
Public relations agencies in the UK travel industry: Does size matter?

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The relationship between an agency and its client has a limited timescale. Thus far, research has primarily focused on the relationship between advertising agencies and their clients. Based on a study of the existing literature, most of which is advertising based, this article explores the agency-client relationship for public relations agencies in the UK travel industry. Our model concentrates on the four phases of client-agency relationships: agency selection; successful relationships; failing relationships; and agency switching. Several factors influence these four phases, but this article focuses specifically on an under-examined factor: whether the size of a client's public relations agency might influence the nature of the relationship between a client and agency. UK travel companies with different sized public relations agencies were interviewed to test the model and assess the impact of agency size. We found evidence to suggest that agencies should be aware of how their size may influence client perception during the selection process. Agencies similarly should be conscious that their size might act as an indication of how clients perceive their ability, and indeed may influence their client-agency relationship on an ongoing basis. Attention to size-related perceptions may help prevent clients switching agencies.

Introduction

“But there remain two key points on which he has to make up his mind. One is whether he is looking for a large agency or a small – whether in fact he wants to be a large frog in a small pond or the reverse” (McIver, 1988, p. 21).

The above quote suggests that agency size is vital, yet most research does not consider the importance of agency size in the development of relationships between client and agency. This omission may be explained by the fact that existing client-agency (C-A) research has focused on the North-American advertising industry (Michell & Hague, 1990; Henke, 1995; Beard, 1999; Mogel, 2002) where most agencies tend to be larger. However, in the United Kingdom, most public relations agencies are small (Mogel, 2002), and therefore size may be more relevant to an understanding of C-A relationships. Such relationships are affected several factors, but we aim to identify what influence size.

Research suggests that clients and public relations agencies have a limited timeframe to maximise benefits from their association. The average length of a C-A relationship is four and a half years (Michell & Hague, 1990). Moreover, Ghosh and Taylor (1999) suggest that it can take nearly two years before a C-A relationship becomes productive. As a result, most clients and agencies will only have productive relationships for just over two years. We believe better understanding between the parties might extend relationship length.

The idea that relationships are central to understanding public relations has grown in recent years. In 1984 Ferguson suggested that whilst structures and management worldviews were important, the key to public relations was interpersonal relationships. An emphasis on relationships suggests that people do not necessarily act rationally but can be influenced by emotion and prejudices. Therefore a clever practitioner can build equity (Regester & Larkin, 2002), and those practitioners who meet the excellence model (Grunig, Dozier, Ehling, Grunig, Repper, & White, 1992) are likely to develop long-term strategic relationships. This theme was most notably developed by Cutlip, Center, and Broom (1987), and Ledingham and Bruning (2000) when they identified relationship development models.

Our research looks at relationships differently from this relationship theory tradition in two key ways. First, the models (Cutlip et al., 1987; Ledingham & Bruning, 1998) focused on an organisation and its many publics, with the assumption that these were mostly external publics. We, however, are focusing on only one relationship, and one which has a peculiar nature in that it can be viewed as both external and internal at the same time: the client-agency relationship. Second, our emphasis is on whether one variable, size, has any impact on the nature of C-A relationships within one industry, the travel sector.

Within the UK's travel industry, Cobb (1999) identifies airline carriers, tour operators, hotels, retailers, and tourist boards as the main business activities. However, travel public relations may significantly expand in the next few years for three reasons. First, the travel sector is expected to become the world's biggest industry (Youell, 1996). Second, nearly half of consumers are influenced by the media in choosing their travel arrangements (Holland, cited in Cobb, 1999). Therefore, public relations can play an important role in selling a travel company's products. Third, compared with other sectors such as Fast Moving Consumer Goods (FMCG), travel industry public relations activities are as yet minimal (Buttle, 1986). Therefore, there is significant capacity for growth. These three factors lead us to predict increased future travel

public relations. Agencies which best understand what a client wants may experience commercial success.

The client-agency relationship

There is very little research on the public relations C-A relationship, but literature on the advertising industry provides the basis for a possible model to apply to public relations. Within advertising, a good C-A relationship is central to a client's satisfaction (Wackman, Salmon, & Salmon, 1987). A good relationship allows both client and agency to concentrate on the task in hand, enhancing the likelihood of the agency creating better results for its clients (Lace, Chaston, & Mangles, 1996). Existing advertising literature has focused on four different, but related phases of this relationship: agency selection; successful relationships; failing relationships; and agency switching.

Phase one: Agency selection

Existing literature identifies several criteria that influence what a client looks for when they hire a new agency, but four in particular appear important. First, C-A compatibility means, in essence, whether the agency and client get on, and have shared commonality, experience, or worldview (Cagley & Roberts, 1984; Weilbacher, 1990; Harris, 1992). Second, the agency's specialisation or experience in the client's industry matters, i.e. in this case whether the public relations agency has a track record in travel (Gardner, 1989). A third factor is agency management, in terms of both the personalities and systems that guide operations (Weilbacher, 1990). Fourth, agency creativity matters (Buxton & Fullerton, 1987; Dowling, 1994).

The nature of an agency's people and staff appears to be a key factor in determining client selection (West, 1997; Cagley & Roberts, 1984). Therefore, people orientation, or what might be called 'personal chemistry' is a key part of this process. West (1997) identified seven selection criteria, all based on agency staff personalities. Cagley and Roberts (1984) also argue that clients are more people

orientated during selection. However, none of this research explicitly considers the importance of agency size in selection.

Michell (1988) believes clients adopt a 'closeness of fit' approach when selecting a new agency and use "the concept of matching accounts to agencies by size, all other factors being equal" (p. 27). This suggests that clients consider the implications associated with agency size early on in the selection process. Other advertising literature (Weilbacher, 1990; Gardner, 1989; Buxton & Fullerton, 1987) agrees that clients assess the level of account service required, and decide what size agency is best equipped to provide this service. Buxton and Fullerton (1987) suggest that clients subconsciously link agency size to the levels of ability, experience, and skill an agency possesses. Some clients may associate agency size with sophistication (Weilbacher, 1990). The assumption may be that a small agency lacks the managerial skills to support a strong client-agency relationship.

Phase two: Successful relationships

Existing research on C-A relationship success has found that the ongoing agency characteristics most valued by clients in successful relationships are related to creativity and media (Gagnard & Schwartz, 1989). Lace (1998) discovered that clients link strong agency leadership to satisfaction with agency creativity. Ewing, Pinto, and Soutar (2001) found that both clients and agency respondents alike perceive agency staff quality to be the most important factor in a successful C-A relationship. This suggests that clients measure agency performance by the personnel working on their account as well as the work they produce.

Client size has been found to impact on the length of a C-A relationship (Hanscombe, 1984; Michell, 1988; Buchanan & Michell, 1991). These studies all found that larger clients generally have longer C-A relationships since smaller clients tend to be more unpredictable, possibly due to their less formal structure, and therefore change their agencies more frequently.

Phase three: Failing relationships

Existing advertising industry research indicates three re-occurring factors perceived negatively by clients within C-A relationships. The first is agency personnel turnover: clients dislike frequent changes in agency staff (Doyle, Corstjens, & Mitchell, 1980; Weilbacher, 1990; Hotz, Ryans, & Shanklin, 1982; Michell & Hague, 1990). This relates directly to client emphasis on C-A personal chemistry during agency selection. Second, unsatisfactory agency performance is perceived negatively (Doyle et al., 1980; Hotz et al., 1982; Wackman et al., 1987; Ghosh & Taylor, 1999). This may be affected by C-A personality conflicts (Michell & Hague, 1990) and confusion over the agency's role (Hotz et al., 1982; Beard, 1999). Third, lack of agency cost effectiveness, which clearly includes going over budget, is important (Hotz et al., 1982; Lace, 1998; Ghosh & Taylor, 1999). While these findings identify which factors clients perceive as prompting relationship failure, they do not explore clients' perceptions as to why these negative factors occur, nor what agency elements they feel have contributed to them.

Phase four: Agency switching

Client retention is vital for an agency, but at least two approaches can explain the switching process. Early research suggested that agency firings are more to do with people than performance (Barnett, 1984; Higgs, 1986). For example, changes in agency personnel may create significant client dissatisfaction (Doyle et al., 1980). This suggests that in reality it is often not the agency as a whole at fault but mutually destructive personal relationships between client and agency staff.

However, more recent research has focused on the importance of quality service and agency results (Ellis, 1997). Several studies (Michell & Hague, 1990; Michell, Cataquet, & Hague, 1992; Henke, 1995) found that agency performance was the most frequently cited reason for switching agencies. The most popular descriptions given were 'poor creative skills' and 'not being close enough to the client's

business'. Doyle et al. (1980) found that 'clients outgrowing agencies' and the need for a larger, full-service agency were also frequently cited. Size of agency, or client, may therefore become an issue that affects the relationship.

Michell and Sanders (1995) concluded that agency size could be directly related to C-A loyalty. Clients of larger agencies perceive increased levels of complexity, control, specialisation, and formulisation as reasons to stay with their agency. It seems logical that if a client develops faster than its agency it may need to reassess agency ability and switch to a more compatible agency. Indeed, in a study by Doyle et al. (1980) a large majority of clients rated this a valid reason to switch agencies, however, just 4% of agency respondents in the same study rated this with equal importance. Doyle et al.'s finding doesn't necessarily mean all small agencies will end up with small clients. Weilbacher (1990) argues that specialists within smaller agencies are able to work on a client's account at a higher level of involvement than a specialist in a larger agency would, in effect becoming part of the clients' marketing arm (Buxton & Fullerton, 1987). We therefore suggest that clients may view small specialist agencies as more valuable, since it is more likely a senior agency team member will service their account (Weilbacher, 1990), regardless of allocated budget.

Methodology

This study investigated whether the size of a public relations agency can influence travel industry C-A relationships. Three research questions were asked:

- How can agency size influence the way a client perceives their agency?
- How can agency size influence the way a client perceives their client-agency relationship?
- Can agency size be an indication of client perception?

The literature considered earlier focused on research conducted on the C-A relationship within the advertising industry, not public relations. Moreover, most previous questionnaire based research was carried out on larger agencies, rather than a mixture of sizes. None of the previous research covered the travel industry. Our research aims suggested, therefore, that a different research approach was required for the different circumstances of public relations.

The size category of travel public relations agencies was based (**Table 1**) on the Department of Trade and Industry's (DTI, 2003) size classification method, with some modification to accommodate industry specifics. (Since the UK's travel public relations industry has a minority of large public relations agencies, it would have been unrealistic to obtain a representative sample within the travel public relations industry using the DTI's exact categories).

Table 1. Method of agency size classification*

Size Classification	Number of Employees	DTI Numbers
Micro Agency	0-5 Employees	(0-9)
Small Agency	6-12 Employees	(10-49)
Medium Agency	13-49 Employees	(50-249)
Large Agency	50+ Employees	(250+)

*Adapted from the Department of Trade and Industry (DTI, 2003)

We attempted to select equal numbers of agencies in each of the four size categories. However, since the travel public relations industry consists mostly of micro agencies (*PR Week*, 2004) and only a minority of large firms, it was deemed more important to select an equal number of participants within each size category relative to the industry (**Table 2**). Clearly the

restricted sample size limits wider applicability of the findings. This is particularly true of the fact that, of the very limited number of companies who employ a large agency, we interviewed only one. However, our data can provide a broad indication of the effect of agency size on the client-agency relationship.

Table 2. Agency size category percentages within UK travel public relations industry*

Size Classification	% in Industry	Research Sample
Micro Agency	51.9	4
Small Agency	25.9	3
Medium Agency	14.8	2
Large Agency	7.4	1
Totals	100	10

* Data from *PR Week Contact Directory* (2004)

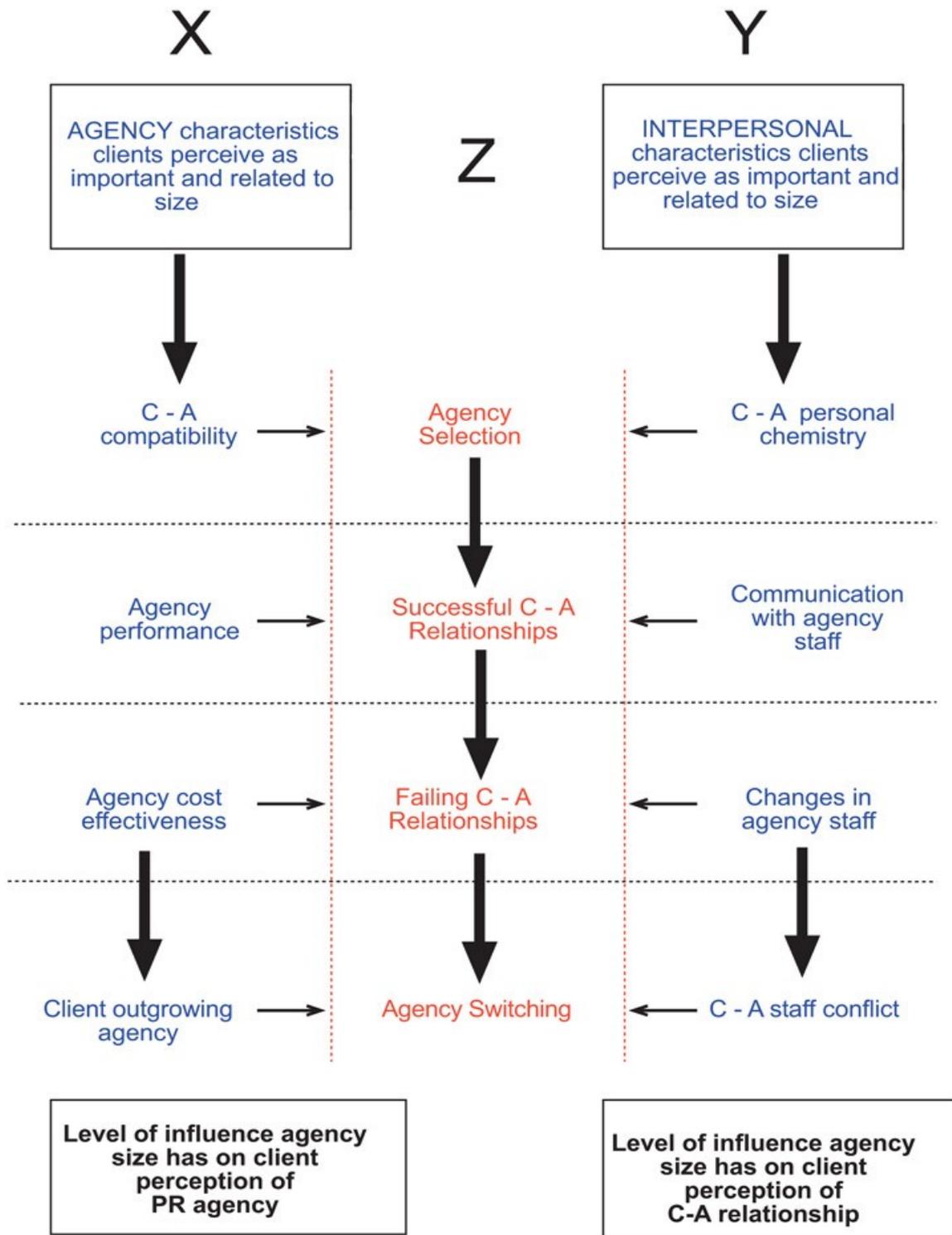
Face-to-face interviews were conducted during January and February, 2004. The following labels are used identify client respondents:

- Micro (A):** A1, A2, A3, A4
- Small (B):** B1, B2, B3
- Medium (C):** C1, C2
- Large (D):** D1

To conceptualise our data we have adapted a model (**Figure 1**) from Buchanan and Mitchell

(1991) which consists of three columns X, Y, and Z. The central Z column contains the four C-A relationship phases around which existing theories are based. The X column includes prominent agency work-related characteristics, and the Y column lists the interpersonal characteristics of C-A relationships. The X and Y characteristics therefore illustrate theories that previous client perception research has developed. By analysing the extent to which clients relate agency size to each of the X and Y characteristics we seek to understand agency size's overall influence on client perception.

Figure 1: Theoretical model



Findings

Phase one: Agency selection

While C-A compatibility was clearly an important factor in agency choice for the respondent travel companies, agency size does have influence. It appears that clients with micro agencies place greater emphasis on agency attitude, style of working, management ethos, and interest showed in the client company. For example, A4 commented that, in choosing their public relations agency, “It was more about her attitude really”. This suggests that, at a micro level, agencies are perceived to be on a better personal ‘wavelength’ (Churchill, Collins & Strang, 1975; Fine & Fisher-Gardial, 1990). As agency size increased client responses changed. For example, while all B respondents recognised a desire for their respective agency to have a similar working ethos, they rated agency ability, namely ‘contacts in the media’ and ‘experience in the specific field’, as their primary criteria during agency selection. Similarly, clients with medium sized agencies (C) felt that indication of a good working relationship was critical.

For example, C2 stated “I suppose really their reputation in the industry was the main reason (for selection)”. It seems, therefore, that group C perceive their agencies in similar ways to group B by first considering ‘functional compatibility’ of agency work and then assessing interpersonal compatibility. D1 perceived agency suitability in terms of agency ‘creativity’, ‘strategic ability’, and ‘experience’ to be priority. Clients with larger agencies appear to consider perceptions of agency ability as the best method of judging agency suitability. Size, therefore, may influence the factors which a client particularly values. These findings indicate that compatibility theories, in particular Michell’s (1984), that contend clients match account size to agency size, are rather simplistic.

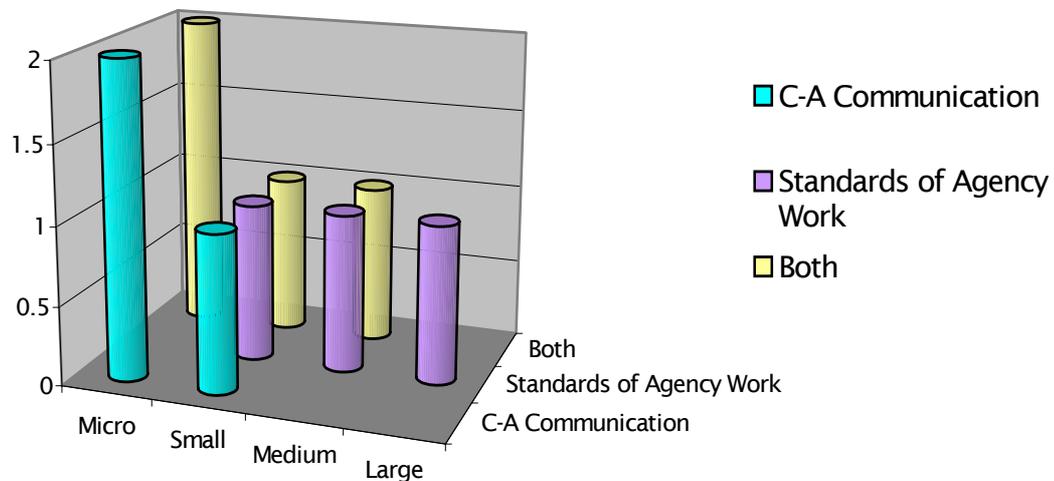
While factors such as available budget clearly direct the size of agency a client selects,

there are also a number of subconscious associations that clients make with agency size such as those identified above (Buxton & Fullerton, 1987; Gardner, 1989; Weilbacher, 1990; Dowling, 1994).

All respondents regarded ‘C-A personal chemistry’ as a necessary ingredient to a successful C-A relationship. However, there were a variety of differing reasons why they perceived this to be an important factor. Groups A and B appeared to feel that it is important to like and get on with the agency in the initial stages, as they perceived they would work very closely with their agency’s staff. For example, B3 commented “I think the relationship has got to be bang on from the start because you are going to be working very, very closely to them”. To ensure an enjoyable working relationship, personal chemistry with agency staff was a high priority for the majority of A and B respondents during the selection process. However D1 was more sceptical of agency motives, stating that “I think all of the agencies desperately wanted to get on with us, especially since they’d got a sniff of a new client”. This suggests that D1 perceives the C-A interpersonal relationship during selection as more superficial than did those with smaller agencies.

Group A’s majority emphasis on enjoyment shows that they perceive their agency on a more personal level than those clients with larger agencies. When comparing what respondents viewed as the most important factor in a C-A relationship (**Figure 2**), clients with larger agencies placed more emphasis on agency work than those with smaller agencies. This finding supports to some extent Cagley and Roberts (1984), and West’s (1997), arguments that most clients are personality orientated during selection. However, it also suggests that clients of larger sized agencies view personal chemistry as less important. This, therefore, indicates that the larger the agency size the more business-like the client will perceive their C-A relationship to be once work on the account is underway.

Figure 2: Client perceptions of what is most important during a C-A relationship



Phase two: Successful client-agency relationships

All respondents named quantity and quality of media coverage as the method most used to evaluate their agency’s performance. A number of respondents with micro and small agencies considered other methods of evaluation important, including standards of written work (A1, A2), the number of holiday bookings that media coverage generated (A4), and strategies implemented by the agency (B1).

The emphasis on evaluating media coverage to assess agency performance indicates that, regardless of agency size, clients perceive media relations to be the primary role of the agency. Differences in opinion emerged when respondents were asked to discuss the ways in which they believed their agency developed relationships with journalists. Two approaches existed. First, clients with small to medium agencies expected the agency to build relationships with the media themselves through regular personal contact with the necessary target journalists: “Any agency can pick up travel journalists but there is nothing like a good strong relationship with the journalists to really ensure we get good pieces and good coverage” (A2).

Second, clients with medium to large agencies perceived the agency’s reputation in

the industry and the journalist databases the agency held to aid the media relations process: “It takes so long to up date these things (media contacts) so they have got to have the technology so they don’t have to do it themselves” (C2).

These differences in the way clients expect agencies to develop media relationships are also indicative of their perceptions generally. Groups A and B clearly viewed interpersonal relationships in working environments to be very important and influential in productivity. Groups C and D had a more formal businesslike approach to their C-A relationship, considering that their agencies would be professional in their handling of media relations and have access to expert and up to date technology to enhance their in-depth media knowledge. This supports previous theories of agency size being linked to levels of sophistication (Buxton & Fullerton, 1987; Weilbacher, 1990).

Respondents with smaller agencies perceived their agency as more service-orientated than a larger agency and felt the agency focused predominantly on C-A communications to achieve this. For example, A2 pointed out “I don’t believe we would get the kind of service we get now from a big agency”. When they chose a small agency respondents expected to receive high levels of service and frequent communication.

A theme of respondents using 'us' (A, B) and 'them' (C, D) emerged between size categories when considering the role C-A communication plays in successful C-A relationships. For example, when explaining the work their agency performs B2 used 'we', demonstrating that the respondent viewed work performed as a combined C-A team effort. Whereas, clients with larger agencies seemed to view agency work as totally separate from their own. For example, C1 stated "If a press release goes out and it's wrong then it's not them that will take the knock, it's us".

While Group C did value relationships with agency management, it must be noted that the level at which they communicated with management was less than respondents in groups A and B. This shows that the level of communication perceived to be necessary is relative to individual C-A relationships with agency size as a factor in perception formation. A3 gave an example when explaining that even though the manager was not the account main handler, they perceived them to work hand in hand with the agency staff member who was: "I imagine they have a very close working relationship so I think that she (manager) probably does contribute but (the account handler) is the one who puts everything into action and that's fine".

This supports Lace's theory (1998) that clients perceive accessible management to enhance the C-A relationship. Our findings also develop Henke's (1995) theory that agency size can influence the levels of communication with management and staff that the client perceives to be important. As such it appears clients with smaller agencies perceive it to be more important for their agency manager to be involved in account work than do those with larger agencies.

Phase three: Failing client-agency relationships

All clients emphasised that budgets were a critical factor within the C-A relationship, although differing levels of flexibility appeared to emerge. The differing levels that clients will accommodate budget overspend appear to be in

line with the levels of communication each client group has with its agency. For example, A1 stated "If she comes to us and says 'I need more money', then I would trust her enough to know that she's asking because she genuinely feels we need to spend more money". This demonstrates that good interpersonal and close working relationships have reduced his perception of the possibility that conflict could arise over financial issues. This finding complicates Hotz et al. (1982), and Ghosh and Taylor's (1999), views that agency cost-effectiveness is a primary reason for client failure. It should be noted though that Hotz et al.'s study focused predominantly on large advertisers and agencies: when comparing their findings to D1 in this study, there appears to be consistency. Clients of larger agencies do appear to consider cost-effectiveness a priority.

Perceptions of issues surrounding changes in account handlers relate heavily to the size of the agency involved. For example, no respondents in group A recognised problems associated with staff leaving, and only one respondent in group B had previously experienced a change in account staff. Group C similarly associated few problems with staff movement. However D1 perceived that account handler moves would have a detrimental effect on C-A relationships.

It appears that the extent to which clients negatively associate staff movement with relationship decline directly relates to whether they view their relationship as part of a team environment or not. D1 observed that agency size creates staff fragmentation, and this may have enhanced a negative perception that staff are less team-orientated and more willing to leave. As such, the client places more importance on the ability of the individual account handler. Clients with smaller agencies, however, appear to feel that because so many of their agency's staff work on their account, if a staff member did leave, the knowledge other staff had of their company and products would ensure continuity of service. In line with this, the perceived level of management involvement also contributes to how clients regard staff movement. It was indicated that if agency management were closely involved then losing

an account executive, for example, would not pose problems.

The threat of agency staff movement does not appear, therefore, in this case to be the main reason for account failure as identified in previous research (Doyle et al., 1980; Hotz et al., 1982). Rather, its importance appears to be tied to agency size. While the sample in the latter study included larger advertisers there was no trend in account or agency size in Doyle's. It can therefore be suggested that, in this case, only changes to staff in very large sized agencies will influence client perception negatively.

Phase four: Switching agencies

All respondents reported that a breakdown in C-A communication would have a detrimental effect on their C-A relationships. However, the majority of Group A respondents perceived that, because of their close working relationship with agency management, the likelihood of C-A communication conflict developing to the extent that they would need to switch was slim. A4 contended, however, that if communication breakdown was severe then this would definitely be a reason to switch. This finding reinforces our earlier findings that clients with micro agencies evaluate C-A relationship success primarily by the productivity of their communication.

Clients with larger agencies perceive C-A communication as less important to C-A relationship success than clients with smaller sized agencies, particularly those with micro sized agencies. This finding extends Ryan and Colley's (1967) argument that agency firings are more people than performance related. Since only clients with large agencies look solely at the work being produced as a means of C-A relationship evaluation, it seems that clients with other sized agencies would use people related reasons as grounds for switching agencies more frequently.

All of Group A believed it unlikely they would outgrow their agency in the near future. While recognising that their public relations needs may well expand they maintained that these needs could still be met by their current

size agency. Reasons given included, 'asking the agency for more time' (A1, A3), 'we are developing together' (A4), and 'it will be a long time before we require anything other than a small agency' (A2). These responses seem to demonstrate loyalty to their current agency, a finding that contradicts Michell and Sanders (1995). Client loyalty seems to stem from the 'psychological compatibility' that clients with micro agencies perceive as important.

However, when we turn to the respondent with the largest agency, D1, there is a stark difference in their perception. D1 implied that it would be possible to outgrow the agency but not in terms of moving to a bigger agency. Instead it seems agency motivation and enthusiasm to do well would be the biggest driver for agency switching: "I would say going forward their challenge is to keep everybody enthusiastic and motivated on the account... There's got to be a number of reasons if you ask for a review. Maybe if the ideas aren't coming, they've been late with stuff and the enthusiasm has gone" (D1).

Relating back to analysis of C-A chemistry and C-A communication, it appears that the closer a client feels towards its agency, the more it believes that its agency enjoys working for it. Similarly, in terms of size it can be seen that the larger the agency the more the client focuses on agency output and performance as a reason to switch. While relating to Doyle's (1980) theory of clients outgrowing their agencies, this also indicates that within the travel sector, clients do not perceive the need for a full-service agency as a reason to switch. Instead, they perceive the other factors they associate with the size of their agency as reasons to stay or move.

Conclusions

Our findings cannot be conclusive because of the restricted sample size, and we suggest that further research based on a wider quantitative survey might help give validity to our results. However, we do feel that the data collected does provide a useful indication of what impact, if any, size has on the wider relationship between public relations clients and agencies, and shows that studies which exclude size as a variable

may be missing some of the complexities in the C-A relationship. Clients with micro and small size agencies perceive the level of value and importance placed on C-A communication as higher than those with larger agencies. As such, these same clients focus more on the service their agency provides, while clients with larger agencies relate agency performance directly to agency work produced. As a result, clients with smaller agencies believe the whole agency, including management, contributes to their account. Conversely, clients with larger sized agencies believe that the quality of agency work produced lies predominantly with their account handler or team.

Clients with large agencies are less flexible regarding budget overspend than those with smaller agencies. While this is linked with the high capabilities clients associate with large agencies it is also related to the level of C-A communication the client perceives as important. Clients with smaller agencies feel that because of increased trust, which has resulted from good C-A communication, issues such as budget overspend will not create conflict.

The lack of interpersonal interest shown by clients with larger agencies suggests they view their agencies as independent third parties and demonstrates that these clients are only interested in how compatible they are in terms of working ability. Clients with smaller agencies base their agency perceptions on the interlinking C-A relationship itself. As such, these clients view their agencies in an informal manner with the finding of 'psychological compatibility' indicating that they view their agencies as an extension of their own companies.

Clients of smaller agencies cited poor communication as a possible reason for switching agencies – an indication of how important the people factor is to these clients. Clients of larger agencies gave performance related reasons for switching, indicative of the functional orientation clients of larger agencies appeared to hold in this study generally.

The C-A relationship is more important to clients with smaller agencies. This appears to derive from the closer working relationship that these clients are able to have with their agency

staff. While clients of larger sized agencies do perceive the C-A relationship as important, their emphasis on the agency's ability to produce excellent work means these clients focus less on developing their C-A relationship.

These findings indicate that clients of smaller agencies believe their C-A relationship should be enjoyable as well as productive. It seems that small agencies, whilst by no means less conscientious, are viewed as informal and unstructured. As such, the client perceives the C-A relationship as more relaxed than it would be with a larger agency. Clients with larger agencies perceive their C-A relationship as a professional business transaction, because of their lack of familiarity with the agency as a whole. As such the C-A relationship is reliant predominantly on the standard of work their individual account handler produces.

Client relationships with agency management also appear to be influenced by size. Results showed that the larger the agency the less important clients perceived frequent communication with agency management to be. Within smaller agencies, management was either working on the client's account or closely with the account handler. It can be concluded that the increased number of staff in large agencies means that it is the lower hierarchies of management, such as account directors, with whom clients perceive it important to communicate.

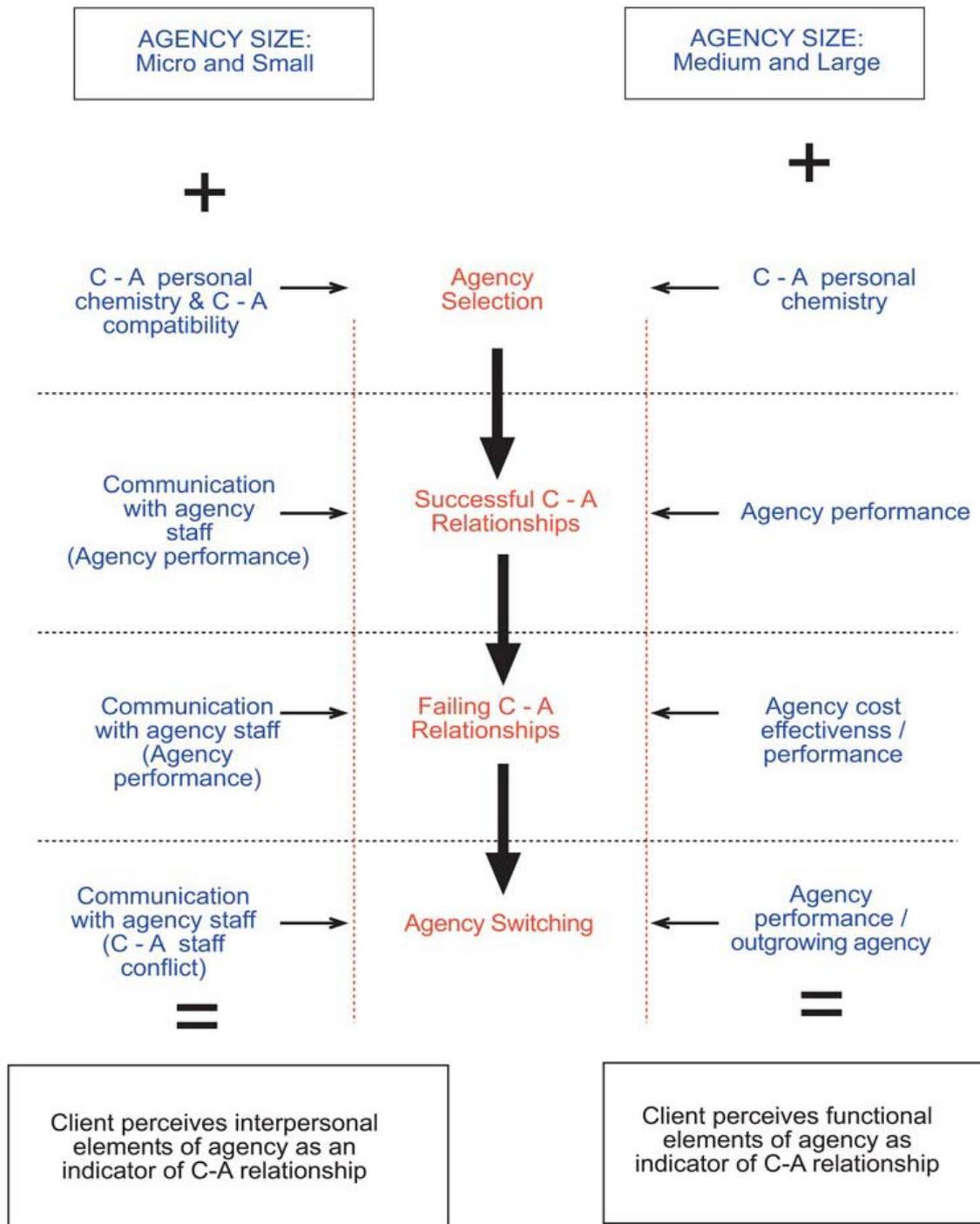
The importance placed on good will within the C-A relationship means that clients with smaller agencies do not perceive conflict to arise easily. If it did, they believe their good communication with heavily involved agency management would overcome problems. Conversely, clients with larger agencies expect conflict to be an everyday part of their C-A relationship.

Two main trends emerging within the sample demonstrated that agency size can influence the perceptions clients will hold. It appears clients with micro and small agencies hold similar perceptions, placing importance on interpersonal elements of the C-A relationship. Clients with medium and large sized agencies perceive functional characteristics within the agency and C-A relationship characteristics as

most important. This was applicable throughout all four phases of the theoretical model: agency selection; successful C-A relationships; failing C-A relationships; and agency switching. The way in which clients perceive agency and C-A relationship characteristics is therefore clearly influenced by the size of their agency.

As such, an adapted theoretical model can be proposed (Figure 3). This model displays how agency size, within this study, affects client perceptions of their agency and their C-A relationships, and generally demonstrates how size can indicate altered perception across at least two size categories.

Figure 3: Advanced theoretical Model



This study therefore suggests that agencies should be aware of how their size may influence client perception during the selection process. Agencies similarly should be conscious that their size might act as an indication of how clients perceive their ability and indeed their C-A relationship on an ongoing basis. Awareness of size-related issues may enable early clarification and intervention to prevent C-A relationships reaching the failing and switching phases.

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