment, this could be reflected in an “average” score by its clients. The issue with this overall assessment is that a business service, intent on improving its service quality, is unable to focus on the dimensions that are pushing down clients’ perceptions of its service quality. In contrast, with a multi-dimensional assessment, it is in a better position to understand what drives client perceptions of the quality of its service.

Given the environment and issues faced by advertising and promotions agencies (see section 1.2) - especially the smaller locally-owned agencies who do not have the protection of global relationships, and whose competitive environment is being encroached on by the global competitors - it is critical for them to understand (and improve) their service quality. Being able to pinpoint areas of relative weakness and strength will allow them to more effectively address any shortfalls and/or capitalise on

strengths, so as to improve their clients' overall assessments of service quality. This leads to the first research question:

**Research Question 1:** What are the relative strengths and weaknesses in the quality of agencies' services?

### ***2.5.3 Relative Importance of the Service Quality Dimensions for Agencies***

In Section 2.3 the agency's offering is defined as a business service high in experience and credence qualities, where the service is process driven. The implication of this is that the client will have a perception of the quality of the process, and thus have perceptions of service attributes within the process itself. This is reaffirmed by Patterson *et. al.* (1997) who argue that, for business services high in credence qualities, and where the service delivery spans a considerable amount of time, satisfaction with the process is key in the client's overall satisfaction and assessment of service quality.

Thus it may be insufficient for an agency to deliver only on the objectives stipulated in the client's brief (which forms part of Output quality). It is evident from the literature that this is only a part of one service quality dimension, albeit an important one. Thus for an agency to successfully deliver a quality service, it is necessary to understand the relative importance of the service quality attributes and higher-order dimensions. This leads to the second research question:

**Research Question 2:** How do clients rank, in order of relative importance, the various attributes of the agency service offering?

### ***2.5.4 Relative Importance of Service Attributes by Agency Type***

In Chapter 1 definitions are offered of the various agency types in question – Full Service (FS), Above the Line (ATL), and Below the Line (BTL) agencies. These agency types may differ in the mix of their bundle of benefits. For example, an ATL agency focuses its service more toward brand strategy (e.g. appropriate brand positioning, advertising ideas, pay-off lines and so forth) and the production of equity building campaigns (the more conventional television, radio, print and outdoor creative) (Koekemoer, 2005; Shimp, 1993). In local markets like South Africa (where clients are subsidiaries reporting

into global headquarters), equity advertising is often produced overseas and only edited for local consumption, limiting the interaction between agency staff and the client (Cappo, 2003). Thus one could argue that relative to the other agency types, an ATL agency's service is highest in credence qualities, and lowest in experience qualities (Patterson *et. al.*, 1997).

The relationship between an ATL agency and its client is generally longer-lasting, contractually regulated, and when both client and agency are multinational organisations, transcends across borders. Fee structures, service structures and work scope at local level are potentially influenced by global agreements. In these instances, clients are often managed locally (by senior management) and globally (by the terms of the agreement). The lack of interaction, limited service delivery, and limited control over the relationship, may affect client perceptions of service quality.

In contrast, a BTL agency concentrates its service on conceptualising, developing, and implementing promotions to drive short-term objectives (Shimp, 1993). It will also focus on the design and management of production of point-of-purchase communications (Koekemoer, 2005). The relationship with the client is generally local, not as secure, is project-based, is quite intense during the project, but is more susceptible to "pitching". Given that there is greater physical evidence, shorter timeframes, but intense interaction during the service delivery, one could argue that the BTL agency's service is not as high in credence qualities, but relatively high in experience qualities. Also, while not specifically tested in this study, it is possible that clients' expectations of BTL agencies are greater than of their ATL agencies because there is more at stake for local stakeholders, and they (the individuals within the client's buying centre) have greater influence and control over the purchase decision (Patterson *et. al.*, 1997). This could affect their expectations and perceptions of service, and therefore their satisfaction and perceptions of service quality.

A FS agency offers a more holistic service. Its involvement in ATL and BTL activities, and its promise of offering integrated marketing communications (Koekemoer, 2005; Shimp, 1993), may lead to more interaction between client and agency on a continuous basis. Given that there is greater physical evidence than an ATL agency, a FS agency may not possess the same level of credence qualities.

Given the differences in relationships, offerings, integration, and levels of interaction, it is hypothesised that the importance placed on the various service attributes differs by agency type. Understanding these differences is important for the various agency types, as it allows them to focus on the key service attributes that drive overall service quality perceptions of their particular service offering.

This leads to the third research question:

**Research Question 3:** What are the significant differences in the ranking of the relative importance of the service attributes, given the different agency types?

## **2.6 Measuring Service Quality**

Service quality is generally used to measure customer's perception of services rendered (Parasuraman *et. al.*, 1990). Lutz (1986 in Zeithaml, 1988) proposed two forms of quality – affective and cognitive. Cognitive quality is inferred from an assessment of search attributes. Thus for products like durables which are high in search attributes, quality is likely to be a cognitive judgement (i.e. the attitude is based more on knowledge and beliefs about the product). For services, high in experience attributes (and therefore only assessable during consumption), quality tends to be an affective judgement (i.e. the attitude is based more on feelings toward the service offering).

A product's quality is evaluated as high or low depending on its excellence or superiority relative to products viewed as substitutes (Zeithaml, 1988). The set of products used for comparison depends on the customer's assessment of competing products. Within this evoked set of alternatives, individuals base their assessment of quality on certain attributes. As these attributes become more abstract, they become common to more alternatives.

As stated previously, to date most of the research on satisfaction and service quality has focused on the end-consumer (Parasuraman, 1998; Gounaris, 2005, Ladhari, 2008). Various instruments have been devised and proposed, but the instrument most commonly used is SERVQUAL (Parasuraman *et. al.*, 1985, 1988). That said, the effectiveness and applicability of SERVQUAL has been questioned, especially in its ability to measure service quality in a business-to-business environment.

The balance of this section reviews SERVQUAL, and presents the alternative used in this study, INDSERV.

### **2.6.1 SERVQUAL**

The SERVQUAL model introduced by Parasuraman *et. al.* (1985, 1988, 1991a) measures customer satisfaction (and through that service quality) based on five abstract higher-order dimensions identified earlier – tangibles, reliability, responsiveness, assurance and empathy. It is the most common model used for measuring service quality (Gounaris, 2005; Bick *et. al.*, 2009; Ladhari, 2008).

As stated previously, the model provides a framework for analysing the gap between expectations and perceptions of actual performance levels (see Figure 2). The model has, as its basis, twenty-one items (variables) discussed in 2.5.4 above (see Appendix D).

The satisfaction score is calculated by subtracting customer expectation scores from perception scores on the individual items, such that respondents are said to be satisfied with a particular aspect of the service if the score is greater or equal to zero.

### **2.6.2 Concerns Regarding SERVQUAL**

SERVQUAL has been highly criticised over the years (Cronin and Taylor, 1992; Halstead and Page, 1992; Peter, Churchill and Brown, 1993). The bulk of the criticism relates to:

- The use and analysis of difference scores;
- The five dimensions, particularly as they relate to the business-to-business environment.

The use of difference scores raises concerns over discriminant validity:

- Difference score measures are usually less reliable than non-difference cores. So while they appear to possess discriminant validity, this is simply because they are unreliable (Peter *et. al.*, 1993).

- Halstead and Page (1992) have shown that expectations may change post-service deliver (i.e. perceptions of service quality change). This reduces the reliability of difference scores.

The methodology used to analyze the SERVQUAL data has also come into question. The SERVQUAL questionnaire employs a nine-point satisfaction scoring scale from Low (one) to High (nine) for each variable. Respondents rate their expectation of the service (as a score of one to nine), as well as their perception of the actual service encounter. As discussed previously, the expected score is subtracted from the perceived score to provide a gap score (representing expectancy disconfirmation) (Parasuraman *et. al.*, 1991a).

Given the scoring scale used, the data gathered is ordinal. However Stacey (2005) argues that the quantitative techniques used to analyse the data are not appropriate for ordinal data, but rather for continuous data. The problem is that, being ordinal scores, one cannot assume that they are equally distributed for the different thresholds. According to Stacey (2005: 163) “...attitudes and perceptions vary continuously rather than in discrete quanta, and ideally should be represented using continuous variables.”

This problem is compounded by the gap scores. It is unclear how large or small the level of satisfaction (or dissatisfaction) actually is. For example, if -2 indicates a certain level of dissatisfaction, then does +2 represent the exact opposite measure of satisfaction? Stacey (2005) identified a distribution-fitting algorithm approach as means of accurately rescaling verbal response scales. However, this becomes extremely difficult to implement with the SERVQUAL instrument given that there are three sets of scores, one of which (the gap score) is a function of the other two. The result is an unmanageable number of potential outcomes that the distribution-fitting algorithm is intended to correct for.

Cronin and Taylor (1992) developed SERVPERF as an alternative tool to SERVQUAL. SERVPERF considers perceptions of performance only, and is therefore a performance-based measure of the service delivered. A study conducted by Quester and Romaniuk (1997) found little difference between the two models. That said, SERVPERF has not been widely used.

In addition to the analysis issues, SERVQUAL was developed based on end-consumer research and insights (Gounaris, 2005; Möller, 2007; Ladhari, 2008). However, given the differences between consumer and business-to-business services (see 2.4.2.), its service attributes and second-order dimensions may not adequately capture and measure business client needs. Given that SERVPERF was based on SERVQUAL, it suffers from the same shortcomings. As such, other measures have been developed to better measure service quality in the business-to-business environment.

### **2.6.3 *INDSERV***

The INDSERV instrument (Gounaris, 2005) was developed to measure service quality in a business-to-business environment. It integrates the evolution of relevant service quality theory, and is presented as a second-order model with four dimensions – Potential quality, Hard Process quality, Soft Process quality; and Output quality.

Where SERVQUAL measures disconfirmation between perception and expectation scores (measuring satisfaction), INDSERV considers only perceptions of service quality, i.e. as a single score per statement (Gounaris, 2005). Its four dimensions are underpinned by twenty-two service attributes, summarised in table 3.

The individual service attributes are measured on a seven-point scale of agreement. While the data is ordinal in nature, its seven-point scale allows for rescaling using a distribution fitting algorithm (Stacy, 2005), which in turn allows the data to be statistically analysed.

INDSERV has been validated and tested against SERVQUAL using confirmatory factor analysis; Cronbach's Alpha to test for internal consistency; tests for convergent and discriminant validity; and stepwise regression to test for predictive validity. It was found to be relevant, valid, reliable, and most importantly, it was found to be a more appropriate tool for the business-to-business environment (Gounaris, 2005).

Given the above, the INDSERV instrument was selected as the measurement tool for this study.

**Table 3: INDSESV Dimensions and Service Attributes**

| <b>Dimension</b>     | <b>Service Attribute</b>                                                                                                                                                                                                                                                     |
|----------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Potential Quality    | <ol style="list-style-type: none"><li>1. Offers full service</li><li>2. Has required personnel</li><li>3. Has required facilities</li><li>4. Has required management philosophy</li><li>5. Has low staff turnover</li><li>6. Uses network of partners / associates</li></ol> |
| Hard Process Quality | <ol style="list-style-type: none"><li>7. Keeps time schedules</li><li>8. Honours financial agreements / stays in budgets</li><li>9. Meets deadlines</li><li>10. Looks at the detail</li><li>11. Understands our needs</li></ol>                                              |
| Soft Process Quality | <ol style="list-style-type: none"><li>12. Accepted enthusiastically</li><li>13. Listen to our problems</li><li>14. Open to suggestions / ideas</li><li>15. Pleasant personalities</li><li>16. Argue if necessary</li><li>17. Looks after our interests</li></ol>             |
| Output Quality       | <ol style="list-style-type: none"><li>18. Reaches objectives</li><li>19. Has a notable effect</li><li>20. Contributes to our sales / image</li><li>21. Is creative in terms of its offering</li><li>22. Is consistent with our strategy</li></ol>                            |

Source: Gounaris (2005)

## **2.7 Conclusion of Literature Review**

In a competitive environment, such as the advertising and promotions industry, where locally owned agencies (FS, ATL and BTL agencies) face tough and changing trading conditions, it is important to understand the impact of service quality. Not merely as a tool for differentiation, but as a driver of client retention, growth through referral, and sustained profitability.

The literature illustrates the importance of satisfaction and service quality. In the short-term, satisfaction leads to repeat purchase (and ultimately loyalty) and positive word-of-

mouth. Disconfirmation theory proposes that expectations play a key role in determining customer satisfaction immediately after a service encounter, which in turn is a key driver of repeat purchase. Through repeat purchase, consumers are able to adjust their expectations and perceptions of the service, impacting on their perceptions of service quality. In instances where this continuous adjustment leads to perceptions of superior service quality, the service provider is able to charge a premium, thus allowing it to improve its profitability.

In spite of the role that expectations may play in satisfaction and service quality, there are concerns around the measurement, stability and statistical analysis of disconfirmation scores. There are also concerns around the inference of service quality through the measurement of satisfaction. That said, it has been shown that perceptions of service quality can be measured directly.

Service quality can be measured as a single, overriding construct. While these measures are easy to administer and analyse, they do not allow the service provider to understand and react to the underlying drivers of the overall assessment. This is true of end-consumer and business-to-business services, for which the literature identifies distinct multi-level service quality dimensions more suited to understanding the underlying drivers of service quality assessments.

The literature highlights important differences between services targeting end-consumers, and those targeting business clients. Broadly speaking, the differences include the composition of “clients”; their buying behaviour, needs and evaluation criteria; the nature of the service; and the impact that the services have on their customers. It also highlights the differences between the services offered by the types of agencies considered in this study – ATL, BTL and FS agencies.

Given that the services in question – those offered by advertising and promotions agencies – are business-to-business services, this review has considered and compared the body of literature and measurement instruments for both end-consumer and business-to-business services, showing the applicability of the business-to-business theory, dimensions and measurement instrument.

The literature review, combined with a review of the competitive environment, forms the basis for the following research questions:

**Research Question 1:** What are the relative strengths and weaknesses in the quality of agencies' services?

**Research Question 2:** How do clients rank, in order of relative importance, the various attributes of the agency service offering?

**Research Question 3:** What are the significant differences in the ranking of the relative importance of the service attributes, given the different agency types?

### 3 RESEARCH METHODOLOGY

This chapter describes the methodology used to address the research questions. It considers the chosen method and its implications for the research; the research design; the population and the sample selection; as well as the proposed processes for data collection, analysis and interpretation. The chapter is concluded with a discussion on the validity and reliability of the proposed research method.

#### 3.1 Methodology

In their study, Bick *et. al.* (2009) considered the expectations of Customers of Retail Banks in Africa. In spite of the difference in what is being measured (their study measured expectations while this study measures perceptions of service quality) and the instrument being used (SERVQUAL versus INDSERV), there are two key similarities between the studies:

- The Bick *et. al.* (2009) study considered the relative importance of service quality dimensions in the African retail banking sector. This study considers the relative importance of service quality dimensions for South African agencies.
- Where their study considered cross-national differences, this study considers differences between the agency types.

Thus much of the research methodology for this study is shared with Bick *et. al.* (2009). The research is single-phased and follows a largely quantitative methodology based on a functionalist paradigm, so as to ensure validity. This is possible because the study uses as its basis the INDSERV model (Gounaris, 2005).

That said, this study also includes an exploratory, interpretive element (Malhotra, 1996). This is achieved through an open-ended question included in the Research Instrument which asked respondents to list agency-specific service attributes not included in the general INDSERV instrument (Gounaris, 2005). This element was not intended to answer the research questions, but rather to give an indication of agency-specific service requirements, and to give direction for future research.

## **3.2 Research Design**

The purpose of this study is descriptive – to gain insights into client perceptions of their agencies' service offering. The measuring instrument used was a survey questionnaire. Given that the study does not consider the impact of time on client perceptions, the research is cross-sectional (i.e. a snapshot taken at a moment in time).

The research provides information that is statistical in nature. It applies a combination of descriptive statistics, parametric statistics and hypothesis testing.

The research environment was a field setting, and considered actual perceptions. As a field study, respondents were engaged while in their relevant environment (their work environment), thus the topic under consideration was more relevant to their state of mind. That said, there are potential disadvantages to this setting, among them (Malhotra, 1996):

- Non-availability of respondents;
- A higher incidence of incomplete questionnaires.

A further potential disadvantage relates to the method in which the data is being gathered – through a questionnaire. As an indirect source of information, the study is reliant on respondent perceptions and not actual behaviour (observation). This has the potential to bias the results (Malhotra, 1996). That said, the topic being considered is not suited to observation, thus making the questionnaire the more appropriate instrument.

## **3.3 Population and Sample**

### **3.3.1 Population**

The targeted population included all individuals within the buying centre (i.e. the collective client) of companies operating in South Africa, who purchase services from agencies. These companies are locally-owned businesses and subsidiaries of multinational organisations. Table 4 summarises.

**Table 4: The Buying Centre**

| <b>Function</b>            | <b>Individuals within the Function</b>                                                                                                             |
|----------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------|
| Consumer Marketing         | Marketing Directors, Marketing Managers, Category Managers, Senior Brand Managers, Brand Managers, Junior Brand Managers, Assistant Brand Managers |
| Customer Marketing / Sales | Sales Directors, Account Managers, Promotions Managers (or equivalent), Business Development Managers (or equivalent)                              |
| Shopper Marketing          | Shopper Marketing Managers                                                                                                                         |
| Other                      | Research and Development, Sales Managers, General Managers, Managing Directors                                                                     |

### **3.3.2 Sample and Sampling Method**

The sampling methodology to pilot the questionnaire was convenience-based (i.e. non-probability sampling), and included individuals from both the client buying centre and agency personnel.

For data collection, the author selected “The Annual 2009: Advertising, Media and Marketing” as the sample frame (or representation of the target population) (Malhotra, 1996). The document contains a lists of over sixty agencies, as well as their respective clients who span various industries, among them FMCG manufacturers; Retail; Motor manufacturers; Cellular Network providers; Petrochemical suppliers; Banking; Fast Food chains; Alcoholic Drink manufacturers and distributors; Consumer Healthcare product manufacturers; Food manufacturers; and so forth. Typically, these clients work with more than one agency (The Annual, 2009).

A database of clients was compiled, which included organograms of their respective Buying Centres. The sampling unit (element) was defined as those individuals identified within these buying centres. Thus it is possible (depending on the size of the buying centre) that more than one individual per buying centre was asked to participate.

A total of ten responses were gathered for the questionnaire pilot. For the survey itself, 105 completed responses were collected. Table 5 lists the breakdown of the latter by agency type.

**Table 5: Sample Size by Agency Type**

| <b>Agency Type</b> | <b>Total No. of Interviews</b> |
|--------------------|--------------------------------|
| FS agency          | 33                             |
| ATL agency         | 38                             |
| BTL Agency         | 34                             |
| <b>Total</b>       | <b>105</b>                     |

The sampling technique used was systematic sampling without replacement (Malhotra, 1996). The compiled database (sample frame) contained 630 individuals (elements). To allow for incomplete and/or non-response, 210 invitations were initially sent out. Given that there were 630 individuals in the database, an interval of three was used, starting with the third individual. In those instances where the individual selected was not available (as the result of an incorrect email address), that individual was replaced by the next available individual (Malhotra, 1996). An additional thirty-four invitations were sent out (for a total of 244 invitations).

The use of systematic sampling has the following advantages for this study (Malhotra, 1996):

- Being a probability sampling technique, the author is able to make inferences about the population.
- It allows for the ordering of elements in relation to characteristics of interest (e.g. across different segments), thus ensuring better representation of all clients.
- It is often employed in mail, telephone and mall-intercept interviews, thus is applicable to this study (see section 3.5).

### **3.4 The Research Instrument**

As stated previously, INDSERV (Gounaris, 2005) was used as the basis for the questionnaire (see Appendix E). It was largely structured, i.e. consisted of structured questions that specify the response alternatives and format (Malhotra, 1996).

The questionnaire was divided into four sections. The first section was used to qualify the respondent, and included information related to:

- Function and Title;
- Responsibility / Capacity;
- Name of Company;
- Type of agency(ies) used;
- Names of agency (ies) used.

The second section considered the attributes of an agency's offering. The section had four questions:

- The first and second questions asked respondents to confirm the type of agency that they would be reviewing, as well as the name of the agency.
- The third question asked respondents to rate their agency on the twenty-two INDSERV service attributes (Gounaris, 2005). The wording of specific attributes was adjusted to avoid ambiguity and/or make the statement more relevant to the study. All statements were preceded with "Given the agency type, I think my agency...", so as to maintain the specific agency type (FS, ATL or BTL) in mind when scoring. The statements were measured on a seven-point scale of agreement (anchored at "strongly disagree" and "strongly agree"). The INDSERV attributes are listed in Table 3 (see section 2.6.1).
- The fourth question was an open-ended question that asked respondents to list attributes they expect from their agencies (given the agency type).

The following changes were made to the statements:

- Statement one – "...offer the required services." This was done so as to avoid confusion between a full service offering of a full service agency, and the necessary complement of services offered by a specific type of agency.

- Statement twelve – “...accepts our direction / briefs enthusiastically.” This change was introduced as a result of the questionnaire pilot, where respondents felt that the use of appropriate jargon (“direction” and “briefs”) made the statement more relevant to the respondent.
- Statement twenty – “...contributes to our sales and brand image.” Again, as a result of the questionnaire pilot, the word “brand” was added to make the statement more relevant.

The third section of the questionnaire used a partial rank order scale. It asked respondents to rank the top five service attributes (among the INDSERV attributes) in order of importance.

The final section included demographic questions – gender and age.

As stated in the literature review (section 2.6), INDSERV is not as commonly used as SERVQUAL, but:

- It focuses on service quality in the business-to-business environment;
- It avoids the disconfirmatory scores that plague SERVQUAL analysis and have been cause for concern among statisticians (Stacey, 2005);
- Its dimensions and underlying variables provide a framework which helps to ensure content validity and reliability (Gounaris, 2005; Ladhari, 2008).

It was therefore selected as a suitable instrument given the purposes of this study.

### **3.5 Procedure for Data Collection**

The survey was completed using an online survey facility. Potential respondents were invited by email. The email detailed the survey and its objectives, and included a link to the online survey facility. The email instructed respondents to focus on a particular agency type and included a deadline date. Reminder emails were sent out weekly to individuals who had not completed the survey.

Respondents completed the survey online, and were incentivised to participate through a competition element. The data was collected over a four month period – November 2010 to February 2011.

### **3.6 Data Analysis and Interpretation**

#### **3.6.1 *Relative Strengths and Weaknesses***

Descriptive statistics was applied to assess client perceptions of the service quality offered by their agencies. But given that the data collected was ordinal in nature, it was first rescaled to interval data. This was done using the methodology proposed by Stacy (2005):

1. Tabulating the frequency of scores;
2. Converting to interval level data using a normalising distribution fitting algorithm.

This allowed the author to identify the service attributes that constitute the norm (or average) level of service quality, and identify the relative strengths and weaknesses in the service offering - at a total level, and by agency type.

#### **3.6.2 *Relative Importance of the Service Attributes***

A comparative scaling technique applying a partial rank order scale was used in the questionnaire, asking respondents to rank their top five most important service attributes (in order of importance). The rank ordering of survey items is suitable as it is intuitive for respondents (Malhotra, 1996) and avoids respondent fatigue (Möller, 2007). That said, being ordinal in nature, the analysis is both rigorous and complex (Möller, 2007; Stacey, 2006).

As per Bick *et. al.* (2009), the data was summarised by tabulating the frequency and proportion of occurrence of each preference permutation. Then, in line with Stacey's (2006) proposed methodology, the data was rescaled using a shotgun stochastic algorithmic approach to analysing rank ordered survey items. This allowed the author to apply the appropriate parametric statistics, which assume interval data.

Once the mean and standard deviations were derived, the top ten service attributes were identified at a total response level. These were used for Hypothesis testing. Analysis of variance (ANOVA) was used to compare the means of the three populations (Clients of ATL, BTL and FS agencies) for each of the top ten attributes, to determine whether the importance of service attributes differ given Agency type.

- $H_0: \mu_{FS} = \mu_{ATL} = \mu_{BTL}$
- $H_A$ : At least one pair of the means are not equal

Finally, content analysis was carried out for the open-ended question. The responses were coded and summary statistics derived.

### **3.7 Limitations of the Study**

Potential weaknesses of the methodology relate to:

- The sampling frame, which may not be representative of all South African clients (particularly the smaller clients).
- INDSERV is a generic business-to-business service quality measurement instrument, and as such, does not consider services that are unique to agencies. This may mean that agency-specific attributes have been omitted from the quantitative analysis. The findings of the open-ended question may indicate which attributes, if any, have been omitted.
- The data collection method (online self-administered questionnaire) led to a high level of partial- and non-completion (57%), in spite of the regular reminders. Thus there is a risk of sample bias.

### **3.8 Validity and Reliability**

Bick *et. al.* (2009) apply Leedy and Ormrod's definition of validity – the instrument used “*measures what it is supposed to measure*” (2001: 31). Malhotra (1996) describes validity by considering the two objectives that a researcher has:

- To make valid generalisations about the population (external validity).
- To draw valid conclusions (internal validity)

### **3.8.1 External Validity**

External validity refers to the extent to which the conclusions reached are generalisable (Malhotra, 1996; Leedy and Ormrod, 2001; Bick *et. al.*, 2009). In order to ensure external validity, a large sample size was used in conjunction with a random sampling methodology (Leedy and Ormrod, 2001).

### **3.8.2 Internal Validity**

Internal validity refers to whether or not valid conclusions and/or inferences can be drawn from the study (Malhotra, 1996; Leedy and Ormrod, 2001). There are three forms of internal validity – content validity, criterion-related validity and construct validity (Leedy and Ormrod, 2001). Considering each in turn:

- Content (face) validity: the extent to which the measuring instrument adequately covers the topic being studied.
- Criterion-related validity: the extent to which the measures can be used as predictive tools.
- Construct validity: addresses the question of what construct or characteristic is being measured (Malhotra, 1996). Construct validity includes convergent validity (*“the extent to which the scale correlates positively with other measures of the same construct”* (Malhotra, 1996: 307)) and discriminant validity (the extent to which the construct differs to other measures that it is supposed to differ to).

Content and construct validity apply in this study. Content validity is addressed by including the INDSERV service attributes to cover the relevant aspects identified in the literature review. In addition, respondents are asked to specify service attributes that are specific to the agency offering.

Construct validity was addressed through questionnaire piloting. The objective was to ensure that constructs were clearly understood, unambiguous and did not result in bias as a result of the phrasing in the questionnaire. As a result of the pilot, three statements were re-phrased.

Given that the task of rank ordering a large number of items can be unduly onerous for respondents, and that this can impact negatively on both the reliability and validity of the data (Möller, 2007; Stacey, 2006), partial rank ordering was used to reduce respondent fatigue (in line with Bick *et. al.* (2009)).

### **3.8.3 Reliability**

Malhotra (1996) describes reliability as “*the extent to which a scale produces consistent results if repeated measurements are made*” (1996: 304). Stated differently, reliability is the extent to which measures are free from random error. For this study, reliability was addressed in several key manners.

The questionnaire was constructed using the INDSERV model as its basis. Baring one question, the questionnaire was constructed using structured, closed questions. This reduces the potential for bias in the interpretation of data. In using structured, closed questions, it is also possible to enhance internal consistency through the use of rank order scales (Leedy and Ormrod, 2001). It further reduces errors of equivalence and stability as responses are selected from a limited range of clearly defined service attributes (Möller, 2007).

The quantitative research methodology proposed, combined with the systematic sampling technique and adequate sample size, reduces the potential for sampling error and ensures that the results have a greater degree of reliability. By rescaling the ordinal data using Stacey’s (2006) algorithmic approach, the potential for type II error is reduced (Möller, 2007).

## 4 PRESENTATION, ANALYSIS AND INTERPRETATION OF RESULTS

The results of the analysis are presented in this chapter. A more detailed breakdown is presented in Appendix F.

The first section describes the demographic profile of the sample. Thereafter, each research problem is addressed. Section 4.2 discusses the relative strengths and weaknesses of the agencies' service offering using a distribution fitting algorithm to prepare the data for analysis, and t-tests to identify the strengths and weaknesses. This is done at an aggregate level and by agency type (ATL, BTL and FS). Section 4.3 discusses the relative importance of the service attributes using rank order and t-testing. Section 4.4 identifies the differences in service attribute ranking by agency type through ANOVA testing. The chapter is concluded with content analysis of the open-ended question probing agency-specific services.

### 4.1 Demographic Data

A distribution of responses for each agency type is given in Figure 3.

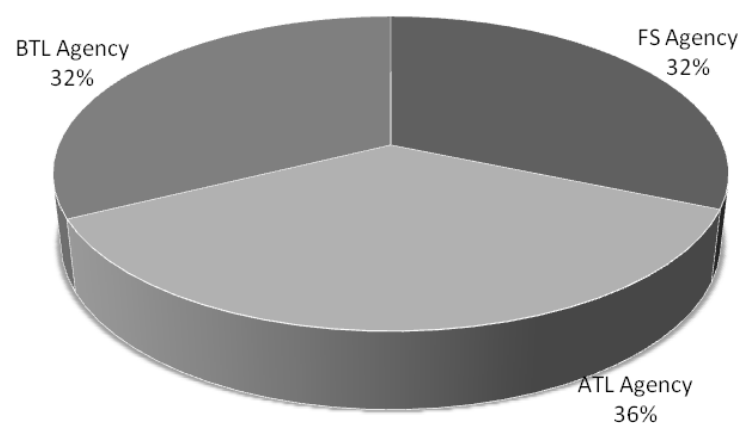


**Figure 3: Respondents by Agency Type**

A total of 105 completed responses were collected. Sample sizes for the three agency types were large enough to ensure adequate representation of the total population, thus reducing the potential for sampling error.

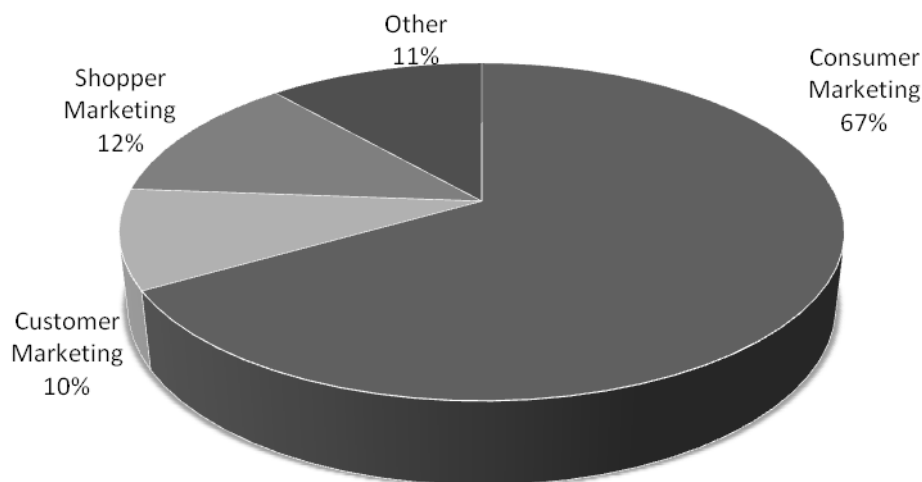


**Figure 4: Respondents by Field/Profession**

A segmentation of respondents by field profession is given in Figure 4. The sample included key individuals within a client's buying centre, among them the more junior operational people with day-to-day interaction with their agencies, as well as middle and senior management responsible for decision making. The bulk of respondents were marketers with varying levels of expertise, ranging from Assistant Brand Managers with less than two years experience, to Marketing Directors with more than twenty years experience. Respondents not heavily involved with agencies were grouped into "Other". These included General Managers, Managing Directors and individuals in Research and Development.

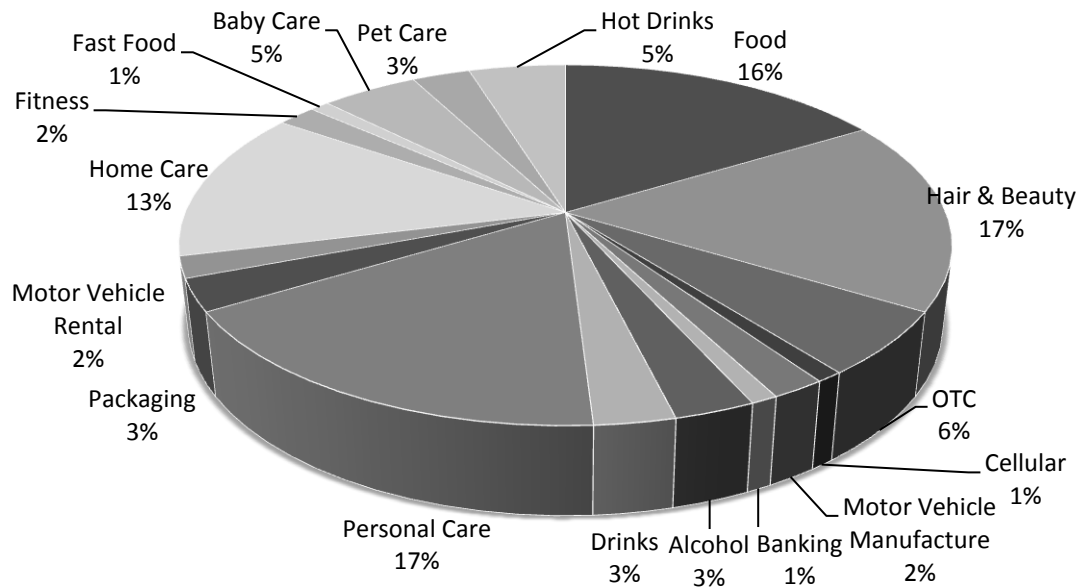


**Figure 5: Industries Represented**

Figure 5 depicts the industries represented. As per the sampling frame and sampling methodology, a cross-section of industries is represented. The sample represents seventeen industries. That said, the bulk of the sample consists of respondents from the Food, Personal Care, Home Care and Hair and Beauty industries (accounting for 63% of the total sample). These four industries form part of the larger Fast Moving Consumer Goods industry, which typically is very active in advertising and promotions, accounting for twenty of the top 100 advertisers (Adfocus, 2007). Banking, Cellular and Motor Vehicle Manufacture are potentially under-represented (versus total spend), and Retail is not represented. This is a function of the data collection method, and could result in sample bias.

That said, over forty agencies were evaluated, and they serve all major industries and clients. As examples, J. Walter Thompson (an ATL agency evaluated by respondents in the Food and Cellular industries) has clients in the Cellular, Motor Vehicles, Banking, Food, Personal Care, Beauty Care, Home Care, Diamonds and Petrochemical industries. Likewise Morris Jones (evaluated by respondents in Personal Care and Baby Care) has clients in Mobile Networks, Fast Food and Financial Services (Annual, 2009).

## **4.2 Relative Strengths and Weaknesses**

Given the competitive environment in which agencies operate, particularly the smaller locally-owned agencies, it has become increasingly important to identify areas of strength (to be capitalised on), and improve on areas of weakness (in order to gain a competitive advantage).

Respondents were presented with a list of twenty-two service attributes and asked to rate (through agreement scores) their agencies' performance. In order to apply parametric testing, the data was rescaled to interval data. By tabulating the frequency of scores, and applying a normalising distribution fitting algorithm (Stacy, 2005), the service attributes that constitute the norm (or average) level of service quality were identified, along with the relative strengths and weaknesses in the service offering - at a total level, and by agency type.

The results are based on the assumption of approximately normally distributed populations (clients by agency type) with equal population variances. The Central Limit Theorem has been used as the basis for normality given the sample sizes, and a 5% significance level was applied.

The results (summarised in Table 6) indicate the following:

- The three agency types share strengths in Soft Process Quality, being open to suggestions (statement 14) and having staff with pleasant personalities (statement 15). BTL agencies are seen to be best at pushing back when necessary (statement 16).
- They share weaknesses in Hard Process Qualities, with relatively low scores in keeping time schedules (statement 7) and looking at the detail (statement 10).
- The ATL agencies are seen to be stronger at Potential Quality - having the required management philosophy (statement 4) and using appropriate partners and suppliers (statement 6). However, their high staff turnover is a relative weakness (statement 5).

**Table 6: Summary of the Relative Strengths and Weaknesses**

|                      |    |                                                  | Total Sample |         |      | Full Service |         |      | Above the Line |         |      | Below the Line |         |      |
|----------------------|----|--------------------------------------------------|--------------|---------|------|--------------|---------|------|----------------|---------|------|----------------|---------|------|
|                      |    |                                                  | Mean         | p-value | Sig. | Mean         | p-value | Sig. | Mean           | p-value | Sig. | Mean           | p-value | Sig. |
| Potential Quality    | 1  | Offers the required service                      | 0.3191       | 0.0001  | +    | 0.2402       | 0.0558  |      | 0.4111         | 0.0001  | +    | 0.2947         | 0.0801  |      |
|                      | 2  | Has the required personel                        | 0.1480       | 0.0422  | +    | 0.0429       | 0.7404  |      | 0.2430         | 0.0088  | +    | 0.1473         | 0.3400  |      |
|                      | 3  | Has the required facilities                      | 0.3435       | 0.0000  | +    | 0.1784       | 0.1423  |      | 0.5870         | 0.0000  | +    | 0.2395         | 0.1208  |      |
|                      | 4  | Has the required management philosophy           | 0.1446       | 0.1050  |      | 0.1698       | 0.2633  |      | 0.2687         | 0.0472  | +    | 0.0962         | 0.5374  |      |
|                      | 5  | Has low staff turnover                           | -0.1450      | 0.2249  |      | 0.3053       | 0.2221  |      | -0.7023        | 0.0001  | -    | 0.1496         | 0.3989  |      |
|                      | 6  | Uses appropriate network of partners / suppliers | 0.1578       | 0.0783  |      | 0.0986       | 0.5898  |      | 0.2630         | 0.0072  | +    | 0.0940         | 0.5931  |      |
| Hard Process Quality | 7  | Keeps time schedules                             | -0.4999      | 0.0000  | -    | -0.4757      | 0.0310  | -    | -0.4890        | 0.0128  | -    | -0.5183        | 0.0007  | -    |
|                      | 8  | Honours financial agreements                     | -0.1866      | 0.0547  |      | -0.1673      | 0.3249  |      | -0.2417        | 0.1480  |      | -0.1742        | 0.2895  |      |
|                      | 9  | Meets deadlines                                  | -0.3238      | 0.0043  | -    | -0.3181      | 0.1472  |      | -0.3208        | 0.1125  |      | -0.2687        | 0.1271  |      |
|                      | 10 | Looks at the detail                              | -0.3765      | 0.0002  | -    | -0.4256      | 0.0184  | -    | -0.3174        | 0.0715  |      | -0.4026        | 0.0281  | -    |
|                      | 11 | Understands our needs                            | -0.1110      | 0.3062  |      | -0.1173      | 0.5487  |      | -0.0693        | 0.7091  |      | -0.1735        | 0.3725  |      |
| Soft Process Quality | 12 | Accepts our direction/briefs enthusiastically    | 0.0366       | 0.7322  |      | -0.0438      | 0.8202  |      | -0.0738        | 0.7001  |      | 0.1631         | 0.4131  |      |
|                      | 13 | Listens to our problems                          | 0.0968       | 0.3696  |      | -0.0321      | 0.8684  |      | 0.0447         | 0.8220  |      | 0.1409         | 0.4372  |      |
|                      | 14 | Is open to suggestions/ ideas                    | 0.2696       | 0.0035  | +    | 0.3374       | 0.0485  | +    | 0.1946         | 0.1956  |      | 0.2478         | 0.1280  |      |
|                      | 15 | Has staff with pleasant personalities            | 0.4472       | 0.0000  | +    | 0.4382       | 0.0023  | +    | 0.3867         | 0.0015  | +    | 0.5671         | 0.0005  | +    |
|                      | 16 | Argues/pushes back when necessary                | 0.1473       | 0.0405  | +    | 0.0498       | 0.7519  |      | 0.1717         | 0.1576  |      | 0.2098         | 0.0383  | +    |
|                      | 17 | Looks after our interests                        | -0.0445      | 0.5878  |      | -0.0612      | 0.6832  |      | -0.0425        | 0.7668  |      | -0.0405        | 0.7652  |      |
| Output Quality       | 18 | Reaches the objectives set for it                | -0.2470      | 0.0140  | -    | -0.1849      | 0.2394  |      | -0.3130        | 0.0715  |      | -0.2764        | 0.1164  |      |
|                      | 19 | Has a notable effect on our business             | -0.1204      | 0.2289  |      | -0.0871      | 0.6015  |      | -0.0857        | 0.5952  |      | -0.1858        | 0.3184  |      |
|                      | 20 | Contributes to our sales and brand image         | -0.0452      | 0.6545  |      | -0.0318      | 0.8518  |      | -0.0618        | 0.7093  |      | -0.0593        | 0.7549  |      |
|                      | 21 | Is creative in its offering                      | -0.0343      | 0.7077  |      | 0.0396       | 0.8057  |      | -0.0095        | 0.9409  |      | -0.1235        | 0.4977  |      |
|                      | 22 | Is consistent with our strategy                  | 0.0236       | 0.8222  |      | 0.0446       | 0.7438  |      | 0.1565         | 0.4450  |      | -0.1272        | 0.4805  |      |

- Overall there seems to be relative weakness in reaching the set objectives (statement 18). While not significant for any particular agency, it is significant cumulatively. Considering the balance of the Output Quality attributes, the agencies across all three types seem to be weak (with negative mean scores versus the norm), but not at a significantly level.

The findings thus indicate and identify the relative strengths and weaknesses of the agencies offerings, at a total level and by agency type. While there are some similarities, there are also instances in which specific agency types have relative strengths and weaknesses. Agencies are strong at Potential Quality (where significance of the strength is driven by ATL agencies), share strength in Soft Process Quality, but share weakness in Hard Process Quality. It is also important to note that no agency type has distinguished itself in terms of superior Output Quality.

### **4.3 Relative Importance of Service Attributes**

An organisation that is market orientated (Kohli, Jaworski and Kumar, 1993) will want to know what its customers regard as most important in its offering. It is of little significance (and unnecessarily costly) to be strong on attributes that customers regard as unimportant. Conversely, it is extremely costly (in terms of lost sales, low customer loyalty and reduced profitability) to be weak in areas that are most important to customers.

Thus while it is important to understand the relative strengths and weaknesses of the service offerings of the various agency types, this needs to be considered within the context of what clients regard as important. This was done by asking respondents to rank the five attributes (from the list of twenty-two) they regarded as most important.

In order to apply parametric testing (assuming interval data), Stacey's (2006) proposed methodology was adopted, with the data rescaled using a shotgun stochastic algorithmic approach to analysing rank ordered survey items. Once the mean and standard deviations were derived at a total response level, the top ten service attributes were identified. In the ranking, the higher the mean, the more important that service attribute is

to respondents. Negative means have a less than average importance. No weighting was applied to the overall mean in order to give each agency type equal importance.

Again, the results are based on the assumption of approximately normally distributed populations (clients by agency type) with equal population variances. The Central Limit Theorem has been used as the basis for normality given the sample sizes, and a 5% significance level was applied.

The results are summarised in Tables 7 and 8, and Figure 6.

**Table 7: Top 10 Service Attributes**

| Rank | Statement no. | Statement                                | Total  | FS     | ATL    | BTL    |
|------|---------------|------------------------------------------|--------|--------|--------|--------|
| 1    | 22            | Is consistent with our strategy          | 1.014  | 0.624  | 1.330  | 1.043  |
| 2    | 1             | Offers the required service              | 0.306  | 0.608  | 0.411  | 0.083  |
| 3    | 21            | Is creative in its offering              | 0.135  | -0.253 | 0.111  | 0.484  |
| 4    | 9             | Meets deadlines                          | 0.118  | 0.171  | -0.161 | 0.280  |
| 5    | 18            | Reaches the objectives set for it        | 0.036  | -0.084 | -0.010 | 0.212  |
| 6    | 20            | Contributes to our sales and brand image | -0.047 | 0.036  | -0.142 | 0.016  |
| 7    | 11            | Understands our needs                    | -0.176 | -0.265 | -0.490 | 0.199  |
| 8    | 19            | Has a notable effect on our business     | -0.302 | -0.011 | -0.093 | -0.963 |
| 9    | 4             | Has the required management philosophy   | -0.537 | -0.328 | -0.385 | -0.910 |
| 10   | 8             | Honours financial agreements             | -0.548 | -0.498 | -0.571 | -0.444 |

|                   |              |             |             |             |
|-------------------|--------------|-------------|-------------|-------------|
| Std Stdev         | 0.906        | 0.938       | 0.858       | 0.814       |
| Mean              | -2.22045E-17 | 1.11022E-17 | 0.000       | 0.000       |
| Variance of means | 0.186718728  | 0.128698712 | 0.271795461 | 0.344301646 |
| Mean Variance     | 0.821496234  | 0.880102311 | 0.735560141 | 0.662321569 |
| Overall Variance  | 1.008214962  | 1.008801023 | 1.007355601 | 1.006623216 |

Table 7 lists the means of the top ten service attributes. At a total level, the most important service attribute is consistency with the client's strategy (statement 22) with a mean of 1.014 (bearing in mind that the data was normalised to have a mean of 0 and a standard deviation of approximately 1). This is followed by offering the required services (statement 1), and being creative in the offering (statement 21). The same is true for FS agencies and ATL agencies, but not so for BTL agencies. The differences in relative importance by agency type are dealt with in more detail in section 4.4.

In spite of the focus on price, honouring financial agreements (statement 8) is ranked at number ten. It should be noted that service attributes ranked six to ten have negative means. This does not imply that they are unimportant, but that within the context of the top ten service attributes, they are less important than the average of the top ten attributes.

The relative importance of the service attributes is depicted in Figure 6. As can be seen, consistency with strategy (statement 22) is far more important than the balance of the service attributes.

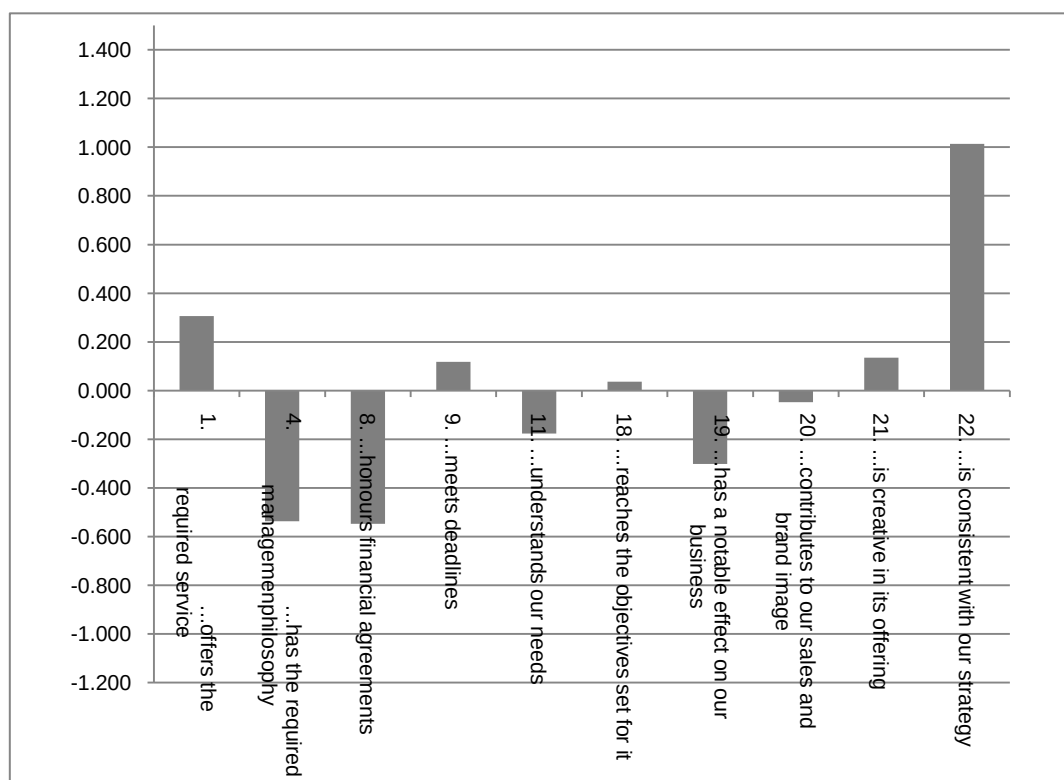


**Figure 6: Top 10 Service Attributes**

Clustering the service quality attributes into their second order dimensions identifies the most important dimensions (Table 8).

**Table 8: Top Service Attributes Dimensions**

| Rank | Statement                                | Service Quality Dimension | Rank Dimension |
|------|------------------------------------------|---------------------------|----------------|
| 1    | Is consistent with our strategy          | Output                    | 1              |
| 3    | Is creative in its offering              |                           |                |
| 5    | Reaches the objectives set for it        |                           |                |
| 6    | Contributes to our sales and brand image |                           |                |
| 8    | Has a notable effect on our business     |                           |                |
| 4    | Meets deadlines                          | Hard Process              | 2              |
| 7    | Understands our needs                    |                           |                |
| 10   | Honours financial agreements             |                           |                |
| 2    | Offers the required service              | Potential                 | 3              |
| 9    | Has the required management philosophy   |                           |                |

Output quality is the most important dimension with all five of its service attributes listed in the top ten. This is followed by Hard Process quality, and Potential quality. Conspicuous in its absence is Soft Process quality, which is the service dimension the agencies scored highest in terms of relative strength (see section 4.2). While the agencies were also seen to have a relative strength in Potential Quality (driven by ATL agencies), they were weakest in Hard Process Quality, with Output Quality set as neither a strength nor a weakness.

Comparing the two sets of findings (in sections 4.2 and 4.3), it is evident that agencies are not delivering on what is most important to their clients – Output quality and Hard Process quality. In layman's terms, they are not delivering on time attributes; they do not consider the detail of the problem and / or their offering; and they are not seen to be making a significant impact on their clients' business. Instead it appears that agencies (particularly ATL agencies) focus their efforts on winning the client with cues of good service, at least in the short-term (Potential Quality), and building personal relationships with their clients. This can be easily achieved - promising to offer the required services through elaborate presentations of portfolios; creating the perception of having the right type and quantity of people by exposing clients to large (and mixed) staff complements; having appropriately styled and situated offices; and focusing on personal selling.

This could either be a function of the current environment (see section 1.2) – particularly as it relates to clients’ focus on costs and their short-term relationships with agencies - or a cause of the current trend. Either way, while not specifically tested in this study, the author proposes that there is correlation. This is discussed in greater detail in chapter 5.

#### **4.4 Differences by Agency Type**

Given that the service offering differs by agency type (see section 1.6), the study considered differences in the relative importance of the service attributes by agency type. Not only is it necessary for a particular agency type to understand what it is that its clients perceive to be important service attributes for its current offering, it is also key for agencies looking to extend their services across agency types (for example, an ATL agency wanting to extend into a FS agency) to understand how their services need to adjust to ensure a quality offering.

As with section 4.3, the data was rescaled using a shotgun stochastic algorithmic approach to analysing rank ordered survey items (Stacy, 2006). Once the mean and standard deviations were derived at a total level, the top ten service attributes were identified. The means and standard deviations for these same ten attributes were then derived by agency type. The data is summarised in Table 7. These were used for the hypothesis testing.

ANOVA testing on the rescaled standardised means and standard deviations was used to determine if differences exist in the relative importance of service attributes given the agency type. The top ten service attributes were tested individually.

Again, the results are based on the assumption of approximately normally distributed populations (clients by agency type) with equal population variances. The Central Limit Theorem has been used as the basis for normality given the sample sizes, and a 5% significance level was applied.

Before considering the results of the ANOVA tests, a review of the summary of the means and graphical representation by agency type is provided (Table 9 and Figures 7 – 9). Based on these, there is evidence to suggest that there are differences – both in the

relative importance of the individual service attributes, as well as the ranking of the attributes.

**Table 9: Comparison of Top 10 Service Attributes by Agency Type**

| No. | Statement                                | Ranking |    |     |     |
|-----|------------------------------------------|---------|----|-----|-----|
|     |                                          | Total   | FS | ATL | BTL |
| 22  | Is consistent with our strategy          | 1       | 1  | 1   | 1   |
| 1   | Offers the required service              | 2       | 2  | 2   | 6   |
| 21  | Is creative in its offering              | 3       | 7  | 3   | 2   |
| 9   | Meets deadlines                          | 4       | 3  | 7   | 3   |
| 18  | Reaches the objectives set for it        | 5       | 6  | 4   | 4   |
| 20  | Contributes to our sales and brand image | 6       | 4  | 6   | 7   |
| 11  | Understands our needs                    | 7       | 8  | 9   | 5   |
| 19  | Has a notable effect on our business     | 8       | 5  | 5   | 10  |
| 4   | Has the required management philosophy   | 9       | 9  | 8   | 9   |
| 8   | Honours financial agreements             | 10      | 10 | 10  | 8   |

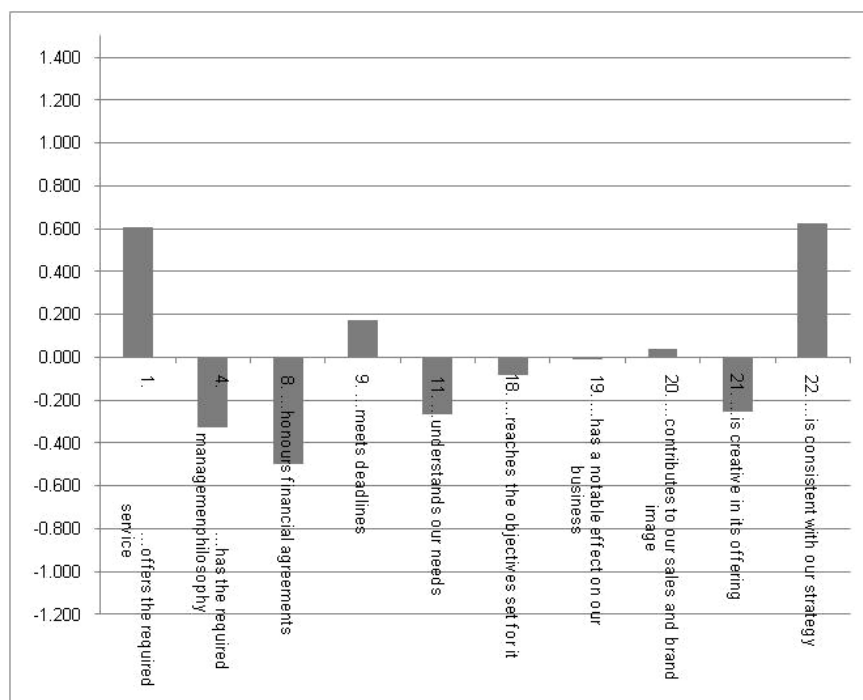


**Figure 7: FS Agency Top 10 Service Attributes**

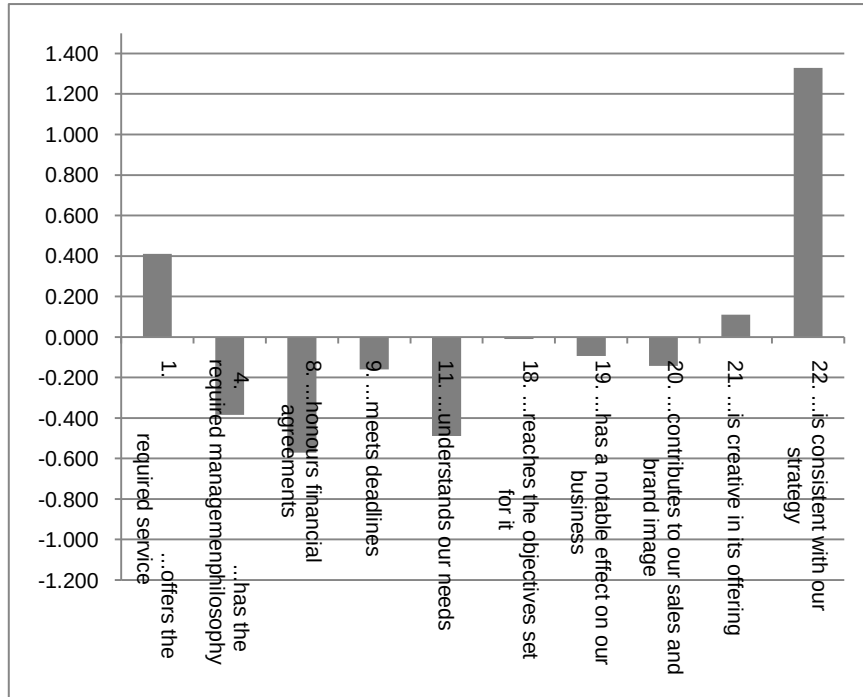


**Figure 8: ATL Agency Top 10 Service Attributes**

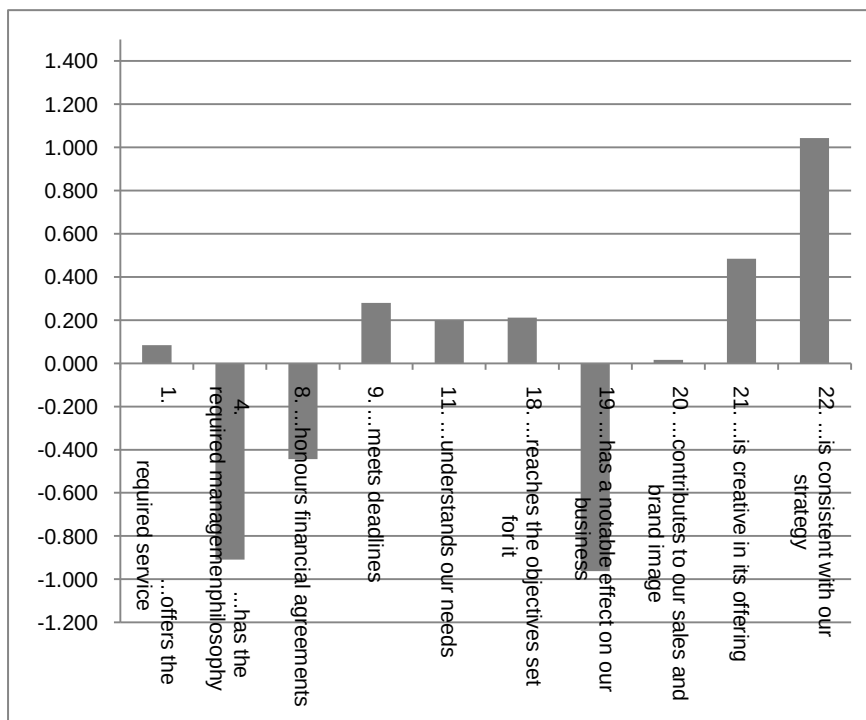


**Figure 9: BTL Agency Top 10 Service Attributes**

While respondents ranked consistency with strategy (statement 22) as the most important service attribute across all agency types, there were differences in ranking in the balance of the attributes:

- Offering the required services (statement 1) ranked as the second most important attribute to FS and ATL agencies, but ranked only sixth for BTL agencies. Instead, creativity (statement 21) ranked second most important for BTL agencies. Further, respondents for BTL agencies placed meeting deadlines (statement 9), reaching objectives (statement 18) and understanding needs (statement 11) ahead of offering the required services. While not specifically probed, it is suggested that this is a function of the objectives of BTL activities - short-term, aimed at encouraging sales, spiking awareness levels, and so forth (Shimp, 1993) – where timings are critical and the measurement of success absolute (e.g. impact on sales value and volume).
- For FS agencies, offering the required services (statement 1) appears to be almost as important as consistency with strategy (statement 22). Given the wider scope of services promised, it is suggested that clients are more conscious of the FS agency promise as there may be a heightened level of discomfort with the broader offering and perceived lack of focus or speciality (versus an ATL or BTL agency). This relates to the credence quality of an agency's service – ATL and BTL agencies are more common and therefore clients are more accustomed to their offering, which makes FS agencies less credible as there is less experience and understanding (among the clients' buying centres) of their offering and capabilities. Again, these are propositions and not conclusions, as they have not been specifically tested.
- In comparison to FS and BTL agencies, there seems to be less importance placed on meeting deadlines for ATL. This may be a function of the offering, where the focus of the ATL agency is building long-term equity (Shimp, 1993), thus there is less immediate pressure and more flexibility on timing to ensure that the equity messaging is correct.

The ANOVA tests validate some of the above observations.

As mentioned previously, the means of the top ten attributes were tested to determine whether significant differences exist in their relative importance. These are summarised in Table 10 (the results of the individual tests are in Appendix F).

**Table 10: Results of One-Way ANOVA, Top 10 Service Attributes by Agency Type**

|    |                                          | Sample Means |        |        | p-Value | Reject H <sub>0</sub> |
|----|------------------------------------------|--------------|--------|--------|---------|-----------------------|
|    |                                          | FS           | ATL    | BTL    |         |                       |
| 1  | Offers the required service              | 0.608        | 0.411  | 0.083  | 0.048   | Yes                   |
| 4  | Has the required management philosophy   | -0.328       | -0.385 | -0.910 | 0.012   | Yes                   |
| 8  | Honours financial agreements             | -0.498       | -0.571 | -0.444 | 0.824   | No                    |
| 9  | Meets deadlines                          | 0.171        | -0.161 | 0.280  | 0.085   | No                    |
| 11 | Understands our needs                    | -0.265       | -0.490 | 0.199  | 0.004   | Yes                   |
| 18 | Reaches the objectives set for it        | -0.084       | -0.010 | 0.212  | 0.351   | No                    |
| 19 | Has a notable effect on our business     | -0.011       | -0.093 | -0.963 | 0.000   | Yes                   |
| 20 | Contributes to our sales and brand image | 0.036        | -0.142 | 0.016  | 0.633   | No                    |
| 21 | Is creative in its offering              | -0.253       | 0.111  | 0.484  | 0.003   | Yes                   |
| 22 | Is consistent with our strategy          | 0.624        | 1.330  | 1.043  | 0.004   | Yes                   |

The findings support the hypothesis that the importance of service attributes differ significantly by agency type. Of the top ten, six service attributes were seen to be of varying importance, among them the top three service attributes – consistency with strategy; offering the required services, and creativity in the offering. These, coupled with the balance of the six (understanding needs; notable effect on business and required management philosophy), indicate that agencies need to bundle and promote their service offering differently, with emphasis on different attributes, dependent on the agency type. As examples:

- For a FS agency, offering the required services is almost as important as offering solutions consistent with the client's strategy, while for ATL and BTL agencies consistency with strategy is of paramount importance. It is proposed that this is a function of the client's needs and expectations; its dependability on a single supplier; and the lack of experience the individuals within the client's buying centre have with FS agencies, given that they are not as common as ATL and BTL agencies (which means FS agencies suffer from greater credence quality relative to the other agency types). The client is more reliant on a single agency's

ability to offer the appropriate solutions that will allow the client to deliver on its strategy and objectives. The client does not have the freedom to select from a pool of ATL and BTL agencies to offer the required services, therefore making the agency's ability to offer the required services relatively more important. This resonates with four of the five expectation-influencing variables proposed by Patterson *et. al.* (1997) – novelty; importance of purchase decision; decision complexity; and uncertainty.

- Creativity is significantly more important for BTL agencies than it is for FS and ATL agencies. It is proposed that this is a function of the locus of the relationship; scope of work; and source of the creative execution for the various agency types. BTL agencies tend to be smaller, locally-owned entities, where the agencies have relationships with the operation individuals within the client's buying centre (e.g. brand managers). ATL (and to a lesser extent FS) agencies tend to have relationships at a global level, where the relationship is governed by senior management. The global relationship brings with it the practice of global rollout discussed in section 1.2, where global communication bundles are adapted for local use. Prevalent among these is equity messaging produced in one country, and edited for usage in various countries. This limits an agency's creativity, thus reducing the importance of creativity for the client. In conjunction with this is the practice of "pitching out" business (where clients brief various agencies, who in turn tender for the business). Given the higher incidence of global relationships among ATL agencies, "pitching" is more prevalent in the BTL environment as there is more flexibility (and control) for the individuals within the client's buying centre in selecting who to work with at a local level. While not specifically tested, it is proposed that in this selection process, creativity in interpreting the client's brief and conceptualising a promotion or campaign is a key determinant in being awarded the client's business. Thus making creativity, in the context of the client's strategy, a more important attribute for BTL agencies.
- Understanding the client's needs is seen to be more important for BTL agencies. It is proposed that this understanding has a bearing on the agency's ability to

have a notable impact on the client's business (which is also seen to be significantly more important for BTL agencies). Again, given the nature of the relationship, the locus of control (locally versus globally), and the requirements of the BTL offering, it is critical that individuals in the buying centre believe that the BTL agency understands and can deliver on its needs, as this will drive the offering proposed and implemented by the agency. If the agency's offering is effective, it will have an appropriate impact on the client's business. This importance is further emphasised by the timing and quantitative nature of the measurement of the success (outcome) of the BTL agency's offering. As described in section 1.6, a BTL offering generally has a short-term impact, e.g. an uplift in sales over a pre-determined period. Thus, post-campaign, the client is able to measure the impact of the agency's offering relatively quickly using internal sales data (possibly supplemented by syndicated market share data). This easy access to (and transparency of) results of a BTL campaign, coupled with greater stakeholding of the individuals within the buying centre responsible for selecting the agency (Patterson *et. al.*, 1997), help to explain why it is important for individuals within the buying centre that their selected BTL agency understands what is required of it, and that its offering has an appropriate impact on their business. In comparison to ATL and FS agencies, individuals within the buying centre (particularly the lower level operational employees) generally have limited influence over which agency (and concept) is selected and therefore carry less responsibility for the outcome. Also, the objectives of an ATL or FS campaign can be harder to measure, in terms of timing, unit of measure (brand awareness, brand liking, and so forth) and availability of information (which requires commissioning of costly research by specialised research agencies).

- In contrast, having the required management philosophy is more important for ATL and FS agencies. While not specifically tested, it is proposed that this is once again related to the locus of control of the relationship (among senior management), where the emphasis is more on building longer-term strategic partnerships with shared vision, complementary cultures, and mutually-beneficial working relationships (Yardstick, 2007).

Thus in comparison, where an FS agency needs to ensure consistency with its clients strategy and ability to offer the required services timeously, an ATL agency needs to focus more on consistency with strategy, and to a lesser extent on its service offering with some creativity. A BTL agency needs to ensure consistency with strategy, but focus more on creativity and ability to understand and deliver on client needs.

Where there is no significant difference in importance, these service attributes tend to relate to process (Hard Process Quality), and the effectiveness of the offering (Output Quality). Stated simply, regardless of the agency type, it is equally important for clients that their agencies meet deadlines, stay within budget, reach objectives, and make a meaningful contribution to their business.

Considering the service dimensions (see Table 11), it appears that Potential quality as a dimension exhibits differences by agency type. As described above, it is more important for FS and ATL agencies to exhibit Potential quality.

**Table 11: Differences in Importance of Service Dimensions**

| Dimension            | Service Attribute                        | Significant Difference |
|----------------------|------------------------------------------|------------------------|
| Potential Quality    | Offers the required service              | Yes                    |
|                      | Has the required management philosophy   | Yes                    |
| Hard Process Quality | Honours financial agreements             | No                     |
|                      | Meets deadlines                          | No                     |
|                      | Understands our needs                    | Yes                    |
| Output Quality       | Reaches the objectives set for it        | No                     |
|                      | Has a notable effect on our business     | Yes                    |
|                      | Contributes to our sales and brand image | No                     |
|                      | Is creative in its offering              | Yes                    |
|                      | Is consistent with our strategy          | Yes                    |

The same is not true for Hard Process quality, where clients of any of the agency types expect their agencies to deliver Hard Process quality. There are mixed results for Output quality, where clients of any of the agency type regard some of the service attributes as being of equal importance, specifically those referred to by Halinen (1994) as “final outcome quality”.

In summary, there are differences in the relative importance of some of the service attributes given agency type. These differences have implications for how an agency, dependent on its service offering, bundles its services, prioritises them, and presents them to existing and potential clients. That said, there are no significant differences in the importance clients place on the agencies' ability to get the job done on time and within budget.

Comparing these findings to the relative strengths and weaknesses by agency type (see section 4.2), it appears that ATL agencies are in a better position in terms of Potential Quality versus FS agencies – they are stronger at delivering on the important service attributes within this dimension. Conversely, the agency types are indistinguishable in terms of Hard Process Quality (cumulatively a relative weakness) and Output Quality, evidently the two more important service dimensions.

#### **4.5 Specific Agency Services Required by Clients**

Given the specialised nature of the services offered by agencies versus the generic INDSERV instrument, an open-ended question was included that asked respondents to list additional services they require of their agencies. This was not intended to answer a research question, but rather to identify specific services required by clients, and potentially provide a platform for future research. As a qualitative question, no statistical analyses were carried out. Instead, the findings have been coded, categorised and tabulated (see Table 12).

The services have been categorised according to their function and/or stage in the overall process. The three services listed most often across the three agency types:

- Production Management
- Creativity (design and copy)
- Concept development

**Table 12: Differences in Importance of Service Dimensions**

|                    |                                                                              | Total  |           | FS     |         | ATL    |          | BTL    |          |
|--------------------|------------------------------------------------------------------------------|--------|-----------|--------|---------|--------|----------|--------|----------|
|                    |                                                                              | Actual | % of Tot. | Actual | % of FS | Actual | % of ATL | Actual | % of BTL |
| Strategy           | Communications Strategy                                                      | 28     | 27%       | 9      | 27%     | 17     | 45%      | 2      | 6%       |
|                    | Input in /understanding of Brand Strategy                                    | 52     | 50%       | 25     | 76%     | 21     | 55%      | 6      | 18%      |
|                    | Local & Global Market Intelligence (Trade, Competitors, Shoppers, Consumers) | 59     | 56%       | 20     | 61%     | 15     | 39%      | 24     | 71%      |
|                    | Adapting Global Campaigns                                                    | 5      | 5%        | 0      | 0%      | 5      | 13%      | 0      | 0%       |
|                    |                                                                              |        |           |        |         |        |          |        |          |
| Creative           | Concept Development                                                          | 72     | 69%       | 27     | 82%     | 30     | 79%      | 15     | 44%      |
|                    | Creativity in Design & Copywriting                                           | 74     | 70%       | 30     | 91%     | 20     | 53%      | 24     | 71%      |
|                    | Structural Design (Point of Sale)                                            | 11     | 10%       | 0      | 0%      | 0      | 0%       | 11     | 32%      |
|                    | Creativity in Touch Points (New Touch Points and/or Use of Existing)         | 26     | 25%       | 7      | 21%     | 9      | 24%      | 10     | 29%      |
| Implementation     | Campaign Management / Integration                                            | 56     | 53%       | 17     | 52%     | 20     | 53%      | 19     | 56%      |
|                    | Production Management                                                        | 69     | 66%       | 18     | 55%     | 21     | 55%      | 30     | 88%      |
|                    | Cost management / efficiencies                                               | 5      | 5%        | 2      | 6%      | 3      | 8%       | 3      | 9%       |
|                    | Fulfilment of prizes                                                         | 5      | 5%        | 0      | 0%      | 0      | 0%       | 5      | 15%      |
| Account Management | Account Management                                                           | 11     | 10%       | 9      | 27%     | 2      | 5%       | 0      | 0%       |
|                    | Relationships with Client & Agency Partners                                  | 13     | 12%       | 0      | 0%      | 9      | 24%      | 4      | 12%      |
|                    | Measurement, Reviews & Post-Campaign Analyses                                | 13     | 12%       | 0      | 0%      | 6      | 16%      | 7      | 21%      |
|                    |                                                                              |        |           |        |         |        |          |        |          |
| Other              | Additional Services - Event Management & Activations                         | 7      | 7%        | 0      | 0%      | 0      | 0%       | 7      | 21%      |
| n.                 |                                                                              | 105    |           | 33     |         | 38     |          | 34     |          |

These three were listed by approximately 70% of respondents. Production management entails the production of vastly differing elements, dependent on the type of agency and requirements (where a FS or ATL agency may be tasked with managing the production of a television commercial, a BTL agency may have to manage production of display material for an in-store promotion). Production management was listed most for BTL agencies (by 88% of those respondents).

Given the nature of the service, it appears to fall into the realm of Output quality, in that it is an agency output used by the client to achieve its objectives. Using Halinen's (1994) qualification, it would be included as "final outcome quality". It is argued that the same is true of creativity and concept development, although these are more abstract in nature, and as outputs, they happen earlier on in the process.

Concept development was listed most as a service requirement of ATL agencies (followed by FS agencies). This is interesting for two reasons:

- The literature review indicates that at a local level, creativity is influenced by global direction (Cappo, 2003; Manning, 2006);

- In the ANOVA testing, creativity was seen to be significantly less important for ATL agencies than for BTL agencies.

That said, ATL agencies are the only agency type listed as having to adapt global campaigns for local use. It may be that clients look to ATL agencies for concepts regardless of the source (local or global).

While not listed regularly, there is a need for agencies to work with their clients' other suppliers – other agencies and/or suppliers (e.g. printers). This was listed as a service requirement for both ATL and BTL agencies. While not probed, it is assumed that this collaboration is required for integrated marketing campaigns with multiple touch points. Where specialised agencies have to collaborate, FS agencies are able to offer a wide range of services to deliver the integrated campaign.

Strategic services were also listed regularly. Insights and understanding of the market, and (input into) brand strategy were listed by more than half of all respondents. That said, input into brand strategy was rarely listed as a BTL service (less than 20% of BTL respondents). The lack of strategic dependence may explain the higher incidence of tendering of BTL work, where clients have more stable relationships with FS and ATL agencies.

Campaign management (integration) was listed by more than half of respondents. Campaign management entails working with the client through the duration of the campaign, helping to coordinate delivery and implementation of the elements, and working with media owners and the relevant trade channels to ensure the campaign is appropriately implemented. Again, dependent on the nature of the activity, campaign management could entail vastly different functions. For an ATL agency, it may involve:

- From producing to delivering a television commercial to the stations;
- Designing and delivering outdoor material to billboard owners;
- Designing and submitted print creative to the various publications;
- Coding the various creative elements for reference by the media agencies and media owners;

- Notifying the media agencies of the codes and delivery of material so that they in turn may use the same codes to book space with the relevant media owners.

For a BTL agency, campaign management may entail:

- Designing, producing and delivering printed display material for a national competition to the client's regional offices;
- Producing and providing marketing collateral to a promoter (activation) agency (uniforms for the promoters, marketing collateral and so forth);
- Setting up and managing the competition entry mechanic;
- Monitoring entries into the competition and regular report back to client.

Given the nature of this service (campaign management), it lends itself more to the Hard Process quality dimension.

Cost management was one of the least mentioned attributes (5%). Requirements listed tended to revolve around managing budgets; ensuring spend within budget; and negotiating costs on behalf of clients. There were no requirements listed related to cheapest cost specifically, despite the fact that currently cheapest cost appears to be an order-winning requirement.

In summary, it appears that there are services required by agency clients that are not encompassed by the generic INDSERV instrument. That said, it would appear that the services listed most often would fall into the Output quality and Hard Process quality dimensions. While not tested, it is proposed that the client's reliance on strategic input by FS and ATL agencies (at either a global or local level) could help explain why these agency types enjoy more stable relationships with their clients (versus their BTL counterparts) – they are seen to be strategic partners, whereas BTL agencies are used more for their ability to implement.

## 5 CONCLUSIONS AND RECOMMENDATIONS

From the results presented in Chapter 4, the following conclusions and recommendations can be drawn.

### 5.1 Responses to the Research Questions

The objective of this research was to assess perceptions of service quality offered by Advertising and Promotions agencies in South Africa, and to identify the most important service attributes of the offering. In order to do so, research questions were formulated based on the sub-problems below, and on the literature review:

- To assess the relative strengths and weaknesses of the service quality offered by Advertising and Promotions agencies in South Africa – at an overall level and by agency type (Above-the-Line, Below-the-Line or Full Service);
- To determine the relative importance of the various service attributes that constitute the Advertising and Promotions agencies' service offering;
- To determine if there are differences in the relative importance of the service attributes for clients of the three agency types.

#### 5.1.1 **Research Question 1: What are the relative strengths and weaknesses in the quality of agencies' services?**

The research indicates that, in order to gain a better understanding of the strengths and weaknesses in the quality of agencies' service, a multi-level (or multi-dimensional) approach is effective in that one is able to determine not only the service attributes, but also the higher-order service dimensions.

The research identifies dimensions where agencies are relatively strong, and dimensions where they are weak. Agencies, regardless of the agency type, share relative strength in Soft Process quality. That is to say that individuals within the client service teams interact well with individuals in the clients' buying centre (see Table 13).

**Table 13: Strengths and Weaknesses in Soft Process Quality**

|                      |                                               | Total Sample |         |      | Full Service |         |      | Above the Line |         |      | Below the Line |         |      |
|----------------------|-----------------------------------------------|--------------|---------|------|--------------|---------|------|----------------|---------|------|----------------|---------|------|
|                      |                                               | Mean         | p-value | Sig. | Mean         | p-value | Sig. | Mean           | p-value | Sig. | Mean           | p-value | Sig. |
| Soft Process Quality | Accepts our direction/briefs enthusiastically | 0.0366       | 0.7322  |      | -0.0438      | 0.8202  |      | -0.0738        | 0.7001  |      | 0.1631         | 0.4131  |      |
|                      | Listens to our problems                       | 0.0968       | 0.3696  |      | -0.0321      | 0.8684  |      | 0.0447         | 0.8220  |      | 0.1409         | 0.4372  |      |
|                      | Is open to suggestions/ideas                  | 0.2696       | 0.0035  | +    | 0.3374       | 0.0485  | +    | 0.1946         | 0.1956  |      | 0.2478         | 0.1280  |      |
|                      | Has staff with pleasant personalities         | 0.4472       | 0.0000  | +    | 0.4382       | 0.0023  | +    | 0.3867         | 0.0015  | +    | 0.5671         | 0.0005  | +    |
|                      | Argues/pushes back when necessary             | 0.1473       | 0.0405  | +    | 0.0498       | 0.7519  |      | 0.1717         | 0.1576  |      | 0.2098         | 0.0383  | +    |
|                      | Looks after our interests                     | -0.0445      | 0.5878  |      | -0.0612      | 0.6832  |      | -0.0425        | 0.7668  |      | -0.0405        | 0.7652  |      |

Potential quality is a dimension that ATL agencies are significantly stronger at. They are seen to offer the required services; have the required personnel; use an appropriate network of suppliers and have the required management philosophy (see table 14).

**Table 14: Strengths and Weaknesses in Potential Quality**

|                   |                                                  | Total Sample |         |      | Full Service |         |      | Above the Line |         |      | Below the Line |         |      |
|-------------------|--------------------------------------------------|--------------|---------|------|--------------|---------|------|----------------|---------|------|----------------|---------|------|
|                   |                                                  | Mean         | p-value | Sig. | Mean         | p-value | Sig. | Mean           | p-value | Sig. | Mean           | p-value | Sig. |
| Potential Quality | Offers the required service                      | 0.3191       | 0.0001  | +    | 0.2402       | 0.0558  |      | 0.4111         | 0.0001  | +    | 0.2947         | 0.0801  |      |
|                   | Has the required personnel                       | 0.1480       | 0.0422  | +    | 0.0429       | 0.7404  |      | 0.2430         | 0.0088  | +    | 0.1473         | 0.3400  |      |
|                   | Has the required facilities                      | 0.3435       | 0.0000  | +    | 0.1784       | 0.1423  |      | 0.5870         | 0.0000  | +    | 0.2395         | 0.1208  |      |
|                   | Has the required management philosophy           | 0.1446       | 0.1050  |      | 0.1698       | 0.2633  |      | 0.2687         | 0.0472  | +    | 0.0962         | 0.5374  |      |
|                   | Has low staff turnover                           | -0.1450      | 0.2249  |      | 0.3053       | 0.2221  |      | -0.7023        | 0.0001  | -    | 0.1496         | 0.3989  |      |
|                   | Uses appropriate network of partners / suppliers | 0.1578       | 0.0783  |      | 0.0986       | 0.5898  |      | 0.2630         | 0.0072  | +    | 0.0940         | 0.5931  |      |

Agencies are perceived to be relatively weak at Hard Process and Output quality service dimensions. They are weakest at Hard Process quality, where they are significantly weak across three of the five service attributes. These relate to their inability to manage timing of projects – keeping schedules and delivering on time. Failure to do the former can result in poorly conceived client expectations of timings, which would negatively influence satisfaction (in those instances where clients have unrealistic expectations). Failure to deliver on time can result in dissatisfaction with the usage occasion. In both instances, dissatisfaction will lead to clients adjusting their perceptions of service quality. The results are summarised in Table 15.

**Table 15: Strengths and Weaknesses in Hard Process Quality**

|                      |                              | Total Sample |         |      | Full Service |         |      | Above the Line |         |      | Below the Line |         |      |
|----------------------|------------------------------|--------------|---------|------|--------------|---------|------|----------------|---------|------|----------------|---------|------|
|                      |                              | Mean         | p-value | Sig. | Mean         | p-value | Sig. | Mean           | p-value | Sig. | Mean           | p-value | Sig. |
| Hard Process Quality | Keeps time schedules         | -0.4999      | 0.0000  | -    | -0.4757      | 0.0310  | -    | -0.4890        | 0.0128  | -    | -0.5183        | 0.0007  | -    |
|                      | Honours financial agreements | -0.1866      | 0.0547  |      | -0.1673      | 0.3249  |      | -0.2417        | 0.1480  |      | -0.1742        | 0.2895  |      |
|                      | Meets deadlines              | -0.3238      | 0.0043  | -    | -0.3181      | 0.1472  |      | -0.3208        | 0.1125  |      | -0.2687        | 0.1271  |      |
|                      | Looks at the detail          | -0.3765      | 0.0002  | -    | -0.4256      | 0.0184  | -    | -0.3174        | 0.0715  |      | -0.4026        | 0.0281  | -    |
|                      | Understands our needs        | -0.1110      | 0.3062  |      | -0.1173      | 0.5487  |      | -0.0693        | 0.7091  |      | -0.1735        | 0.3725  |      |

As regards Output Quality, agencies are significantly weak at reaching the objectives set. Individually, the various agency types are not significantly weak, but at an aggregate level their weakness is significant (see Table 16).

**Table 16: Strengths and Weaknesses in Output Quality**

|                |                                          | Total Sample |         |      | Full Service |         |      | Above the Line |         |      | Below the Line |         |      |
|----------------|------------------------------------------|--------------|---------|------|--------------|---------|------|----------------|---------|------|----------------|---------|------|
|                |                                          | Mean         | p-value | Sig. | Mean         | p-value | Sig. | Mean           | p-value | Sig. | Mean           | p-value | Sig. |
| Output Quality | Reaches the objectives set for it        | -0.2470      | 0.0140  | -    | -0.1849      | 0.2394  |      | -0.3130        | 0.0715  |      | -0.2764        | 0.1164  |      |
|                | Has a notable effect on our business     | -0.1204      | 0.2289  |      | -0.0871      | 0.6015  |      | -0.0857        | 0.5952  |      | -0.1858        | 0.3184  |      |
|                | Contributes to our sales and brand image | -0.0452      | 0.6545  |      | -0.0318      | 0.8518  |      | -0.0618        | 0.7093  |      | -0.0593        | 0.7549  |      |
|                | Is creative in its offering              | -0.0343      | 0.7077  |      | 0.0396       | 0.8057  |      | -0.0095        | 0.9409  |      | -0.1235        | 0.4977  |      |
|                | Is consistent with our strategy          | 0.0236       | 0.8222  |      | 0.0446       | 0.7438  |      | 0.1565         | 0.4450  |      | -0.1272        | 0.4805  |      |

In summary, while agencies exhibit some commonalities in strength and weakness, there were distinct differences among the agency types. It is therefore critical, when measuring service quality for agencies, to take into account the type of agency, and to measure service quality as a multi-dimensional construct so as to identify the drivers of those perceptions.

### **5.1.2 Research Question 2: How do clients rank, in order of relative importance, the various attributes of the agency service offering?**

While it is important to understand the relative strengths and weaknesses of the service offerings of the various agency types, this needs to be considered within the context of what clients regard as important. The top 10 service attributes are listed in Table 17.

**Table 17: Ten Most Important Service Attributes**

| Rank | Statement                                | Dimension    |
|------|------------------------------------------|--------------|
| 1    | Is consistent with our strategy          | Output       |
| 2    | Offers the required service              | Potential    |
| 3    | Is creative in its offering              | Output       |
| 4    | Meets deadlines                          | Hard Process |
| 5    | Reaches the objectives set for it        | Output       |
| 6    | Contributes to our sales and brand image | Output       |
| 7    | Understands our needs                    | Hard Process |
| 8    | Has a notable effect on our business     | Output       |
| 9    | Has the required management philosophy   | Potential    |
| 10   | Honours financial agreements             | Hard Process |

Five of the top ten attributes fall within the Output quality dimension, making it the single most important service quality dimension. This is followed by the Hard Process quality dimension with three service attributes. Two service attributes within the Potential quality dimension complete the top ten service attributes.

Consistency with strategy was shown to be over three times more important than the second ranked attribute. It is argued that this attribute, combined with the other Output quality attributes and the Hard Process quality attributes, are the key drivers in satisfaction, loyalty and perceptions of service quality. That said, in order to effectively deliver a service that achieves this, it is first necessary to show a credible ability to do so. It is proposed that the two Potential quality attributes listed in the top ten help achieve this.

The literature implied that cost has become a focus for clients, yet the results of the research show that the honouring financial agreements, the single attribute in INDSEV related to cost, only ranked at number ten. Like Potential quality, it could be argued that cost may be an order-winner, yet the qualitative portion of the study does not indicate that cheapest cost is necessary. Rather, clients appear more concerned with an agency's ability to manage budgets, and to ensure that they do not overspend versus their client's budget.

It is proposed that the heightened focus on costs, as described in the literature, could be a result of agencies' relative weaknesses at the Hard Process and Output quality

dimensions. Stated simply, it is argued that clients will penalise agencies for poor delivery where it matters most by forcing agencies to compete on price.

None of the Soft Process quality service attributes feature among the top ten, yet this is the service dimension the agencies scored highest in terms of relative strength. Thus while agencies are relatively weak on the important dimensions, they appear to focus their efforts on winning the client with cues of good service (Potential Quality), and having pleasant personal interactions with individuals in their client's buying centre. Given the lack of importance placed by clients on Soft Process quality, it is argued that this is a short-term strategy at best – a client may award an agency business to start with, but if the agency is unable to deliver on Hard Process and Output quality, the client's perceptions of the agency's service quality will be negatively affected. This will impact negatively on the agency's ability to achieve client loyalty. It is further argued that, in these instances, the client will be unwilling to pay a premium for the service, forcing the agency to compete on cost. While this causal relationship has not been tested, it is recommended as a predictive study.

In summary, the key service attributes have been identified and ranked at an aggregate level. It is evident that Output quality and Hard Process quality are key to clients, but that Soft Process quality is not important. That said, agencies are weak on the former, and strong on the latter, implying that they are focusing their efforts on the wrong service dimension, which may explain the higher incidence of tendering business ("pitching"), and the heightened focus on cost. It is argued that in order for agencies to differentiate themselves in terms of quality, they need to understand their client needs, and then ensure they deliver a solution that meets objectives, in time, and on budget.

### **5.1.3 Research Question 3: What are the significant differences in the ranking of the relative importance of the service attributes, given the different agency types?**

ANOVA testing presents sufficient evidence to indicate significant differences in the importance of certain service attributes. Of the top ten service attributes tested, six were significantly different. A summary of the findings is presented in Table 18.

**Table 18: Differences in Relative Importance by Agency Type**

| Dimension            | Service Attribute                        | FS     |      | ATL    |      | BTL    |      | Sig. Difference |
|----------------------|------------------------------------------|--------|------|--------|------|--------|------|-----------------|
|                      |                                          | Mean   | Rank | Mean   | Rank | Mean   | Rank |                 |
| Potential Quality    | Offers the required service              | 0.608  | 2    | 0.411  | 2    | 0.083  | 6    | Yes             |
|                      | Has the required management philosophy   | -0.328 | 9    | -0.385 | 8    | -0.910 | 9    | Yes             |
| Hard Process Quality | Honours financial agreements             | -0.498 | 10   | -0.571 | 10   | -0.444 | 8    | No              |
|                      | Meets deadlines                          | 0.171  | 3    | -0.161 | 7    | 0.280  | 3    | No              |
|                      | Understands our needs                    | -0.265 | 8    | -0.490 | 9    | 0.199  | 5    | Yes             |
| Output Quality       | Reaches the objectives set for it        | -0.084 | 6    | -0.010 | 4    | 0.212  | 4    | No              |
|                      | Has a notable effect on our business     | -0.011 | 5    | -0.093 | 5    | -0.963 | 10   | Yes             |
|                      | Contributes to our sales and brand image | 0.036  | 4    | -0.142 | 6    | 0.016  | 7    | No              |
|                      | Is creative in its offering              | -0.253 | 7    | 0.111  | 3    | 0.484  | 2    | Yes             |
|                      | Is consistent with our strategy          | 0.624  | 1    | 1.330  | 1    | 1.043  | 1    | Yes             |

In spite of the differences, the most important service attribute across the agency types is consistency with strategy. Although the ranking is the same, its relative importance differs by agency type, where it is least important for FS agencies, and most important for ATL agencies. The balance of the items have different rankings across the agency types. These differences have implications for how an agency, dependent on its service offering, bundles its services, prioritises them, and presents them to existing and potential clients. As an example, it is more important for a FS agency to ensure that clients know and understand its service offering and capabilities, while for a BTL agency creativity is key. That said, there are no significant differences (although they are ranked differently) in the importance clients place on the agencies' ability to achieve their objectives on time and within budget.

Comparing these findings to the relative strengths and weaknesses by agency type, it appears that ATL agencies are in a better position in terms of Potential Quality versus FS agencies – they are stronger at delivering on the important service attributes within this dimension. Conversely, the agency types are indistinguishable in terms of Hard Process Quality (cumulatively a relative weakness) and Output Quality, evidently the two more important service dimensions.

## 5.2 Recommendations for Clients and Agencies

The results of the research provide the basis for the recommendations that follow.

- Clients place more importance on Hard Process and Output, yet the ongoing tendering process (particularly for locally-owned FS and BTL agencies) does not allow them to build strategic relationships with their agencies. This makes it difficult for agencies to understand client needs and deliver on objectives. It is recommended that clients consider a longer-term view - identify agency partners that they are willing to work with (through a selection process); agree contractual terms; and aim to build long-term relationships with their agencies. As this will help to stabilise business for agencies, it will allow them to dedicate appropriate resources to their clients and to focus on the dimensions that matter most. In addition, the closer working relationship will allow agencies to better understand their clients' business, which in turn should allow them to offer a superior service.
- As part of the terms of the contractual agreement recommended above, both partners should look to agree the scope of the work required (to ensure adequate agency resources are allocated); rates and revenue streams; performance measures, methods and timings of performance reviews. Included in these should also be positive and negative consequences for performance, in that way ensuring that agencies know and understand what is expected of them, clients have expectations based on agreed criteria, and both parties understand the impact that the agency's performance has on the relationship. It also protects the relationship from situations where new individuals within the client's buying centre have the power to switch suppliers without grounds to do so.
- The above will allow agencies to switch focus from tendering for new business, to building their business with their existing client base. From a service dimension perspective, agencies will be in a better position to focus on improving their Hard Process and Output quality attributes. This should be filtered into Human Resource Management and employee performance appraisals, where agency objectives are cascaded into individual performance objectives (as they relate to the individual).

In brief, for agencies, the opportunities for differentiation through superior service quality lie in the Hard Process and Output quality service dimensions. These two service dimensions are the most important for clients, sharing eight of top ten service attributes. For clients, the opportunities to benefit from improved service quality from their agencies lie in allowing their agencies to improve on the same two dimensions. Thus the recommendation is for clients and agencies, regardless of agency type, to focus on building strategic partnerships.

### **5.3 Recommendations for Further Research**

While this study has revealed key findings, it is descriptive in nature. This limits the conclusions, and raises further propositions that are predictive in nature. It is therefore recommended that a predictive, longitudinal study be carried out which considers the effects that improvements in Hard Process and Output quality dimensions have on client perceptions of service quality. It is further proposed that this study (or this line of study) consider the impact on client loyalty and profitability, i.e. determine whether improvements in Hard Process and Output quality dimensions lead to improved client loyalty and profitability. If a statistical study proves too difficult to execute, a case study approach could also yield valuable insights.

As regards INDSERV, being a generic business-to-business service quality measurement instrument, it may limit the measurement of service quality for specific service types. This is evidenced by the qualitative portion of this study, which identified potential service attributes specific to the agency offering that are not encompassed in INDSERV's list of service attributes. It is therefore recommended that studies be carried out to determine whether INDSERV can be customised for specific service types, much like SERQUAL is purported to be (Parasuraman *et. al.*, 1988, 1991b; Cronin and Taylor, 1992; Tan and Kek, 2004; Bick *et. al.*, 2009; Ladhari, 2008). Given the findings of this study, it is recommended that it be used as the basis for continued research in this area.

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## APPENDIX A: CLIENT BRIEF TEMPLATE

**GlaxoSmithKline**  
Consumer Healthcare

FORM AD4

### CREATIVE BRIEF PROFORMA

1. **ADVERTISING REQUIREMENT:**
2. **MAJOR ISSUE THE ADVERTISING MUST SOLVE:**
3. **CREATIVE STRATEGY: (from the signed AD3)**
  - i) Market Description:
  - ii) Target Audience:
  - iii) Key Consumer Insight:
  - iv) Single Minded Proposition:
  - v) Support:
  - vi) Brand Personality:
4. **IDEAL CONSUMER RESPONSE:**
5. **ADVERTISING IDEA:**
6. **MANDATORY EXECUTIONAL REQUIREMENTS (IF ANY):**
  - i) Key Properties:
  - ii) Legal/Regulatory/Medical Constraints:
  - iii) Other
7. **BUDGET:**
  - i) Production Budget:
  - ii) Media Budget:
  - iii) Suggested Time Length/Space Size:
8. **COMPETITIVE CONTEXT:**
9. **PLANNED PRE-TESTING:**

**Position\***  
Senior Product Manager  
Agency  
Legal/Regulatory/Medical  
Category Management Consulted

**Signature/Date**

**Position\***  
Marketing Manager  
Marketing Director  
General Manager

**Signature/Date**

\* Titles may vary by country

Attach the project timetable to this document

14 March 2011

## APPENDIX B: NATURA “GIFT FROM NATURE” CAMPAIGN SUMMARY

natura  
diamond promotion

|                                                                                     |                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |            |                                                                                    |         |                                |           |                                                     |            |                 |         |                                          |
|-------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|------------------------------------------------------------------------------------|---------|--------------------------------|-----------|-----------------------------------------------------|------------|-----------------|---------|------------------------------------------|
|   |                                                                                    | <h3>in-pack to drive purchase</h3> <table border="0"> <tr> <td>objectives</td> <td>create category demand, focusing on flagship - Rescue reverse volume decline (-4%)</td> </tr> <tr> <td>support</td> <td>tv, print, pop, in-store media</td> </tr> <tr> <td>mechanics</td> <td>underliner promo range of instant prizes (diamonds)</td> </tr> <tr> <td>max. prize</td> <td>R35 000 diamond</td> </tr> <tr> <td>results</td> <td>30% growth over promo period, YTD growth</td> </tr> </table> | objectives | create category demand, focusing on flagship - Rescue reverse volume decline (-4%) | support | tv, print, pop, in-store media | mechanics | underliner promo range of instant prizes (diamonds) | max. prize | R35 000 diamond | results | 30% growth over promo period, YTD growth |
| objectives                                                                          | create category demand, focusing on flagship - Rescue reverse volume decline (-4%) |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |            |                                                                                    |         |                                |           |                                                     |            |                 |         |                                          |
| support                                                                             | tv, print, pop, in-store media                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |            |                                                                                    |         |                                |           |                                                     |            |                 |         |                                          |
| mechanics                                                                           | underliner promo range of instant prizes (diamonds)                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |            |                                                                                    |         |                                |           |                                                     |            |                 |         |                                          |
| max. prize                                                                          | R35 000 diamond                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |            |                                                                                    |         |                                |           |                                                     |            |                 |         |                                          |
| results                                                                             | 30% growth over promo period, YTD growth                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |            |                                                                                    |         |                                |           |                                                     |            |                 |         |                                          |
|  |                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |            |                                                                                    |         |                                |           |                                                     |            |                 |         |                                          |







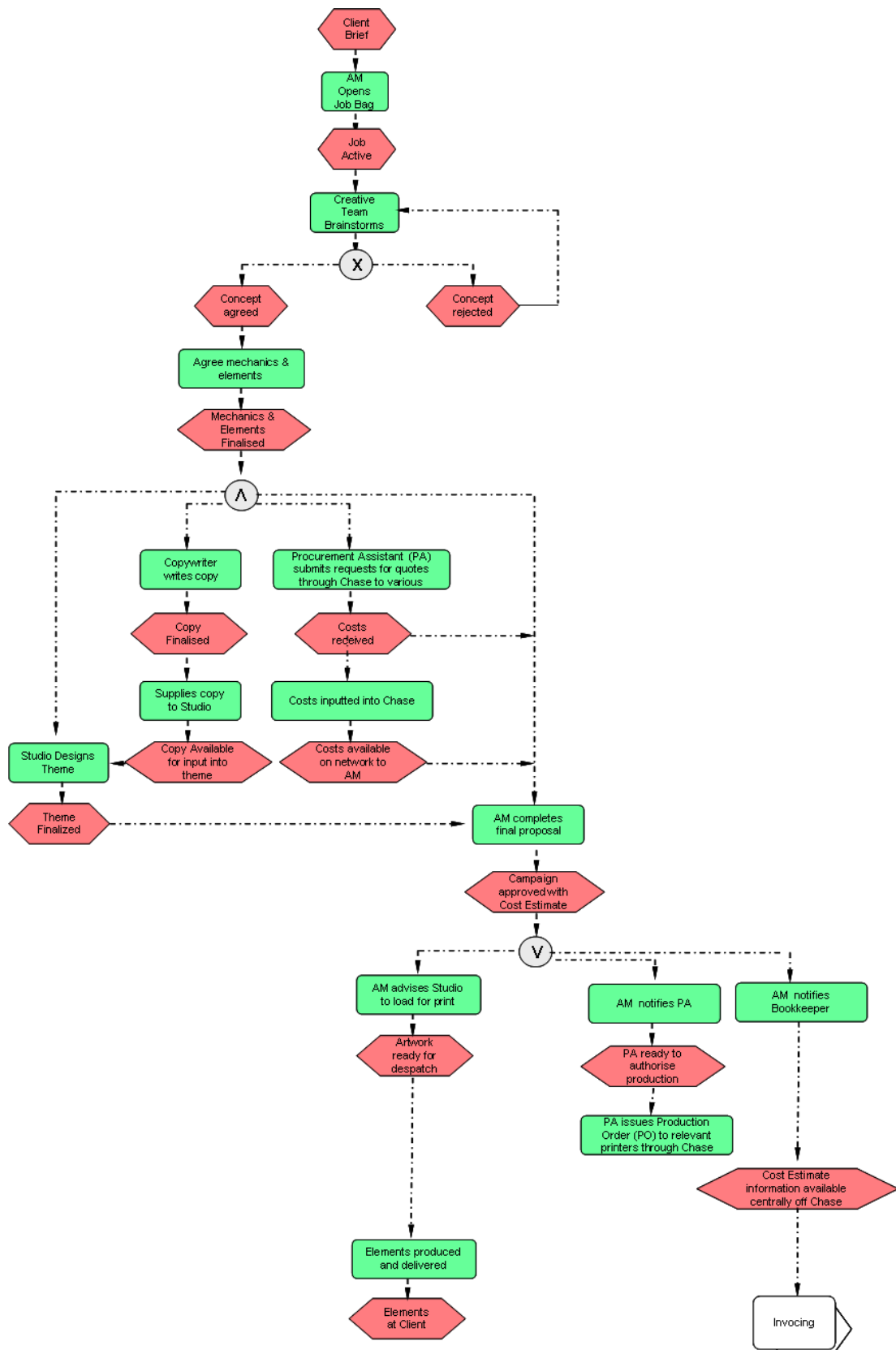
poster

wobbler

shelf defender

\*See TVC in back-up files

## APPENDIX C: EXAMPLE OF AN AGENCY PROCESS FLOW



## **APPENDIX D: SERVICE QUALITY DIMENSIONS AND UNDERLYING VARIABLES (END-CONSUMER)**

### **Reliability**

1. Provides services as promised.
2. Dependability in handling Clients' service problems.
3. Performing services right the first time.
4. Providing services at the promised time.
5. Keeping customers informed about when services will be performed.

### **Responsiveness**

6. Prompt service to Clients.
7. Willingness to help Clients.
8. Readiness to respond to Clients' needs.

### **Assurance**

9. Employees who instil confidence in Clients.
10. Making Clients feel safe in their transactions.
11. Employees who are constantly courteous.
12. Employees who have the knowledge to answer Client questions.

### **Empathy**

13. Giving Clients individual attention.
14. Employees who deal with Clients in a caring fashion.
15. Having the Client's best interests at heart.

16. Employees who understand the needs of their Clients.

### **Tangibles**

17. Modern equipment.
18. Visually appealing facilities.
19. Employees who have neat, professional appearance.
20. Visually appealing materials associated with the service.
21. Convenient business hours.

## APPENDIX E: THE RESEARCH INSTRUMENT

### Client Perceptions of Service Quality of Advertising and Promotions Agencies in South Africa

Thank you for taking the time to complete this survey. It will take approximately 10 minutes to complete.

#### SECTION A: Respondent Background

Please complete the questions that follow. They help to gain a better understanding of your professional capacity (e.g. you are a Marketing Manager responsible for the Widgets Portfolio at XYZ Company, and you work with an Above and a Below-the-line Agency)

1. Please indicate the department in which you currently work (tick the appropriate box):

- ☐ Consumer Marketing
- ☐ Customer Marketing / Sales
- ☐ Shopper Marketing / Channel Marketing
- ☐ Buying (Retail Only)
- ☐ Other Please enter an 'other' value for this selection.

2. What is your job title?

3. Given your answers to 1. and 2. above, please list the major brands (Consumer Marketing, e.g. Nike), Accounts (Customer Marketing / Sales, e.g. Shoprite) or Categories (Shopper Marketing / Retail Buyer, e.g. Toiletries) for which you are responsible:

- 1
- 2
- 3
- 4
- 5

4. Please state the name of the company you are currently employed by:

5. Please indicate the total number of years you have worked in a capacity where you rely on an Agency's service (e.g. 4):

years

6. Please indicate the number of years in your current position (tick the appropriate box):

years

7. Please indicate the types of Agencies with which you currently work\* (tick the appropriate box(es), more than one may apply, so multiple ticks are accepted, e.g. ATL & BTL.

*\* Description of Agency types:*

*ATL: responsible for producing creative that is used to advertise your brands.*

*BTL: responsible for activities that do not necessarily enjoy mass media support, e.g. promotions, POP materials & marketing collateral.*

*FS: provide a comprehensive range of services, among them strategic planning, marketing services (or assistance), creative design, media services (or assistance), promotions, and integrated marketing campaigns.*

☐ Above the Line (ATL) Agency

☐ Below the Line (BTL) Agency

☐ Full Service (FS) Agency

8. Please name the Agency(ies). If you work with more than 1 Agency per Agency type, name the two Agencies with which you do the most amount of work (e.g. ATL 1: Grey Worldwide AND ATL 2: Ogilvy).

ATL 1

ATL 2

BTL 1

BTL 2

FS 1

FS 2

## SECTION B: Perceptions of Service Quality offered by your Agency(ies).

9. Please confirm the type of Agency you are reviewing:

*Refer to the email invitation to confirm the type of Agency you were asked to review.*

☐ ATL

☐ BTL

☐ FS

10. Name of the Agency you will be reviewing (it is not compulsory to list the name of the Agency).

Name:

11. Listed below are service areas related to an Agency's offering. Please indicate how strongly you agree or disagree with the statements in relation to your Agency's performance (bearing in mind the type of Agency you are evaluating - ATL, BTL or FS Agency). Please start reading each statement with, "Given the Agency type, I think my Agency..."

|                                                                | Strongly disagree     | Moderately disagree   | Slightly disagree     | Neutral               | Slightly agree        | Moderately agree      | Strongly agree        |
|----------------------------------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| 1. ...offers the required services                             | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| 2. ...has the required personnel                               | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| 3. ...has the required facilities                              | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| 4. ...has the required management philosophy                   | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| 5. ...has low staff turnover                                   | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| 6. ...uses an appropriate network of partners and/or suppliers | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| 7. ...keeps time schedules                                     | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| 8. ...honours financial agreements and/or stays within budget  | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| 9. ...meets deadlines                                          | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| 10. ...looks at the detail                                     | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| 11. ...understands our needs                                   | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

|                                                       | Strongly disagree     | Moderately disagree   | Slightly disagree     | Neutral               | Slightly agree        | Moderately agree      | Strongly agree        |
|-------------------------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| 12. ...accepts our direction /briefs enthusiastically | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| 13. ...listens to our problems                        | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| 14. ...is open to suggestions / ideas                 | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| 15. ...has Staff with pleasant personalities          | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| 16. ...argues/pushes back when necessary              | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| 17. ...looks after our interests                      | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| 18. ...reaches the objectives set for it              | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| 19. ...has a notable effect on our business           | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| 20. ...contributes to our sales and brand image       | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| 21. ...is creative in its offering                    | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| 22. ...is consistent with our strategy                | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

12. One of the issues around service is whether an Agency offers the required services (e.g. concept development, strategy, design, production management, etc.). Please list the services you expect from your Agency, given the Agency type.

1.
2.
3.
4.
5.
6.
7.
8.
9.
10.

## SECTION C: Importance of Service Attributes

13. Below is the same list of statements (as per Q. 10) describing the various service areas. Please identify and rank only the five most important service attributes for you (1 for most important, 5 for 5th most important), given the type of Agency you are considering (ATL, BTL or FS Agency).

*To select the statements, drag each individually from the left hand column and drop it in the space available in the right hand column. Then to rank the statements, drag each statement up or down.*

- ...offers the required services
- ...has the required personnel
- ...has the required facilities
- ...has the required management philosophy
- ...has low staff turnover
- ...uses an appropriate network of partners  
and/or suppliers
- ...keeps time schedules
- ...honours financial agreements and/or stays  
within budget
- ...meets deadlines
- ...looks at the detail
- ...understands our needs
- ...accepts our direction /briefs  
enthusiastically
- ...listens to our problems
- ... is open to suggestions / ideas
- ... has Staff with pleasant personalities
- ...argues/pushes back when necessary

...looks after our interests

...reaches the objectives set for it

...has a notable effect on our business

...contributes to our sales and brand  
image

...is creative in its offering

...is consistent with our strategy

## Section D: Demographics

14. Please confirm your sex:

☐

Male

☐

Female

15. Please confirm your age:

years

Thank you for taking our survey. Your response is very important to us.

# APPENDIX F: DETAILED RESULTS

Table F. 1: Total Agencies - Relative Strengths and Weaknesses

|                         | 1. ...offers the required service | 2. ...has the required personnel | 3. ...has the required facilities | 4. ...has the required management philosophy | 5. ...has low staff turnover | 6. ...uses an appropriate network of partners and/or suppliers | 7. ...keeps time schedules | 8. ...honours financial agreements | 9. ...meets deadlines | 10. ...looks at the detail | 11. ...understands our needs | 12. ...accepts our direction/briefs enthusiastically | 13. ...listens to our problems | 14. ...is open to suggestions /ideas | 15. ...has staff with pleasant personalities | 16. ...argues/pushes back when necessary | 17. ...looks after our interests | 18. ...reaches the objectives set for it | 19. ...has a notable effect on our business | 20. ...contributes to our sales and brand image | 21. ...is creative in its offering | 22. ...is consistent with our strategy |            |
|-------------------------|-----------------------------------|----------------------------------|-----------------------------------|----------------------------------------------|------------------------------|----------------------------------------------------------------|----------------------------|------------------------------------|-----------------------|----------------------------|------------------------------|------------------------------------------------------|--------------------------------|--------------------------------------|----------------------------------------------|------------------------------------------|----------------------------------|------------------------------------------|---------------------------------------------|-------------------------------------------------|------------------------------------|----------------------------------------|------------|
| Observed                | 1                                 | 0                                | 0                                 | 0                                            | 3                            | 1                                                              | 6                          | 0                                  | 5                     | 2                          | 2                            | 2                                                    | 2                              | 0                                    | 0                                            | 0                                        | 0                                | 1                                        | 1                                           | 1                                               | 2                                  | 3                                      |            |
|                         | 2                                 | 2                                | 2                                 | 0                                            | 9                            | 1                                                              | 10                         | 11                                 | 14                    | 15                         | 12                           | 9                                                    | 9                              | 4                                    | 0                                            | 0                                        | 5                                | 13                                       | 11                                          | 11                                              | 4                                  | 4                                      |            |
|                         | 3                                 | 5                                | 7                                 | 8                                            | 13                           | 7                                                              | 19                         | 14                                 | 11                    | 13                         | 11                           | 10                                                   | 7                              | 8                                    | 4                                            | 4                                        | 13                               | 14                                       | 14                                          | 9                                               | 6                                  | 12                                     |            |
|                         | 4                                 | 4                                | 8                                 | 7                                            | 10                           | 15                                                             | 12                         | 16                                 | 13                    | 18                         | 13                           | 16                                                   | 12                             | 7                                    | 4                                            | 16                                       | 16                               | 15                                       | 10                                          | 12                                              | 17                                 | 10                                     |            |
|                         | 5                                 | 28                               | 33                                | 21                                           | 28                           | 9                                                              | 32                         | 17                                 | 21                    | 25                         | 24                           | 20                                                   | 10                             | 17                                   | 24                                           | 29                                       | 33                               | 20                                       | 21                                          | 21                                              | 29                                 | 24                                     |            |
|                         | 6                                 | 43                               | 39                                | 44                                           | 31                           | 25                                                             | 29                         | 21                                 | 29                    | 23                         | 22                           | 29                                                   | 37                             | 36                                   | 37                                           | 37                                       | 34                               | 39                                       | 28                                          | 33                                              | 34                                 | 31                                     | 32         |
|                         | 7                                 | 23                               | 16                                | 25                                           | 23                           | 23                                                             | 10                         | 14                                 | 14                    | 11                         | 18                           | 21                                                   | 22                             | 25                                   | 31                                           | 18                                       | 12                               | 13                                       | 15                                          | 17                                              | 16                                 | 20                                     |            |
|                         | 105                               | 105                              | 105                               | 105                                          | 105                          | 105                                                            | 105                        | 105                                | 105                   | 105                        | 105                          | 105                                                  | 105                            | 105                                  | 105                                          | 105                                      | 105                              | 105                                      | 105                                         | 105                                             | 105                                | 105                                    | 105        |
| Solver parameters       |                                   |                                  |                                   |                                              |                              |                                                                |                            |                                    |                       |                            |                              |                                                      |                                |                                      |                                              |                                          |                                  |                                          |                                             |                                                 |                                    |                                        |            |
| $\mu$                   | 0.42965874                        | 0.29687648                       | 0.44856092                        | 0.29426318                                   | 0.06951827                   | 0.30451123                                                     | -0.2058875                 | 0.03726984                         | -0.0691857            | -0.1100635                 | 0.09594092                   | 0.21043249                                           | 0.25719188                     | 0.39120639                           | 0.52903816                                   | 0.29631175                               | 0.14750348                       | -0.0095836                               | 0.08864868                                  | 0.14697082                                      | 0.15545669                         | 0.20033582                             |            |
| $\sigma$                | 0.60194607                        | 0.57198015                       | 0.63478739                        | 0.70319451                                   | 0.94442313                   | 0.70575432                                                     | 0.81285883                 | 0.76345597                         | 0.88042619            | 0.77349369                 | 0.85805068                   | 0.84772041                                           | 0.85452646                     | 0.71690132                           | 0.60422231                                   | 0.5643151                                | 0.65092231                       | 0.78510605                               | 0.79064332                                  | 0.80070411                                      | 0.72466369                         | 0.83206987                             |            |
| Expected                |                                   |                                  |                                   |                                              |                              |                                                                |                            |                                    |                       |                            |                              |                                                      |                                |                                      |                                              |                                          |                                  |                                          |                                             |                                                 |                                    |                                        |            |
|                         | 1                                 | 0.04464112                       | 0.05478952                        | 0.07390369                                   | 0.40657198                   | 4.25306646                                                     | 0.40073559                 | 4.79454994                         | 1.80218739            | 4.54140819                 | 3.02721245                   | 2.6787229                                            | 1.82952014                     | 1.66483297                           | 0.31543208                                   | 0.02556955                               | 0.04691681                       | 0.42081947                               | 2.39915313                                  | 1.83722062                                      | 1.63695626                         | 0.87834387                             | 1.70851255 |
|                         | 2                                 | 1.28876674                       | 1.72940949                        | 1.58514095                                   | 4.07002595                   | 11.3276865                                                     | 3.99753846                 | 15.2828473                         | 9.32081425            | 13.1098766                 | 12.5925027                   | 9.83315875                                           | 7.8290787                      | 7.25111943                           | 3.26870805                                   | 0.8557354                                | 1.61784207                       | 4.95179545                               | 10.6397048                                  | 8.86782069                                      | 8.04319182                         | 6.4353357                              | 7.72919988 |
|                         | 3                                 | 4.88983661                       | 6.53026918                        | 5.22126847                                   | 8.79384119                   | 12.7432902                                                     | 8.64757301                 | 17.1116157                         | 13.7370029            | 14.7223213                 | 16.1517892                   | 12.6941946                                           | 11.1024111                     | 10.4738273                           | 7.37531485                                   | 3.60834521                               | 6.37202258                       | 11.0328194                               | 14.4669544                                  | 12.8671151                                      | 11.9486328                         | 11.5078116                             | 11.211107  |
|                         | 4                                 | 9.28840311                       | 11.8933004                        | 9.22893848                                   | 12.0362736                   | 12.3774153                                                     | 11.8708729                 | 15.6087844                         | 14.8224719            | 13.9202202                 | 15.8630489                   | 13.1228622                                           | 12.2185044                     | 11.7188628                           | 10.5378986                                   | 7.45554097                               | 11.8622485                       | 14.7439012                               | 14.9277163                                  | 13.9626416                                      | 13.266653                          | 13.9209278                             | 12.4434827 |
|                         | 5                                 | 24.1875849                       | 28.334233                         | 23.0437789                                   | 24.1274512                   | 19.4392183                                                     | 23.922484                  | 21.6997597                         | 23.9570943            | 20.7427441                 | 23.329903                    | 21.3033077                                           | 21.1170542                     | 20.6834786                           | 22.389892                                    | 21.4256061                               | 28.6311036                       | 27.458319                                | 23.3013937                                  | 23.0782504                                      | 22.6033738                         | 24.7913987                             | 21.5420633 |
|                         | 6                                 | 42.4140881                       | 41.0868237                        | 40.7345984                                   | 35.0857818                   | 24.9091663                                                     | 35.1664289                 | 21.3562873                         | 27.7510831            | 23.7012227                 | 23.9443545                   | 27.0164886                                           | 29.0160843                     | 29.4316839                           | 35.9611295                                   | 43.2392659                               | 41.4640178                       | 33.3444601                               | 26.2787566                                  | 28.3416121                                      | 29.2381454                         | 31.4476582                             | 29.2947339 |
|                         | 7                                 | 22.8866794                       | 15.3711747                        | 25.112371                                    | 20.4800543                   | 19.9501571                                                     | 20.9946028                 | 9.1461558                          | 13.6093462            | 14.2622069                 | 10.0911893                   | 18.3512653                                           | 21.8873472                     | 23.776195                            | 25.151625                                    | 28.3899369                               | 15.0058487                       | 13.0478854                               | 12.9863209                                  | 16.0453395                                      | 18.2630469                         | 16.0185242                             | 21.0709007 |
| $\chi^2$ contributions  |                                   |                                  |                                   |                                              |                              |                                                                |                            |                                    |                       |                            |                              |                                                      |                                |                                      |                                              |                                          |                                  |                                          |                                             |                                                 |                                    |                                        |            |
|                         | 1                                 | 0.04464102                       | 0.05478942                        | 0.07390359                                   | 0.40657188                   | 0.36918668                                                     | 0.89614638                 | 0.30307533                         | 1.80218729            | 0.04630864                 | 0.34856007                   | 0.17197179                                           | 0.01588579                     | 0.0674764                            | 0.31543198                                   | 0.02556945                               | 0.04691671                       | 0.42081937                               | 0.81596684                                  | 0.38152105                                      | 0.24784612                         | 1.43236876                             | 0.97625255 |
|                         | 2                                 | 0.39250912                       | 0.0423377                         | 1.58514085                                   | 4.07002585                   | 0.47830811                                                     | 2.24769235                 | 1.82613061                         | 0.30251271            | 0.06043685                 | 0.46027731                   | 0.47748654                                           | 0.17512363                     | 0.42180842                           | 0.16360834                                   | 0.8557353                                | 1.61784197                       | 0.00046926                               | 0.52360413                                  | 0.51266131                                      | 1.08697078                         | 0.92160847                             | 1.79927182 |
|                         | 3                                 | 0.00248188                       | 0.03378835                        | 1.47882623                                   | 2.01183662                   | 5.34973748                                                     | 0.31390273                 | 0.20839618                         | 0.00503512            | 0.94113392                 | 0.61502628                   | 0.22611086                                           | 0.10946362                     | 1.15215533                           | 0.05291049                                   | 0.04251075                               | 0.88299923                       | 0.35075347                               | 0.01507204                                  | 0.09974483                                      | 0.72765104                         | 2.63612142                             | 0.0555121  |
|                         | 4                                 | 3.0109812                        | 1.27448121                        | 0.53832483                                   | 0.34449284                   | 0.55568554                                                     | 0.0014046                  | 2.61696466                         | 0.09354529            | 0.06083275                 | 0.28787404                   | 0.00115029                                           | 1.17033217                     | 0.00674452                           | 1.18778201                                   | 1.60159582                               | 1.44331723                       | 0.10701266                               | 0.00035002                                  | 1.12461014                                      | 0.12093553                         | 0.68103835                             | 0.47981804 |
|                         | 5                                 | 0.60090781                       | 0.76830672                        | 0.18126508                                   | 0.62155898                   | 5.60605248                                                     | 2.72758939                 | 1.01787952                         | 0.36500281            | 0.87376231                 | 0.01924697                   | 0.07973461                                           | 5.85256319                     | 0.65598322                           | 0.11578653                                   | 2.67770457                               | 0.66666154                       | 2.02585315                               | 0.22730027                                  | 0.1871513                                       | 0.11373557                         | 0.71445445                             | 0.28044912 |
|                         | 6                                 | 0.00809384                       | 0.10599099                        | 0.2617639                                    | 0.47579424                   | 0.00033123                                                     | 1.08128253                 | 0.00594395                         | 0.05620658            | 0.02074633                 | 0.1578875                    | 0.14562653                                           | 2.19681296                     | 1.46586163                           | 0.03001162                                   | 0.90030296                               | 1.34361223                       | 0.95923376                               | 0.11274045                                  | 0.765679                                        | 0.77553684                         | 0.00637243                             | 0.24982185 |
|                         | 7                                 | 0.00056109                       | 0.02572485                        | 0.00050283                                   | 0.31006394                   | 0.46623901                                                     | 0.19155486                 | 0.07971108                         | 0.01121365            | 0.0048206                  | 0.08184732                   | 0.00672364                                           | 0.03597444                     | 0.13269022                           | 0.00091406                                   | 0.23995931                               | 0.59742985                       | 0.08415646                               | 1.4409E-05                                  | 0.06810293                                      | 0.08735057                         | 2.1422E-05                             | 0.05442711 |
|                         | 103.2900089                       | 4.06017596                       | 2.30541924                        | 4.11972731                                   | 8.24034435                   | 12.8255405                                                     | 7.45957282                 | 6.05810132                         | 2.63570345            | 2.0080414                  | 1.9707195                    | 1.10880426                                           | 9.55615581                     | 3.90271974                           | 1.86644504                                   | 6.34337816                               | 6.59877877                       | 3.94829813                               | 1.69504815                                  | 3.13947056                                      | 3.16002645                         | 6.3919853                              | 3.89555261 |
| Solver thresholds       |                                   |                                  |                                   |                                              |                              |                                                                |                            |                                    |                       |                            |                              |                                                      |                                |                                      |                                              |                                          |                                  |                                          |                                             |                                                 |                                    |                                        |            |
| $T_1$                   | -1.5783595                        | $T_1$                            | -2.2687162                        |                                              |                              |                                                                |                            |                                    |                       |                            |                              |                                                      |                                |                                      |                                              |                                          |                                  |                                          |                                             |                                                 |                                    |                                        |            |
| $T_2$                   | -0.915866                         | $T_2$                            | -1.4149293                        |                                              |                              |                                                                |                            |                                    |                       |                            |                              |                                                      |                                |                                      |                                              |                                          |                                  |                                          |                                             |                                                 |                                    |                                        |            |
| $T_3$                   | -0.5099428                        | $T_3$                            | -0.8917967                        |                                              |                              |                                                                |                            |                                    |                       |                            |                              |                                                      |                                |                                      |                                              |                                          |                                  |                                          |                                             |                                                 |                                    |                                        |            |
| $T_4$                   | -0.2001087                        | $T_4$                            | -0.4924988                        |                                              |                              |                                                                |                            |                                    |                       |                            |                              |                                                      |                                |                                      |                                              |                                          |                                  |                                          |                                             |                                                 |                                    |                                        |            |
| $T_5$                   | 0.2427506                         | $T_5$                            | 0.07823505                        |                                              |                              |                                                                |                            |                                    |                       |                            |                              |                                                      |                                |                                      |                                              |                                          |                                  |                                          |                                             |                                                 |                                    |                                        |            |
| $T_6$                   | 0.89861863                        | $T_6$                            | 0.92348342                        |                                              |                              |                                                                |                            |                                    |                       |                            |                              |                                                      |                                |                                      |                                              |                                          |                                  |                                          |                                             |                                                 |                                    |                                        |            |
| Standardised parameters |                                   |                                  |                                   |                                              |                              |                                                                |                            |                                    |                       |                            |                              |                                                      |                                |                                      |                                              |                                          |                                  |                                          |                                             |                                                 |                                    |                                        |            |
| $\mu$                   | 0.3191                            | 0.1480                           | 0.3435                            | 0.1446                                       | -0.1450                      | 0.1578                                                         | -0.4999                    | -0.1866                            | -0.3238               | -0.3765                    | -0.1110                      | 0.0366                                               | 0.0968                         | 0.2696                               | 0.4472                                       | 0.1473                                   | -0.0445                          | -0.2470                                  | -0.1204                                     | -0.0452                                         | -0.0343                            | 0.0236                                 |            |
| $\sigma$                | 0.7758                            | 0.7371                           | 0.8181                            | 0.9062                                       | 1.2171                       | 0.9095                                                         | 1.0476                     | 0.9839                             | 1.1346                | 0.9968                     | 1.1058                       | 1.0925                                               | 1.1013                         | 0.9239                               | 0.7787                                       | 0.7273                                   | 0.8389                           | 1.0118                                   | 1.0189                                      | 1.0319                                          | 0.9339                             | 1.0723                                 |            |
| t-value                 | 4.2151                            | 2.0572                           | 4.3022                            | 1.6353                                       | -1.2209                      | 1.7781                                                         | -4.8903                    | -1.9431                            | -2.9240               | -3.8697                    | -1.0283                      | 0.3431                                               | 0.9011                         | 2.9896                               | 5.8846                                       | 2.0749                                   | -0.5437                          | -2.5011                                  | -1.2104                                     | -0.4489                                         | -0.3760                            | 0.2253                                 |            |
| p-value                 | 0.0001                            | 0.0422                           | 0.0000                            | 0.1050                                       | 0.2249                       | 0.0783                                                         | 0.0000                     | 0.0547                             | 0.0043                | 0.0002                     | 0.3062                       | 0.7322                                               | 0.3696                         | 0.0035                               | 0.0000                                       | 0.0405                                   | 0.5878                           | 0.0140                                   | 0.2289                                      | 0.6545                                          | 0.7077                             | 0.8222                                 |            |
| Significance            | +                                 | +                                | +                                 |                                              |                              |                                                                | -                          |                                    | -                     | -                          |                              |                                                      |                                | +                                    | +                                            | +                                        |                                  | -                                        |                                             |                                                 |                                    |                                        |            |

Chi-test p-value 0.9311  
Significance level 5%

Table F. 2: FS Agencies - Relative Strengths and Weaknesses

|                         | 1. ...offers the required service | 2. ...has the required personnel | 3. ...has the required facilities | 4. ...has the required management philosophy | 5. ...has low staff turnover | 6. ...uses an appropriate network of partners and/or suppliers | 7. ...keeps time schedules | 8. ...honours financial agreements | 9. ...meets deadlines | 10. ...looks at the detail | 11. ...understands our needs | 12. ...accepts our direction/briefs enthusiastically | 13. ...listens to our problems | 14. ...is open to suggestions /ideas | 15. ...has staff with pleasant personalities | 16. ...argues/pushes back when necessary | 17. ...looks after our interests | 18. ...reaches the objectives set for it | 19. ...has a notable effect on our business | 20. ...contributes to our sales and brand image | 21. ...is creative in its offering | 22. ...is consistent with our strategy |            |
|-------------------------|-----------------------------------|----------------------------------|-----------------------------------|----------------------------------------------|------------------------------|----------------------------------------------------------------|----------------------------|------------------------------------|-----------------------|----------------------------|------------------------------|------------------------------------------------------|--------------------------------|--------------------------------------|----------------------------------------------|------------------------------------------|----------------------------------|------------------------------------------|---------------------------------------------|-------------------------------------------------|------------------------------------|----------------------------------------|------------|
| Observed                | 1                                 | 0                                | 0                                 | 0                                            | 0                            | 0                                                              | 1                          | 0                                  | 1                     | 0                          | 0                            | 1                                                    | 1                              | 0                                    | 0                                            | 0                                        | 0                                | 0                                        | 0                                           | 0                                               | 0                                  | 0                                      |            |
|                         | 2                                 | 0                                | 0                                 | 0                                            | 3                            | 1                                                              | 5                          | 0                                  | 4                     | 3                          | 3                            | 0                                                    | 0                              | 1                                    | 0                                            | 0                                        | 0                                | 1                                        | 2                                           | 2                                               | 0                                  | 0                                      |            |
|                         | 3                                 | 1                                | 2                                 | 1                                            | 2                            | 3                                                              | 4                          | 5                                  | 3                     | 5                          | 3                            | 3                                                    | 0                              | 0                                    | 1                                            | 1                                        | 4                                | 4                                        | 3                                           | 2                                               | 2                                  | 1                                      |            |
|                         | 4                                 | 2                                | 3                                 | 3                                            | 4                            | 4                                                              | 5                          | 8                                  | 5                     | 7                          | 4                            | 6                                                    | 7                              | 3                                    | 1                                            | 8                                        | 5                                | 6                                        | 5                                           | 5                                               | 7                                  | 7                                      |            |
|                         | 5                                 | 10                               | 13                                | 10                                           | 9                            | 0                                                              | 11                         | 6                                  | 4                     | 9                          | 10                           | 8                                                    | 3                              | 6                                    | 7                                            | 8                                        | 7                                | 9                                        | 6                                           | 7                                               | 9                                  | 8                                      |            |
|                         | 6                                 | 14                               | 10                                | 14                                           | 11                           | 5                                                              | 8                          | 11                                 | 5                     | 4                          | 9                            | 15                                                   | 13                             | 13                                   | 15                                           | 9                                        | 13                               | 9                                        | 13                                          | 12                                              | 8                                  | 12                                     |            |
|                         | 7                                 | 6                                | 5                                 | 5                                            | 7                            | 12                                                             | 9                          | 5                                  | 6                     | 4                          | 6                            | 5                                                    | 6                              | 9                                    | 9                                            | 7                                        | 4                                | 4                                        | 4                                           | 5                                               | 7                                  | 5                                      |            |
|                         | 33                                | 33                               | 33                                | 33                                           | 33                           | 33                                                             | 33                         | 33                                 | 33                    | 33                         | 33                           | 33                                                   | 33                             | 33                                   | 33                                           | 33                                       | 33                               | 33                                       | 33                                          | 33                                              | 33                                 | 33                                     |            |
| Solver parameters       |                                   |                                  |                                   |                                              |                              |                                                                |                            |                                    |                       |                            |                              |                                                      |                                |                                      |                                              |                                          |                                  |                                          |                                             |                                                 |                                    |                                        |            |
| $\mu$                   | 0.39224739                        | 0.2403034                        | 0.34461512                        | 0.33800016                                   | 0.44238521                   | 0.28321496                                                     | -0.159127                  | 0.07839852                         | -0.0377529            | -0.1204949                 | 0.1168797                    | 0.17352109                                           | 0.18255725                     | 0.46708176                           | 0.54471126                                   | 0.2456326                                | 0.16014619                       | 0.06487895                               | 0.14014861                                  | 0.18277583                                      | 0.23770938                         | 0.24157167                             |            |
| $\sigma$                | 0.53479043                        | 0.56797308                       | 0.52407101                        | 0.65934057                                   | 1.08403264                   | 0.80117528                                                     | 0.93122577                 | 0.73998615                         | 0.94672256            | 0.75655038                 | 0.8561046                    | 0.84527371                                           | 0.84910902                     | 0.72688003                           | 0.58344668                                   | 0.69143085                               | 0.65673323                       | 0.68173678                               | 0.73050114                                  | 0.74631091                                      | 0.70534026                         | 0.59794606                             |            |
| Expected                |                                   |                                  |                                   |                                              |                              |                                                                |                            |                                    |                       |                            |                              |                                                      |                                |                                      |                                              |                                          |                                  |                                          |                                             |                                                 |                                    |                                        |            |
|                         | 1                                 | 0.00087794                       | 0.006666                          | 0.00090928                                   | 0.02303768                   | 0.68252963                                                     | 0.17203832                 | 1.38392651                         | 0.20703116            | 1.1132205                  | 0.48420125                   | 0.45564186                                           | 0.355815                       | 0.35556862                           | 0.03460455                                   | 0.0012091                                | 0.05896426                       | 0.05462863                               | 0.11795596                                  | 0.14795559                                      | 0.14719656                         | 0.07331365                             | 0.01275582 |
|                         | 2                                 | 0.0913313                        | 0.31016316                        | 0.10145993                                   | 0.47800505                   | 1.91742915                                                     | 1.25698152                 | 3.85766483                         | 1.68147144            | 3.28444192                 | 2.81883251                   | 2.16351279                                           | 1.87285285                     | 1.85637351                           | 0.4970233                                    | 0.0827895                                | 0.82310299                       | 0.88640977                               | 1.37292186                                  | 1.37460673                                      | 1.30812395                         | 0.91424743                             | 0.41610731 |
|                         | 3                                 | 0.71116712                       | 1.53361332                        | 0.80125924                                   | 1.63333686                   | 2.4995112                                                      | 2.4995112                  | 4.48020188                         | 3.34282945            | 4.01178636                 | 4.52051039                   | 3.36934887                                           | 3.09975632                     | 3.06673878                           | 1.45414759                                   | 0.55321893                               | 2.2413068                        | 2.53426532                               | 3.2336577                                   | 2.96838002                                      | 2.79623056                         | 2.34734678                             | 1.72872041 |
|                         | 4                                 | 3.24828837                       | 4.89621526                        | 3.61608395                                   | 4.30093003                   | 3.7541283                                                      | 4.69775314                 | 5.79472246                         | 5.95699279            | 5.45234943                 | 6.79892699                   | 5.33724577                                           | 5.13479313                     | 5.08490802                           | 3.59811465                                   | 2.41433354                               | 5.0053533                        | 5.66124384                               | 6.27556451                                  | 5.63272228                                      | 5.34060802                         | 5.05363313                             | 4.96266896 |
|                         | 5                                 | 8.52695571                       | 9.52663402                        | 9.13665921                                   | 7.92813704                   | 5.10195776                                                     | 7.00848007                 | 6.33549649                         | 7.99916484            | 6.31949415                 | 7.77349209                   | 6.91671542                                           | 6.92389955                     | 6.87969301                           | 6.70603919                                   | 6.68721611                               | 8.08358792                       | 8.77153803                               | 8.66745845                                  | 8.00090336                                      | 7.74952352                         | 7.97731327                             | 9.13648285 |
|                         | 6                                 | 14.7121768                       | 12.6319799                        | 14.5163431                                   | 12.082601                    | 7.91133004                                                     | 10.0359122                 | 6.90586125                         | 9.37258636            | 7.47472497                 | 7.65067982                   | 8.77374355                                           | 9.13554446                     | 9.14608229                           | 11.5534942                                   | 14.2377953                               | 11.0663131                       | 10.7627127                               | 9.65819681                                  | 9.9143011                                       | 10.0631713                         | 10.850646                              | 12.2288592 |
|                         | 7                                 | 5.70920274                       | 4.09472835                        | 4.82728525                                   | 6.55395232                   | 11.1453659                                                     | 7.32932353                 | 4.24212658                         | 4.43992395            | 5.34398267                 | 2.95335696                   | 5.98379173                                           | 6.4773287                      | 6.61063577                           | 9.15657657                                   | 9.0234375                                | 5.72137167                       | 4.32920166                               | 3.67424471                                  | 4.96113094                                      | 5.5951461                          | 5.78349973                             | 4.51440542 |
| $\chi^2$ contributions  |                                   |                                  |                                   |                                              |                              |                                                                |                            |                                    |                       |                            |                              |                                                      |                                |                                      |                                              |                                          |                                  |                                          |                                             |                                                 |                                    |                                        |            |
|                         | 1                                 | 0.00087784                       | 0.0066659                         | 0.00090918                                   | 0.02303758                   | 0.68252953                                                     | 0.17203822                 | 0.10650822                         | 0.20703106            | 0.01151513                 | 0.48420115                   | 0.45564176                                           | 0.16626395                     | 0.16796499                           | 0.03460445                                   | 0.001209                                 | 0.05896416                       | 0.05462853                               | 0.11795586                                  | 0.14795549                                      | 0.14719646                         | 0.07331355                             | 0.01275572 |
|                         | 2                                 | 0.0913312                        | 0.31016306                        | 0.10145983                                   | 0.47800495                   | 0.61121402                                                     | 0.05253816                 | 0.33826931                         | 1.68147134            | 0.15589356                 | 0.01164371                   | 0.32341423                                           | 1.87285275                     | 1.85637341                           | 0.50900131                                   | 0.0827894                                | 0.82310289                       | 0.88640967                               | 0.10129543                                  | 0.2845299                                       | 0.36593813                         | 0.91424733                             | 0.41610721 |
|                         | 3                                 | 0.11730636                       | 0.1418327                         | 0.04929476                                   | 0.08231116                   | 0.10569991                                                     | 0.1002152                  | 0.05146952                         | 0.82152386            | 0.25517601                 | 0.05085936                   | 0.04048812                                           | 0.00321036                     | 3.06673868                           | 1.45414749                                   | 0.3608215                                | 0.68747505                       | 0.8477321                                | 0.18161492                                  | 0.00033682                                      | 0.22672775                         | 0.05139836                             | 0.30718293 |
|                         | 4                                 | 0.47970612                       | 0.73436972                        | 0.10496422                                   | 0.02105565                   | 0.01610304                                                     | 0.10363666                 | 0.10899293                         | 0.7006687             | 0.03752878                 | 0.00594658                   | 0.33504663                                           | 0.14578638                     | 0.72126717                           | 0.0994246                                    | 0.82852649                               | 1.79166347                       | 0.07723451                               | 0.01210023                                  | 0.07107353                                      | 0.02172296                         | 0.74962781                             | 0.83638819 |
|                         | 5                                 | 0.25447059                       | 1.2663729                         | 0.08157876                                   | 0.14491301                   | 5.10195766                                                     | 2.27327908                 | 0.01776623                         | 1.99937363            | 1.13697573                 | 0.63772335                   | 0.16966224                                           | 2.22374507                     | 0.11248464                           | 0.01288584                                   | 0.01462997                               | 0.00086434                       | 0.35778753                               | 0.01275851                                  | 0.50039527                                      | 0.07249291                         | 0.13110782                             | 0.14136657 |
|                         | 6                                 | 0.03447456                       | 0.54839528                        | 0.01836621                                   | 0.09700105                   | 1.20585059                                                     | 2.52696626                 | 0.17335123                         | 0.28257676            | 0.81932962                 | 1.74199722                   | 0.00583468                                           | 3.7646014                      | 1.6239392                            | 0.18110358                                   | 0.04080379                               | 0.38582404                       | 0.46507366                               | 0.04485548                                  | 0.96038415                                      | 0.37277567                         | 0.74891233                             | 0.00428303 |
|                         | 7                                 | 0.01481171                       | 0.20013946                        | 0.00617954                                   | 0.03035703                   | 0.06553392                                                     | 0.38082093                 | 0.01381979                         | 0.07065102            | 0.08053146                 | 0.37092083                   | 4.3903E-05                                           | 0.33694446                     | 0.05640547                           | 0.00267744                                   | 6.0877E-05                               | 0.28575147                       | 0.02503319                               | 0.02888118                                  | 0.18620203                                      | 0.06330467                         | 0.25587844                             | 0.05223325 |
|                         | 69.64668932                       | 0.99297837                       | 3.20793902                        | 0.3627525                                    | 0.87668042                   | 7.78888867                                                     | 5.60949451                 | 0.81017723                         | 5.76329638            | 2.49695029                 | 3.30329219                   | 1.33013156                                           | 9.51340437                     | 8.60517356                           | 2.29384471                                   | 1.32884101                               | 4.03364541                       | 2.71389921                               | 0.49946161                                  | 2.1508772                                       | 1.27015855                         | 2.92448564                             | 1.7703169  |
| Solver thresholds       |                                   |                                  |                                   |                                              |                              |                                                                |                            |                                    |                       |                            |                              |                                                      |                                |                                      |                                              |                                          |                                  |                                          |                                             |                                                 |                                    |                                        |            |
| $T_1$                   | -1.768877                         | $T_1$                            | -2.5659367                        |                                              |                              |                                                                |                            |                                    |                       |                            |                              |                                                      |                                |                                      |                                              |                                          |                                  |                                          |                                             |                                                 |                                    |                                        |            |
| $T_2$                   | -1.089657                         | $T_2$                            | -1.6839896                        |                                              |                              |                                                                |                            |                                    |                       |                            |                              |                                                      |                                |                                      |                                              |                                          |                                  |                                          |                                             |                                                 |                                    |                                        |            |
| $T_3$                   | -0.6619854                        | $T_3$                            | -1.1286708                        |                                              |                              |                                                                |                            |                                    |                       |                            |                              |                                                      |                                |                                      |                                              |                                          |                                  |                                          |                                             |                                                 |                                    |                                        |            |
| $T_4$                   | -0.228758                         | $T_4$                            | -0.5661378                        |                                              |                              |                                                                |                            |                                    |                       |                            |                              |                                                      |                                |                                      |                                              |                                          |                                  |                                          |                                             |                                                 |                                    |                                        |            |
| $T_5$                   | 0.23052219                        | $T_5$                            | 0.03022389                        |                                              |                              |                                                                |                            |                                    |                       |                            |                              |                                                      |                                |                                      |                                              |                                          |                                  |                                          |                                             |                                                 |                                    |                                        |            |
| $T_6$                   | 0.89620839                        | $T_6$                            | 0.89459769                        |                                              |                              |                                                                |                            |                                    |                       |                            |                              |                                                      |                                |                                      |                                              |                                          |                                  |                                          |                                             |                                                 |                                    |                                        |            |
| Standardised parameters |                                   |                                  |                                   |                                              |                              |                                                                |                            |                                    |                       |                            |                              |                                                      |                                |                                      |                                              |                                          |                                  |                                          |                                             |                                                 |                                    |                                        |            |
| $\mu$                   | 0.2402                            | 0.0429                           | 0.1784                            | 0.1698                                       | 0.3053                       | 0.0986                                                         | -0.4757                    | -0.1673                            | -0.3181               | -0.4256                    | -0.1173                      | -0.0438                                              | -0.0321                        | 0.3374                               | 0.4382                                       | 0.0498                                   | -0.0612                          | -0.1849                                  | -0.0871                                     | -0.0318                                         | 0.0396                             | 0.0446                                 |            |
| $\sigma$                | 0.6944                            | 0.7375                           | 0.6805                            | 0.8561                                       | 1.4076                       | 1.0403                                                         | 1.2092                     | 0.9609                             | 1.2293                | 0.9824                     | 1.1116                       | 1.0976                                               | 1.1025                         | 0.9438                               | 0.7576                                       | 0.8978                                   | 0.8527                           | 0.8852                                   | 0.9485                                      | 0.9691                                          | 0.9159                             | 0.7764                                 |            |
| t-value                 | 1.9872                            | 0.3344                           | 1.5058                            | 1.1392                                       | 1.2461                       | 0.5447                                                         | -2.2601                    | -1.0002                            | -1.4866               | -2.4886                    | -0.6064                      | -0.2292                                              | -0.1670                        | 2.0535                               | 3.3227                                       | 0.3189                                   | -0.4120                          | -1.1996                                  | -0.5276                                     | -0.1884                                         | 0.2481                             | 0.3298                                 |            |
| p-value                 | 0.0558                            | 0.7404                           | 0.1423                            | 0.2633                                       | 0.2221                       | 0.5898                                                         | 0.0310                     | 0.3249                             | 0.1472                | 0.0184                     | 0.5487                       | 0.8202                                               | 0.8684                         | 0.0485                               | 0.0023                                       | 0.7519                                   | 0.6832                           | 0.2394                                   | 0.6015                                      | 0.8518                                          | 0.8057                             | 0.7438                                 |            |
| Significance            |                                   |                                  |                                   |                                              |                              |                                                                | -                          |                                    |                       |                            |                              |                                                      |                                |                                      | +                                            | +                                        |                                  |                                          |                                             |                                                 |                                    |                                        |            |

Chi-test p-value 1.0000

Significance level 5%

Table F. 3: ATL Agencies - Relative Strengths and Weaknesses

|                         | 12. ...accepts our direction/briefs enthusiastically |                                  |                                   |                                              |                              |                                                                |                            |                                    |                       |                            |                              |                                |                                      |                                              |                                          |                                  |                                          |                                             |                                                 |                                    |                                        |            |            |
|-------------------------|------------------------------------------------------|----------------------------------|-----------------------------------|----------------------------------------------|------------------------------|----------------------------------------------------------------|----------------------------|------------------------------------|-----------------------|----------------------------|------------------------------|--------------------------------|--------------------------------------|----------------------------------------------|------------------------------------------|----------------------------------|------------------------------------------|---------------------------------------------|-------------------------------------------------|------------------------------------|----------------------------------------|------------|------------|
|                         | 1. ...offers the required service                    | 2. ...has the required personnel | 3. ...has the required facilities | 4. ...has the required management philosophy | 5. ...has low staff turnover | 6. ...uses an appropriate network of partners and/or suppliers | 7. ...keeps time schedules | 8. ...honours financial agreements | 9. ...meets deadlines | 10. ...looks at the detail | 11. ...understands our needs | 13. ...listens to our problems | 14. ...is open to suggestions /ideas | 15. ...has staff with pleasant personalities | 16. ...argues/pushes back when necessary | 17. ...looks after our interests | 18. ...reaches the objectives set for it | 19. ...has a notable effect on our business | 20. ...contributes to our sales and brand image | 21. ...is creative in its offering | 22. ...is consistent with our strategy |            |            |
| Observed                | 1                                                    | 0                                | 0                                 | 0                                            | 3                            | 0                                                              | 4                          | 0                                  | 3                     | 2                          | 0                            | 1                              | 1                                    | 0                                            | 0                                        | 0                                | 0                                        | 0                                           | 0                                               | 0                                  | 2                                      |            |            |
|                         | 2                                                    | 0                                | 0                                 | 0                                            | 3                            | 0                                                              | 2                          | 7                                  | 5                     | 5                          | 6                            | 6                              | 6                                    | 1                                            | 0                                        | 4                                | 8                                        | 6                                           | 6                                               | 3                                  | 1                                      |            |            |
|                         | 3                                                    | 0                                | 0                                 | 0                                            | 3                            | 15                                                             | 0                          | 3                                  | 2                     | 1                          | 2                            | 1                              | 0                                    | 1                                            | 4                                        | 1                                | 3                                        | 0                                           | 1                                               | 0                                  | 2                                      |            |            |
|                         | 4                                                    | 0                                | 1                                 | 0                                            | 2                            | 5                                                              | 1                          | 8                                  | 2                     | 5                          | 6                            | 6                              | 6                                    | 4                                            | 0                                        | 0                                | 1                                        | 5                                           | 8                                               | 3                                  | 2                                      |            |            |
|                         | 5                                                    | 9                                | 12                                | 6                                            | 7                            | 2                                                              | 12                         | 6                                  | 11                    | 8                          | 5                            | 4                              | 2                                    | 10                                           | 10                                       | 10                               | 8                                        | 4                                           | 6                                               | 7                                  | 10                                     |            |            |
|                         | 6                                                    | 17                               | 17                                | 16                                           | 15                           | 4                                                              | 16                         | 10                                 | 9                     | 9                          | 12                           | 10                             | 11                                   | 13                                           | 11                                       | 14                               | 15                                       | 14                                          | 15                                              | 11                                 | 8                                      |            |            |
|                         | 7                                                    | 12                               | 8                                 | 16                                           | 11                           | 6                                                              | 9                          | 7                                  | 7                     | 5                          | 10                           | 10                             | 11                                   | 12                                           | 13                                       | 9                                | 7                                        | 7                                           | 8                                               | 6                                  | 12                                     |            |            |
|                         | 38                                                   | 38                               | 38                                | 38                                           | 38                           | 38                                                             | 38                         | 38                                 | 38                    | 38                         | 38                           | 38                             | 38                                   | 38                                           | 38                                       | 38                               | 38                                       | 38                                          | 38                                              | 38                                 | 38                                     |            |            |
| Solver parameters       |                                                      |                                  |                                   |                                              |                              |                                                                |                            |                                    |                       |                            |                              |                                |                                      |                                              |                                          |                                  |                                          |                                             |                                                 |                                    |                                        |            |            |
| $\mu$                   | 0.53585963                                           | 0.39668823                       | 0.68152646                        | 0.41793491                                   | -0.386029                    | 0.41325681                                                     | -0.2094243                 | -0.0046145                         | -0.0701281            | -0.0673414                 | 0.13814307                   | 0.13438539                     | 0.23248453                           | 0.35663744                                   | 0.51571219                               | 0.33768277                       | 0.16028281                               | -0.0636827                                  | 0.12452445                                      | 0.14430379                         | 0.18762976                             | 0.32508122 |            |
| $\sigma$                | 0.47870245                                           | 0.44747598                       | 0.49740889                        | 0.6672058                                    | 0.83709863                   | 0.47076457                                                     | 0.95333444                 | 0.83434957                         | 1.00665362            | 0.87242046                 | 0.94017092                   | 0.97017967                     | 1.00636307                           | 0.75332903                                   | 0.57557657                               | 0.60735015                       | 0.72653068                               | 0.86045998                                  | 0.81606676                                      | 0.83966628                         | 0.64992754                             | 1.03430827 |            |
| Expected                | 1                                                    | 0.00010044                       | 9.7283E-05                        | 5.5931E-05                                   | 0.03803303                   | 2.5267195                                                      | 0.00023669                 | 2.51661148                         | 0.9399189             | 2.24217318                 | 1.34479328                   | 1.10313186                     | 1.26994826                           | 1.18321749                                   | 0.15053027                               | 0.00333633                       | 0.02099264                               | 0.247514                                    | 1.26005549                                      | 0.5747822                          | 0.63114206                             | 0.09188223 | 1.08255702 |
|                         | 2                                                    | 0.06599528                       | 0.09263252                        | 0.03611031                                   | 1.00507979                   | 8.28278867                                                     | 0.12730765                 | 6.85169216                         | 4.82925469            | 5.94655045                 | 5.53012474                   | 4.34993102                     | 4.50588116                           | 4.06845754                                   | 1.85366195                               | 0.31232992                       | 0.89241426                               | 2.77441268                                  | 5.4468474                                       | 3.72490091                         | 3.74520972                             | 1.92251196 | 3.68152697 |
|                         | 3                                                    | 0.35117494                       | 0.52217477                        | 0.20132281                                   | 1.66198121                   | 5.04713489                                                     | 0.60442429                 | 4.16720544                         | 3.8253245             | 3.70357609                 | 3.98554305                   | 3.23347823                     | 3.22276036                           | 2.92788518                                   | 2.23758792                               | 0.85139632                       | 1.72796496                               | 3.07538114                                  | 3.99758974                                      | 3.31900904                         | 3.24285263                             | 2.72539987 | 2.67802332 |
|                         | 4                                                    | 1.32894445                       | 1.96323598                        | 0.8171256                                    | 3.0297773                    | 5.22072674                                                     | 2.04410168                 | 4.48665549                         | 4.64708077            | 4.10321325                 | 4.63319728                   | 3.91927443                     | 3.84713913                           | 3.54138613                                   | 3.44922915                               | 2.0952895                        | 3.36799737                               | 4.40597852                                  | 4.6786759                                       | 4.31227098                         | 4.17814382                             | 4.38851316 | 3.28212394 |
|                         | 5                                                    | 6.62168979                       | 8.95547665                        | 4.6551842                                    | 7.68553284                   | 7.24810323                                                     | 8.62834887                 | 6.8050274                          | 7.84664915            | 6.53612682                 | 7.52235799                   | 6.85208353                     | 6.65669897                           | 6.286455                                     | 7.52383022                               | 7.07536927                       | 8.7747971                                | 8.62738061                                  | 7.62516142                                      | 7.8492947                          | 7.60416144                             | 9.37997071 | 5.96117875 |
|                         | 6                                                    | 18.6358418                       | 19.5222396                        | 16.9157179                                   | 13.8402623                   | 6.71129842                                                     | 18.8175901                 | 7.68386825                         | 9.56804821            | 8.12511675                 | 9.81877272                   | 9.41521922                     | 9.15715247                           | 9.1303996                                    | 12.2456512                               | 15.8945876                       | 14.7622811                               | 11.69945876                                 | 9.01459305                                      | 10.4926097                         | 10.3579558                             | 12.9406559 | 9.06003298 |
|                         | 7                                                    | 10.9962533                       | 6.94414323                        | 15.3744833                                   | 10.7393335                   | 2.96322855                                                     | 7.77799069                 | 5.48893977                         | 6.34372378            | 7.34324346                 | 6.06521094                   | 9.1268817                      | 9.34041965                           | 10.8621991                                   | 10.5395093                               | 11.7676911                       | 8.45355262                               | 7.16987421                                  | 5.977077                                        | 7.72713242                         | 8.24053454                             | 6.55106616 | 12.254557  |
| $\chi^2$ contributions  | 1                                                    | 0.00010034                       | 9.7183E-05                        | 5.5831E-05                                   | 0.03803293                   | 0.08865029                                                     | 0.00023659                 | 0.87436675                         | 0.9399188             | 0.25613609                 | 0.31922811                   | 1.10313176                     | 0.05738191                           | 0.02837065                                   | 0.15053017                               | 0.00333623                       | 0.02099254                               | 0.2475139                                   | 1.26005539                                      | 0.5747821                          | 0.63114196                             | 0.09188213 | 0.77751244 |
|                         | 2                                                    | 0.06599518                       | 0.09263242                        | 0.03611021                                   | 1.00507969                   | 3.36937919                                                     | 0.12730755                 | 3.4354895                          | 0.97574789            | 0.15066848                 | 0.05081843                   | 0.62592431                     | 0.4954394                            | 0.91701981                                   | 0.39313462                               | 0.31232982                       | 0.89241416                               | 0.54139899                                  | 1.19676348                                      | 1.38958749                         | 1.35748849                             | 0.60388723 | 1.95315334 |
|                         | 3                                                    | 0.35117484                       | 0.52217467                        | 0.20132271                                   | 1.07720483                   | 19.6268822                                                     | 0.60442419                 | 0.32692617                         | 0.8709874             | 1.97358534                 | 0.98917038                   | 1.54274268                     | 3.22276026                           | 1.26942858                                   | 1.38814488                               | 0.02593745                       | 0.93640385                               | 3.07538104                                  | 3.99758964                                      | 1.62030374                         | 3.24285253                             | 1.09231846 | 0.17166229 |
|                         | 4                                                    | 1.32894435                       | 0.47259907                        | 0.8171255                                    | 0.35000634                   | 0.00933209                                                     | 0.53331411                 | 2.75117834                         | 1.50783617            | 0.19599919                 | 0.4032096                    | 1.10464803                     | 1.20474193                           | 0.05939106                                   | 3.44922905                               | 2.0952894                        | 1.66490966                               | 0.08008698                                  | 2.35775971                                      | 0.39933833                         | 0.3322104                              | 0.43932163 | 0.50084694 |
|                         | 5                                                    | 0.8542169                        | 1.03502278                        | 0.38849795                                   | 0.06114804                   | 3.7999717                                                      | 1.31752104                 | 0.09523387                         | 1.26724431            | 0.32785849                 | 0.3080914                    | 0.50060881                     | 1.0602927                            | 2.92274361                                   | 0.81493289                               | 1.20890719                       | 0.171072                                 | 0.04562293                                  | 1.72347763                                      | 0.43569403                         | 0.04800148                             | 0.04098481 | 0.69731041 |
|                         | 6                                                    | 0.1435931                        | 0.32586899                        | 0.0495716                                    | 0.09717962                   | 1.09533783                                                     | 0.42188261                 | 0.69814657                         | 0.03372462            | 0.09420427                 | 1.06449192                   | 0.03632083                     | 0.37086714                           | 1.63999471                                   | 0.12671003                               | 0.2258292                        | 0.00382802                               | 0.45237046                                  | 0.43727329                                      | 1.93627394                         | 1.28060846                             | 0.32771894 | 0.41539275 |
|                         | 7                                                    | 0.09162279                       | 0.16054299                        | 0.02544939                                   | 0.00632693                   | 3.11213948                                                     | 0.19199132                 | 0.04355342                         | 0.06789363            | 0.01604415                 | 0.18707912                   | 0.0835264                      | 0.04657673                           | 0.00174818                                   | 0.20238447                               | 0.129047                         | 0.03532299                               | 0.00402479                                  | 0.17506407                                      | 0.06842403                         | 0.00702101                             | 0.04635488 | 0.00528777 |
|                         | 132.7469892                                          | 2.83564751                       | 2.6089381                         | 1.51813319                                   | 2.63497838                   | 31.1016928                                                     | 3.19667742                 | 8.22489462                         | 5.66335281            | 3.014496                   | 3.32208895                   | 4.99690281                     | 6.45806007                           | 6.83869661                                   | 6.5250661                                | 4.0006763                        | 3.72494323                               | 4.4463991                                   | 11.1479832                                      | 6.42440367                         | 6.89932433                             | 2.64246808 | 4.52116594 |
| Solver thresholds       |                                                      |                                  |                                   |                                              |                              |                                                                |                            |                                    |                       |                            |                              |                                |                                      |                                              |                                          |                                  |                                          |                                             |                                                 |                                    |                                        |            |            |
| $T_1$                   | -1.6437139                                           | $T_1$                            | -2.2213209                        |                                              |                              |                                                                |                            |                                    |                       |                            |                              |                                |                                      |                                              |                                          |                                  |                                          |                                             |                                                 |                                    |                                        |            |            |
| $T_2$                   | -0.8628744                                           | $T_2$                            | -1.2782555                        |                                              |                              |                                                                |                            |                                    |                       |                            |                              |                                |                                      |                                              |                                          |                                  |                                          |                                             |                                                 |                                    |                                        |            |            |
| $T_3$                   | -0.5608626                                           | $T_3$                            | -0.9134984                        |                                              |                              |                                                                |                            |                                    |                       |                            |                              |                                |                                      |                                              |                                          |                                  |                                          |                                             |                                                 |                                    |                                        |            |            |
| $T_4$                   | -0.2709588                                           | $T_4$                            | -0.5633647                        |                                              |                              |                                                                |                            |                                    |                       |                            |                              |                                |                                      |                                              |                                          |                                  |                                          |                                             |                                                 |                                    |                                        |            |            |
| $T_5$                   | 0.16654507                                           | $T_5$                            | -0.0349658                        |                                              |                              |                                                                |                            |                                    |                       |                            |                              |                                |                                      |                                              |                                          |                                  |                                          |                                             |                                                 |                                    |                                        |            |            |
| $T_6$                   | 0.80164062                                           | $T_6$                            | 0.73207605                        |                                              |                              |                                                                |                            |                                    |                       |                            |                              |                                |                                      |                                              |                                          |                                  |                                          |                                             |                                                 |                                    |                                        |            |            |
| Standardised parameters |                                                      |                                  |                                   |                                              |                              |                                                                |                            |                                    |                       |                            |                              |                                |                                      |                                              |                                          |                                  |                                          |                                             |                                                 |                                    |                                        |            |            |
| $\mu$                   | 0.4111                                               | 0.2430                           | 0.5870                            | 0.2687                                       | -0.7023                      | 0.2630                                                         | -0.4890                    | -0.2417                            | -0.3208               | -0.3174                    | -0.0693                      | -0.0738                        | 0.0447                               | 0.1946                                       | 0.3867                                   | 0.1717                           | -0.0425                                  | -0.3130                                     | -0.0857                                         | -0.0618                            | -0.0095                                | 0.1565     |            |
| $\sigma$                | 0.5782                                               | 0.5404                           | 0.6007                            | 0.8058                                       | 1.0110                       | 0.5686                                                         | 1.1514                     | 1.0077                             | 1.2158                | 1.0537                     | 1.1355                       | 1.1717                         | 1.2154                               | 0.9098                                       | 0.6952                                   | 0.7335                           | 0.8775                                   | 1.0392                                      | 0.9856                                          | 1.0141                             | 0.7850                                 | 1.2492     |            |
| t-value                 | 4.3830                                               | 2.7716                           | 6.0234                            | 2.0551                                       | -4.2824                      | 2.8515                                                         | -2.6183                    | -1.4785                            | -1.6266               | -1.8572                    | -0.3760                      | -0.3883                        | 0.2266                               | 1.3186                                       | 3.4295                                   | 1.4432                           | -0.2988                                  | -1.8568                                     | -0.5361                                         | -0.3758                            | -0.0746                                | 0.7723     |            |
| p-value                 | 0.0001                                               | 0.0088                           | 0.0000                            | 0.0472                                       | 0.0001                       | 0.0072                                                         | 0.0128                     | 0.1480                             | 0.1125                | 0.0715                     | 0.7091                       | 0.7001                         | 0.8220                               | 0.1956                                       | 0.0015                                   | 0.1576                           | 0.7668                                   | 0.0715                                      | 0.5952                                          | 0.7093                             | 0.9409                                 | 0.4450     |            |
| Significance            | +                                                    | +                                | +                                 | +                                            | -                            | +                                                              | -                          |                                    |                       |                            |                              |                                |                                      |                                              | +                                        |                                  |                                          |                                             |                                                 |                                    |                                        |            |            |

Chi-test p-value 0.3229  
Significance level 5%

**Table F. 4: BTL Agencies - Relative Strengths and Weaknesses**

|                                          | 1. ...offers the required service | 2. ...has the required personnel | 3. ...has the required facilities | 4. ...has the required management philosophy | 5. ...has low staff turnover | 6. ...uses an appropriate network of partners and/or suppliers | 7. ...keeps time schedules | 8. ...honours financial agreements | 9. ...meets deadlines | 10. ...looks at the detail | 11. ...understands our needs | 12. ...accepts our direction/briefs enthusiastically | 13. ...listens to our problems | 14. ...is open to suggestions/ideas | 15. ...has staff with pleasant personalities | 16. ...argues/pushes back when necessary | 17. ...looks after our interests | 18. ...reaches the objectives set for it | 19. ...has a notable effect on our business | 20. ...contributes to our sales and brand image | 21. ...is creative in its offering | 22. ...is consistent with our strategy |
|------------------------------------------|-----------------------------------|----------------------------------|-----------------------------------|----------------------------------------------|------------------------------|----------------------------------------------------------------|----------------------------|------------------------------------|-----------------------|----------------------------|------------------------------|------------------------------------------------------|--------------------------------|-------------------------------------|----------------------------------------------|------------------------------------------|----------------------------------|------------------------------------------|---------------------------------------------|-------------------------------------------------|------------------------------------|----------------------------------------|
| <b>Observed</b>                          |                                   |                                  |                                   |                                              |                              |                                                                |                            |                                    |                       |                            |                              |                                                      |                                |                                     |                                              |                                          |                                  |                                          |                                             |                                                 |                                    |                                        |
| 1                                        | 0                                 | 0                                | 0                                 | 0                                            | 0                            | 1                                                              | 1                          | 0                                  | 1                     | 0                          | 2                            | 0                                                    | 0                              | 0                                   | 0                                            | 0                                        | 1                                | 1                                        | 1                                           | 1                                               | 2                                  | 1                                      |
| 2                                        | 2                                 | 2                                | 0                                 | 0                                            | 3                            | 0                                                              | 3                          | 4                                  | 5                     | 7                          | 3                            | 3                                                    | 3                              | 2                                   | 0                                            | 0                                        | 1                                | 4                                        | 3                                           | 3                                               | 1                                  | 3                                      |
| 3                                        | 4                                 | 5                                | 7                                 | 8                                            | 3                            | 4                                                              | 12                         | 7                                  | 7                     | 6                          | 7                            | 7                                                    | 6                              | 4                                   | 2                                            | 0                                        | 9                                | 10                                       | 7                                           | 3                                               | 9                                  |                                        |
| 4                                        | 2                                 | 4                                | 4                                 | 4                                            | 6                            | 7                                                              | 9                          | 6                                  | 3                     | 5                          | 3                            | 4                                                    | 1                              | 4                                   | 3                                            | 7                                        | 6                                | 1                                        | 2                                           | 4                                               | 7                                  | 1                                      |
| 5                                        | 9                                 | 8                                | 5                                 | 12                                           | 7                            | 9                                                              | 5                          | 6                                  | 8                     | 8                          | 7                            | 3                                                    | 9                              | 7                                   | 12                                           | 15                                       | 5                                | 8                                        | 9                                           | 7                                               | 10                                 | 8                                      |
| 6                                        | 12                                | 12                               | 14                                | 5                                            | 10                           | 8                                                              | 3                          | 9                                  | 9                     | 6                          | 10                           | 11                                                   | 10                             | 13                                  | 8                                            | 10                                       | 12                               | 8                                        | 5                                           | 8                                               | 8                                  | 9                                      |
| 7                                        | 5                                 | 3                                | 4                                 | 5                                            | 5                            | 5                                                              | 1                          | 2                                  | 1                     | 2                          | 2                            | 6                                                    | 5                              | 4                                   | 9                                            | 2                                        | 1                                | 2                                        | 4                                           | 4                                               | 3                                  | 3                                      |
|                                          | 34                                | 34                               | 34                                | 34                                           | 34                           | 34                                                             | 34                         | 34                                 | 34                    | 34                         | 34                           | 34                                                   | 34                             | 34                                  | 34                                           | 34                                       | 34                               | 34                                       | 34                                          | 34                                              | 34                                 | 34                                     |
| <b>Solver parameters</b>                 |                                   |                                  |                                   |                                              |                              |                                                                |                            |                                    |                       |                            |                              |                                                      |                                |                                     |                                              |                                          |                                  |                                          |                                             |                                                 |                                    |                                        |
| $\mu$                                    | 0.3439575                         | 0.24009246                       | 0.30504469                        | 0.20409887                                   | 0.24171561                   | 0.20253106                                                     | -0.2289444                 | 0.01352484                         | -0.053087             | -0.1473976                 | 0.01402112                   | 0.25125824                                           | 0.23557803                     | 0.31091882                          | 0.53592374                                   | 0.28413036                               | 0.10774153                       | -0.0584881                               | 0.00538318                                  | 0.09452681                                      | 0.0492472                          | 0.04663245                             |
| $\sigma$                                 | 0.66993269                        | 0.62487575                       | 0.61732602                        | 0.63416977                                   | 0.71898855                   | 0.71548813                                                     | 0.56420496                 | 0.66462561                         | 0.70504836            | 0.71919521                 | 0.78829828                   | 0.80834943                                           | 0.7357608                      | 0.65164725                          | 0.59934501                                   | 0.39892211                               | 0.55264382                       | 0.70383321                               | 0.75307764                                  | 0.77331088                                      | 0.7399094                          | 0.73236868                             |
| <b>Expected</b>                          |                                   |                                  |                                   |                                              |                              |                                                                |                            |                                    |                       |                            |                              |                                                      |                                |                                     |                                              |                                          |                                  |                                          |                                             |                                                 |                                    |                                        |
| 1                                        | 0.1783558                         | 0.16917615                       | 0.11292547                        | 0.22149202                                   | 0.42395982                   | 0.47442691                                                     | 0.73162497                 | 0.63411082                         | 1.0485684             | 1.51300069                 | 1.34340027                   | 0.76201901                                           | 0.49370676                     | 0.16781197                          | 0.02495948                                   | 0.00057059                               | 0.12707434                       | 1.05913992                               | 1.15075845                                  | 0.98864045                                      | 0.93504988                         | 0.90075165                             |
| 2                                        | 1.29200178                        | 1.43911814                       | 1.11611426                        | 1.67842242                                   | 2.05231805                   | 2.23385419                                                     | 4.49962961                 | 3.07916508                         | 3.82309809            | 4.62290689                 | 3.74208251                   | 2.49440037                                           | 2.18378852                     | 1.31067591                          | 0.405592                                     | 0.10749509                               | 1.55293241                       | 3.85751378                               | 3.64691175                                  | 3.17695176                                      | 3.29101453                         | 3.26766157                             |
| 3                                        | 4.58433634                        | 5.37009926                       | 4.68844325                        | 5.76241683                                   | 5.56539901                   | 5.8804897                                                      | 10.682019                  | 7.5931291                          | 7.94325066            | 8.48500464                 | 7.06355302                   | 5.50998081                                           | 5.62533688                     | 4.79856305                          | 2.56959651                                   | 2.63976254                               | 6.64143608                       | 7.99046676                               | 7.28001832                                  | 6.60385777                                      | 7.02811665                         | 7.07429683                             |
| 4                                        | 3.89563215                        | 4.50317938                       | 4.22698854                        | 4.61058183                                   | 4.09993883                   | 4.23096851                                                     | 5.96186569                 | 4.97739367                         | 4.79093724            | 4.73987519                 | 4.23851261                   | 3.74078366                                           | 4.05105685                     | 4.09083736                          | 2.98843385                                   | 4.79110139                               | 5.53312099                       | 4.80374345                               | 4.43668402                                  | 4.20155609                                      | 4.44930741                         | 4.49567992                             |
| 5                                        | 7.91713069                        | 8.67460821                       | 8.64730838                        | 8.58205911                                   | 7.5775342                    | 7.63591056                                                     | 7.44823751                 | 7.95250455                         | 7.33896353            | 6.86011084                 | 6.7959741                    | 6.75709164                                           | 7.41499783                     | 8.20865187                          | 7.671709                                     | 12.914867                                | 9.71502423                       | 7.33138941                               | 7.07324835                                  | 7.03655                                         | 7.27693585                         | 7.34290438                             |
| 6                                        | 10.7688535                        | 10.20378                         | 10.9718147                        | 9.74093847                                   | 9.49894513                   | 9.20362159                                                     | 4.21255725                 | 7.53123059                         | 6.85712718            | 5.98347671                 | 7.35644555                   | 8.88979807                                           | 9.32512212                     | 10.6806233                          | 13.152818                                    | 12.4170788                               | 8.72803748                       | 6.80353298                               | 7.36197156                                  | 8.02762616                                      | 7.76959575                         | 7.76590264                             |
| 7                                        | 5.36368976                        | 3.64003886                       | 4.23640537                        | 3.40408932                                   | 4.78190495                   | 4.34072854                                                     | 0.46406596                 | 2.23246618                         | 2.19805488            | 1.79562504                 | 3.46003193                   | 5.84592644                                           | 4.90599104                     | 4.7428365                           | 7.18689112                                   | 1.12912458                               | 1.70237448                       | 2.1542137                                | 3.05040755                                  | 3.96481777                                      | 3.25001592                         | 3.15280302                             |
| <b><math>\chi^2</math> contributions</b> |                                   |                                  |                                   |                                              |                              |                                                                |                            |                                    |                       |                            |                              |                                                      |                                |                                     |                                              |                                          |                                  |                                          |                                             |                                                 |                                    |                                        |
| 1                                        | 0.1783557                         | 0.16917605                       | 0.11292537                        | 0.22149192                                   | 0.42395972                   | 0.58223302                                                     | 0.09844545                 | 0.63411072                         | 0.00224963            | 1.51300059                 | 0.32091937                   | 0.76201891                                           | 0.49370666                     | 0.16781187                          | 0.02495938                                   | 0.00057049                               | 0.12707424                       | 0.00330224                               | 0.01975055                                  | 0.00013052                                      | 1.21289639                         | 0.01093557                             |
| 2                                        | 0.38797272                        | 0.21859807                       | 1.11611416                        | 1.67842232                                   | 0.43760324                   | 2.23385409                                                     | 0.49979423                 | 0.27537884                         | 0.36229729            | 1.22229836                 | 0.14716042                   | 0.10248193                                           | 0.3050667                      | 0.36253635                          | 0.4055919                                    | 0.10749499                               | 0.19687542                       | 0.00526306                               | 0.1147532                                   | 0.00985596                                      | 1.59487215                         | 0.02192477                             |
| 3                                        | 0.07448165                        | 0.02550669                       | 1.13967349                        | 0.86886778                                   | 1.18253372                   | 0.60135153                                                     | 0.16261663                 | 0.04633164                         | 0.11200979            | 0.72778369                 | 0.00057181                   | 0.04293373                                           | 0.02495361                     | 0.13289456                          | 0.12626114                                   | 2.63976244                               | 0.8375935                        | 0.50538021                               | 0.10624748                                  | 0.02376318                                      | 2.30868728                         | 0.52419806                             |
| 4                                        | 0.92242312                        | 0.05622461                       | 0.01218924                        | 0.08085968                                   | 0.88055762                   | 1.81224115                                                     | 1.54821668                 | 0.21009463                         | 0.66948407            | 0.01427567                 | 0.36189899                   | 0.01796231                                           | 2.29790596                     | 0.00201705                          | 4.4765E-05                                   | 1.01839484                               | 0.03939477                       | 3.01191437                               | 1.33825823                                  | 0.009669                                        | 1.46225736                         | 2.71811562                             |
| 5                                        | 0.14810996                        | 0.05246303                       | 1.53838138                        | 1.36124905                                   | 0.04401772                   | 0.24368279                                                     | 0.80473626                 | 0.47938029                         | 0.059541              | 0.18940616                 | 0.00612518                   | 2.0890256                                            | 0.33880413                     | 0.17796337                          | 2.44197254                                   | 0.33664921                               | 2.28835798                       | 0.06097618                               | 0.52484682                                  | 0.00018985                                      | 1.0189836                          | 0.05880162                             |
| 6                                        | 0.14075052                        | 0.31619716                       | 0.8357693                         | 2.30742627                                   | 0.02642988                   | 0.15740596                                                     | 0.34902672                 | 0.28644503                         | 0.66965417            | 4.5629E-05                 | 0.94996693                   | 0.50090588                                           | 0.04884227                     | 0.50366986                          | 2.01869542                                   | 0.47050278                               | 1.22659173                       | 0.21041028                               | 0.75780102                                  | 9.5072E-05                                      | 0.00683471                         | 0.19611323                             |
| 7                                        | 0.02466031                        | 0.11253993                       | 0.0131922                         | 0.74819741                                   | 0.00994697                   | 0.10013039                                                     | 0.6189319                  | 0.02420665                         | 0.65300255            | 0.02326161                 | 0.61609061                   | 0.00406072                                           | 0.00180141                     | 0.11634516                          | 0.4574111                                    | 0.67169199                               | 0.28978928                       | 0.0110397                                | 0.2956083                                   | 0.00031219                                      | 0.01923312                         | 0.00740572                             |
| 81.91714063                              | 1.87675397                        | 0.95070555                       | 4.76824514                        | 7.26651443                                   | 3.00504885                   | 5.73089893                                                     | 4.08176787                 | 1.95594781                         | 2.52823848            | 3.69007172                 | 2.40273332                   | 3.87938908                                           | 3.51108073                     | 1.46323822                          | 5.47493624                                   | 5.24506675                               | 5.00567693                       | 3.80828603                               | 4.06726558                                  | 0.04401579                                      | 7.62376462                         | 3.53749458                             |
| <b>Solver thresholds</b>                 |                                   |                                  |                                   |                                              |                              |                                                                |                            |                                    |                       |                            |                              |                                                      |                                |                                     |                                              |                                          |                                  |                                          |                                             |                                                 |                                    |                                        |
| $T_1$                                    | -1.3705302                        | $T_1$                            | -2.138232                         |                                              |                              |                                                                |                            |                                    |                       |                            |                              |                                                      |                                |                                     |                                              |                                          |                                  |                                          |                                             |                                                 |                                    |                                        |
| $T_2$                                    | -0.8044425                        | $T_2$                            | -1.3349339                        |                                              |                              |                                                                |                            |                                    |                       |                            |                              |                                                      |                                |                                     |                                              |                                          |                                  |                                          |                                             |                                                 |                                    |                                        |
| $T_3$                                    | -0.2741959                        | $T_3$                            | -0.5824957                        |                                              |                              |                                                                |                            |                                    |                       |                            |                              |                                                      |                                |                                     |                                              |                                          |                                  |                                          |                                             |                                                 |                                    |                                        |
| $T_4$                                    | -0.0215847                        | $T_4$                            | -0.2240316                        |                                              |                              |                                                                |                            |                                    |                       |                            |                              |                                                      |                                |                                     |                                              |                                          |                                  |                                          |                                             |                                                 |                                    |                                        |
| $T_5$                                    | 0.38683074                        | $T_5$                            | 0.3555241                         |                                              |                              |                                                                |                            |                                    |                       |                            |                              |                                                      |                                |                                     |                                              |                                          |                                  |                                          |                                             |                                                 |                                    |                                        |
| $T_6$                                    | 1.01638571                        | $T_6$                            | 1.24888443                        |                                              |                              |                                                                |                            |                                    |                       |                            |                              |                                                      |                                |                                     |                                              |                                          |                                  |                                          |                                             |                                                 |                                    |                                        |
| <b>Standardised parameters</b>           |                                   |                                  |                                   |                                              |                              |                                                                |                            |                                    |                       |                            |                              |                                                      |                                |                                     |                                              |                                          |                                  |                                          |                                             |                                                 |                                    |                                        |
| $\mu$                                    | 0.2947                            | 0.1473                           | 0.2395                            | 0.0962                                       | 0.1496                       | 0.0940                                                         | -0.5183                    | -0.1742                            | -0.2687               | -0.4026                    | -0.1735                      | 0.1631                                               | 0.1409                         | 0.2478                              | 0.5671                                       | 0.2098                                   | -0.0405                          | -0.2764                                  | -0.1858                                     | -0.0593                                         | -0.1235                            | -0.1272                                |
| $\sigma$                                 | 0.9507                            | 0.8867                           | 0.8760                            | 0.8999                                       | 1.0203                       | 1.0153                                                         | 0.8006                     | 0.9431                             | 1.0005                | 1.0206                     | 1.1186                       | 1.1471                                               | 1.0441                         | 0.9247                              | 0.8505                                       | 0.5661                                   | 0.7842                           | 0.9988                                   | 1.0686                                      | 1.0974                                          | 1.0500                             | 1.0393                                 |
| t-value                                  | 1.8075                            | 0.9686                           | 1.5940                            | 0.6235                                       | 0.8550                       | 0.5398                                                         | -3.7746                    | -1.0771                            | -1.5662               | -2.3000                    | -0.9044                      | 0.8293                                               | 0.7869                         | 1.5626                              | 3.8880                                       | 2.1609                                   | -0.3012                          | -1.6137                                  | -1.0136                                     | -0.3149                                         | -0.6860                            | -0.7138                                |
| p-value                                  | 0.0801                            | 0.3400                           | 0.1208                            | 0.5374                                       | 0.3989                       | 0.5931                                                         | 0.0007                     | 0.2895                             | 0.1271                | 0.0281                     | 0.3725                       | 0.4131                                               | 0.4372                         | 0.1280                              | 0.0005                                       | 0.0383                                   | 0.7652                           | 0.1164                                   | 0.3184                                      | 0.7549                                          | 0.4977                             | 0.4805                                 |
| Significance                             |                                   |                                  |                                   |                                              |                              |                                                                | -                          |                                    |                       | -                          |                              |                                                      |                                |                                     | +                                            | +                                        |                                  |                                          |                                             |                                                 |                                    |                                        |

Chi-test p-value 0.9992  
Significance level 5%

**Table F5, Results of One-Way ANOVA Statement 1 - Offers the Required Service**

**Summary Statistics for Samples**

|                             | <b>FS Agency</b> | <b>ATL Agency</b> | <b>BTL Agency</b> |
|-----------------------------|------------------|-------------------|-------------------|
| Sample sizes                | 33               | 38                | 34                |
| Sample means                | 0.608            | 0.411             | 0.083             |
| Sample standard deviations  | 0.938            | 0.858             | 0.814             |
| Sample variances            | 0.880            | 0.736             | 0.662             |
| Weights for pooled variance | 0.314            | 0.363             | 0.324             |

|                           |       |
|---------------------------|-------|
| Number of samples         | 3     |
| Total sample size         | 105   |
| Grand mean                | 0.367 |
| Pooled variance           | 0.757 |
| Pooled standard deviation | 0.870 |

**One-Way ANOVA Table**

| Source            | SS     | df  | MS    | F     | p-value |
|-------------------|--------|-----|-------|-------|---------|
| Between variation | 4.731  | 2   | 2.365 | 3.124 | 0.0482  |
| Within variation  | 77.236 | 102 | 0.757 |       |         |
| Total variation   | 81.966 | 104 |       |       |         |

**Table F6, Results of One-Way ANOVA Statement 4 - Has the required Management Philosophy**

**Summary Statistics for Samples**

|                             | <b>FS Agency</b> | <b>ATL Agency</b> | <b>BTL Agency</b> |
|-----------------------------|------------------|-------------------|-------------------|
| Sample sizes                | 33               | 38                | 34                |
| Sample means                | -0.328           | -0.385            | -0.910            |
| Sample standard deviations  | 0.938            | 0.858             | 0.814             |
| Sample variances            | 0.880            | 0.736             | 0.662             |
| Weights for pooled variance | 0.314            | 0.363             | 0.324             |

|                           |        |
|---------------------------|--------|
| Number of samples         | 3      |
| Total sample size         | 105    |
| Grand mean                | -0.537 |
| Pooled variance           | 0.757  |
| Pooled standard deviation | 0.870  |

**One-Way ANOVA Table**

| Source            | SS     | df  | MS    | F     | p-value |
|-------------------|--------|-----|-------|-------|---------|
| Between variation | 7.038  | 2   | 3.519 | 4.647 | 0.0117  |
| Within variation  | 77.236 | 102 | 0.757 |       |         |
| Total variation   | 84.273 | 104 |       |       |         |

**Table F 7, Results of One-Way ANOVA Statement 8 - Honours Financial Agreements**

**Summary Statistics for Samples**

|                             | <b>FS Agency</b> | <b>ATL Agency</b> | <b>BTL Agency</b> |
|-----------------------------|------------------|-------------------|-------------------|
| Sample sizes                | 33               | 38                | 34                |
| Sample means                | -0.498           | -0.571            | -0.444            |
| Sample standard deviations  | 0.938            | 0.858             | 0.814             |
| Sample variances            | 0.880            | 0.736             | 0.662             |
| Weights for pooled variance | 0.314            | 0.363             | 0.324             |

|                           |        |
|---------------------------|--------|
| Number of samples         | 3      |
| Total sample size         | 105    |
| Grand mean                | -0.507 |
| Pooled variance           | 0.757  |
| Pooled standard deviation | 0.870  |

**One-Way ANOVA Table**

| Source            | SS     | df  | MS    | F     | p-value |
|-------------------|--------|-----|-------|-------|---------|
| Between variation | 0.294  | 2   | 0.147 | 0.194 | 0.8240  |
| Within variation  | 77.236 | 102 | 0.757 |       |         |
| Total variation   | 77.529 | 104 |       |       |         |

**Table F8, Results of One-Way ANOVA Statement 9 - Meets Deadlines**

**Summary Statistics for Samples**

|                             | <b>FS Agency</b> | <b>ATL Agency</b> | <b>BTL Agency</b> |
|-----------------------------|------------------|-------------------|-------------------|
| Sample sizes                | 33               | 38                | 34                |
| Sample means                | 0.171            | -0.161            | 0.280             |
| Sample standard deviations  | 0.938            | 0.858             | 0.814             |
| Sample variances            | 0.880            | 0.736             | 0.662             |
| Weights for pooled variance | 0.314            | 0.363             | 0.324             |

|                           |       |
|---------------------------|-------|
| Number of samples         | 3     |
| Total sample size         | 105   |
| Grand mean                | 0.086 |
| Pooled variance           | 0.757 |
| Pooled standard deviation | 0.870 |

**One-Way ANOVA Table**

| Source            | SS     | df  | MS    | F     | p-value |
|-------------------|--------|-----|-------|-------|---------|
| Between variation | 3.829  | 2   | 1.915 | 2.528 | 0.0848  |
| Within variation  | 77.236 | 102 | 0.757 |       |         |
| Total variation   | 81.065 | 104 |       |       |         |

**Table F9, Results of One-Way ANOVA Statement 11 - Understands Our Needs**

**Summary Statistics for Samples**

|                             | <b>FS Agency</b> | <b>ATL Agency</b> | <b>BTL Agency</b> |
|-----------------------------|------------------|-------------------|-------------------|
| Sample sizes                | 33               | 38                | 34                |
| Sample means                | -0.265           | -0.490            | 0.199             |
| Sample standard deviations  | 0.938            | 0.858             | 0.814             |
| Sample variances            | 0.880            | 0.736             | 0.662             |
| Weights for pooled variance | 0.314            | 0.363             | 0.324             |

|                           |        |
|---------------------------|--------|
| Number of samples         | 3      |
| Total sample size         | 105    |
| Grand mean                | -0.196 |
| Pooled variance           | 0.757  |
| Pooled standard deviation | 0.870  |

**One-Way ANOVA Table**

| Source            | SS     | df  | MS    | F     | p-value |
|-------------------|--------|-----|-------|-------|---------|
| Between variation | 8.731  | 2   | 4.366 | 5.765 | 0.0042  |
| Within variation  | 77.236 | 102 | 0.757 |       |         |
| Total variation   | 85.967 | 104 |       |       |         |

**Table F10, Results of One-Way ANOVA Statement 18 - Reaches the Objectives Set for It**

**Summary Statistics for Samples**

|                             | <b>FS Agency</b> | <b>ATL Agency</b> | <b>BTL Agency</b> |
|-----------------------------|------------------|-------------------|-------------------|
| Sample sizes                | 33               | 38                | 34                |
| Sample means                | -0.084           | -0.010            | 0.212             |
| Sample standard deviations  | 0.938            | 0.858             | 0.814             |
| Sample variances            | 0.880            | 0.736             | 0.662             |
| Weights for pooled variance | 0.314            | 0.363             | 0.324             |

|                           |       |
|---------------------------|-------|
| Number of samples         | 3     |
| Total sample size         | 105   |
| Grand mean                | 0.039 |
| Pooled variance           | 0.757 |
| Pooled standard deviation | 0.870 |

**One-Way ANOVA Table**

| Source            | SS     | df  | MS    | F     | p-value |
|-------------------|--------|-----|-------|-------|---------|
| Between variation | 1.602  | 2   | 0.801 | 1.058 | 0.3511  |
| Within variation  | 77.236 | 102 | 0.757 |       |         |
| Total variation   | 78.837 | 104 |       |       |         |

**Table F11, Results of One-Way ANOVA Statement 19 - Has a Notable Effect on Our Business**

**Summary Statistics for Samples**

|                             | <b>FS Agency</b> | <b>ATL Agency</b> | <b>BTL Agency</b> |
|-----------------------------|------------------|-------------------|-------------------|
| Sample sizes                | 33               | 38                | 34                |
| Sample means                | -0.011           | -0.093            | -0.963            |
| Sample standard deviations  | 0.938            | 0.858             | 0.814             |
| Sample variances            | 0.880            | 0.736             | 0.662             |
| Weights for pooled variance | 0.314            | 0.363             | 0.324             |

|                           |        |
|---------------------------|--------|
| Number of samples         | 3      |
| Total sample size         | 105    |
| Grand mean                | -0.349 |
| Pooled variance           | 0.757  |
| Pooled standard deviation | 0.870  |

**One-Way ANOVA Table**

| Source            | SS     | df  | MS    | F      | p-value |
|-------------------|--------|-----|-------|--------|---------|
| Between variation | 19.066 | 2   | 9.533 | 12.589 | 0.0000  |
| Within variation  | 77.236 | 102 | 0.757 |        |         |
| Total variation   | 96.301 | 104 |       |        |         |

**Table F12, Results of One-Way ANOVA Statement 20 - Contributes to Our Sales and Brand Image**

**Summary Statistics for Samples**

|                             | <b>FS Agency</b> | <b>ATL Agency</b> | <b>BTL Agency</b> |
|-----------------------------|------------------|-------------------|-------------------|
| Sample sizes                | 33               | 38                | 34                |
| Sample means                | 0.036            | -0.142            | 0.016             |
| Sample standard deviations  | 0.938            | 0.858             | 0.814             |
| Sample variances            | 0.880            | 0.736             | 0.662             |
| Weights for pooled variance | 0.314            | 0.363             | 0.324             |

|                           |        |
|---------------------------|--------|
| Number of samples         | 3      |
| Total sample size         | 105    |
| Grand mean                | -0.035 |
| Pooled variance           | 0.757  |
| Pooled standard deviation | 0.870  |

**One-Way ANOVA Table**

| Source            | SS     | df  | MS    | F     | p-value |
|-------------------|--------|-----|-------|-------|---------|
| Between variation | 0.694  | 2   | 0.347 | 0.459 | 0.6335  |
| Within variation  | 77.236 | 102 | 0.757 |       |         |
| Total variation   | 77.930 | 104 |       |       |         |

**Table F 13, Results of One-Way ANOVA Statement 21 - Is Creative in its Offering**

**Summary Statistics for Samples**

|                             | <b>FS Agency</b> | <b>ATL Agency</b> | <b>BTL Agency</b> |
|-----------------------------|------------------|-------------------|-------------------|
| Sample sizes                | 33               | 38                | 34                |
| Sample means                | -0.253           | 0.111             | 0.484             |
| Sample standard deviations  | 0.938            | 0.858             | 0.814             |
| Sample variances            | 0.880            | 0.736             | 0.662             |
| Weights for pooled variance | 0.314            | 0.363             | 0.324             |

|                           |       |
|---------------------------|-------|
| Number of samples         | 3     |
| Total sample size         | 105   |
| Grand mean                | 0.117 |
| Pooled variance           | 0.757 |
| Pooled standard deviation | 0.870 |

**One-Way ANOVA Table**

| Source            | SS     | df  | MS    | F     | p-value |
|-------------------|--------|-----|-------|-------|---------|
| Between variation | 9.107  | 2   | 4.553 | 6.013 | 0.0034  |
| Within variation  | 77.236 | 102 | 0.757 |       |         |
| Total variation   | 86.342 | 104 |       |       |         |

**Table F 14, Results of One-Way ANOVA Statement 22 - Is Consistent with our Strategy**

**Summary Statistics for Samples**

|                             | <b>FS Agency</b> | <b>ATL Agency</b> | <b>BTL Agency</b> |
|-----------------------------|------------------|-------------------|-------------------|
| Sample sizes                | 33               | 38                | 34                |
| Sample means                | 0.624            | 1.330             | 1.043             |
| Sample standard deviations  | 0.938            | 0.858             | 0.814             |
| Sample variances            | 0.880            | 0.736             | 0.662             |
| Weights for pooled variance | 0.314            | 0.363             | 0.324             |

|                           |       |
|---------------------------|-------|
| Number of samples         | 3     |
| Total sample size         | 105   |
| Grand mean                | 1.015 |
| Pooled variance           | 0.757 |
| Pooled standard deviation | 0.870 |

**One-Way ANOVA Table**

| Source            | SS     | df  | MS    | F     | p-value |
|-------------------|--------|-----|-------|-------|---------|
| Between variation | 8.838  | 2   | 4.419 | 5.836 | 0.0040  |
| Within variation  | 77.236 | 102 | 0.757 |       |         |
| Total variation   | 86.074 | 104 |       |       |         |