



Organizational and individual influence of the supplier-client relationship in the communications industry

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#### **Abstract**

**Title:** "A Perfect Match" - Organizational and individual influence of the supplier-client relationship in the communications industry

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exchange, B2B interaction

Case company: Solberg

**Purpose:** The purpose of this master thesis is to: Examine how companies can build long lasting relationships with clients and simultaneously analyse the influence of company culture and social exchange. By examining company culture, teamwork and social exchange in a relationship-building context, a contribution to the theoretical field of supplier-client interactions will be accomplished.

**Methodology:** The authors have conducted a qualitative case study using face-to-face interviews with employees in the case company Solberg. In addition, telephone interviews have been carried out with Solberg's clients. A deductive method of reasoning is chosen and a social constructionism view has been used to understand and explain different peoples' experiences and behaviour.

**Theoretical perspectives:** The theoretical framework is based on a model originally developed by the IMP-group focusing on business interaction. To better suit the authors' purpose some modifications of the original model have been made. Theories from relationship marketing, company culture, teamwork and social exchange are used to assess the topic of relationships.

Conclusions: With a strong company culture Solberg has relationships on an organizational lever rather than on an individual. This simplifies the ability to change team members in order to enforce creativity and keep clients on a long term basis. In turn the final product/service improves, which creates long-term relationships. Additionally, relationships on a personal level due to social activities helps Solberg detect early warnings-signs of eventual dissatisfaction from the client's point of view. By increasing social activities Solberg would gain better knowledge about their clients and understand when, if and how to change team members. Organizational level and individual level have proved to be equally important and dependent on each other in order to build strong long-lasting relationships.



## **ACKNOWLEDGEMENTS**

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## A Perfect Match

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#### 1. Introduction

As a metaphor for this thesis the authors will use an artist and his/her work; a painting. In the end, a colourful painting with frame will be finished. Business relationships – is it really that important in practice? Or is it just a topic highlighted and pushed upon companies by academics? No one really knows. However, the authors of this thesis argue that it is essential and a key factor to successful business.

## 1.1 Background

"Keeping a client-agency relationship together comes back to all the values of keeping a real relationship together -- love, integrity, trust, commitment -- and the occasional spice to keep things interesting" (Greg Paull, 2005, p. 24).

Cooperative inter-organizational relationships are a vital ingredient in business processes worldwide (Jap, 1999). The relationship between a buyer and a seller seldom ends with the actual point of sale. On the contrary the relationship intensifies and helps the buyer to choose partner the next time. The sale simply consummates the courtship; then the marriage between the two parties begins. How well the marriage will turn out, is a question of how well the supplier subsequently manages the relationship. The quality of the marriage determines if there will be expanded and continued business – or trouble and divorce. Sometimes a divorce is not possible as when a major project is underway. However, if the continued marriage is burdened it could tarnish the supplier's reputation. (Levitt, 1983)

The field of relationship marketing (RM) activated a transformation in the practice of marketing away from customer manipulation and instead toward genuine customer involvement (Sheth & Parvatiyar, 2000). This transformation brought the customer into a cooperative partnership with the organization and contributed to the increase of both efficiency and effectiveness of marketing (Gummesson, 2002). Furthermore, the practice of RM leads to the creation of greater value through cooperative and collaborative relationships, which in turn benefits all parties involved in the relationship. The ideological basis of RM is



that cooperation is better than conflict and that mutual benefit is more valuable than greed. (Mitussis and O'Malley, 2006) The same study elaborates on how to achieve this transformation and captures this by using Gummesson's (1994, p. 12) definition of RM as marketing as "interactions, relationships and networks." A more holistic approach to theory and method is demanded to explore how markets work, how companies interact and how relationships are created (Berry, 1995; Ford, 1997). By acknowledging the good quality of their very existence, companies are by nature part of a whole host of relationships with employees, suppliers, competitors, non-profit organizations, distributors, retailers and consumers (Gummesson, 1997).

There is a growing trend that "just doing business" is not enough in today's supplier-client society. Superior quality might not be the best factor to compete with (Eggert et al. 2005). The selling company needs to create value for the client in order to gain competitive advantage. Waller (2004) defines the agency-client relationship as the association between the supplier and its clients. Furthermore, he claims that the partnership between these two key players is the success factor of the working process. For instance, bureaus in the communications industry place a great deal of effort in obtaining a strong and positive, long-term relationship to successfully promote their service and keep their paying clients (Ibid).

The dance metaphor emphasizes the complexity of supplier-client interactions. Like a dance, a relationship can be easier or more difficult, faster or slower, require more or less psychic and physical contact and more or less interdependence. The quality of the dance varies depending on the specific and combined skills that each partner possesses. In dancing, as well as in a relationship, history matters. Partnership-specific skills within the course of relations develop between the partners, and, if a partnership is terminated, only some of the original ability is retained. Partners often move from one dance to another but skill based on past experiences largely influences the additional dances they may attempt. Over time, partners become experts and are able to do more complicated dances together and with other partners. However, history dictates the choices available and not all development paths are possible for the partners. (Wilkinson & Young, 1994)



#### 1.2 Previous research

A review of the marketing literature revealed that research in supplier-customer relationships has developed through two separate streams. O'Donnell (2005) discusses Social Exchange Theory (SET) and Transaction Cost Theory (TCE) as the most important streams through which both researchers and practitioners have come up with interesting and important findings. SET focuses mainly on relational applications such as trust, commitment, relational norms etc.; TCE involves individual exchange transactions from the buyer's perspective as opposed to multiple transactions over time. Commitment is the most frequently used dependent variable in supplier-customer relationship studies (Wilson, 1995). If loyalty is characteristic of consumer marketers, commitment is a strong indication for relationship for industrial marketers (Barry, 2004). Relationship marketing became popular during the 1980s and was introduced to the broad public by Gummesson (1994). There has been much focus on value creation between supplier and client (Anderson, 1995) but mainly for a single point in time (Lapierre, 2000). Anderson & Naurus (2004) specifically stress the importance of taking care of clients in business markets. That topic is emphasized in a recent trend towards studying relationship value in particular (Möller & Törrönen, 2003; Ulaga & Eggert, 2005). Relationship interaction has been the focal point of interest and the interfirm processes has been thoroughly investigated (Ford, 2002; Naude & Turnbull, 1998). The complexity of supplier-buyer interactions is also examined by Håkansson (1982). Medlin (2004) and Izquierdo & Cillan (2004) further discuss the relationship approach, and new variables to the problem are constantly added. Since the early 70's, the IMP group has been a big influencer of the research topics within relationship marketing. The IMP group emphasizes the need for knowledge in the area of human and social perspectives in business interaction.

Several articles and reports have been written in the area of supplier-client interactions, investigating how different variables influence certain situations or behaviours. However, the authors of this thesis have not yet found the particular mix of relationships, teamwork and culture that are used in the present paper in any other study and thus hope to provide a contribution to the field.

<sup>&</sup>lt;sup>1</sup> Industrial Marketing and Purchasing group



#### 1.3 Presentation of the problems

The study is limited to investigate the communications industry. In this industry, many companies have a problem keeping their clients on a long-term basis (Davies & Prince, 1999; Grayson & Ambler, 1999). Clients often come to a point were there is an urge for new creativity<sup>2</sup> and new competence in order to develop. Thus there is a risk that they join a new bureau that can give them new influences. (Dowling, 1994) A study made in Asia showed that creativity and competence topped the list in selecting an agency partner (Hargrave-Silk, 2006). Normally a relationship between the communications bureau and the client lasts about three years; after this time the client often decides to change supplier. (Michell & Sanders, 1995; Hargrave-Silk, 2006) The establishment of a new relationship costs time and money for both the supplier and the client. A long relationship can lower the transaction costs and may therefore be beneficial for both parties. (Davies & Prince, 1999)

Solberg, a communications bureau in Gothenburg, has observed the problem with clients seeking other agencies to gain new influences. In order to avoid that creativity declines and that the clients feel "stucked in the same track", Solberg has considered changing their teams<sup>3</sup> to offer their clients a new and creative work force. Hagel & Brown (2005) highlight that different individuals bring different perspectives and competences when tackling a problem, which leads to creative sparks. Creativity and offering new competence could bring a risk of deteriorating the relationship due to differences between unlike individuals in approaching the customer. It might be that the company culture strengthens Solberg's image and as a consequence the change of workforce may not affect the relationship negatively.

#### Individual influences

According to Frank Palmer, CEO of DDB<sup>4</sup> Canada, based in Vancouver, not enough time is given for the client and the bureau to get to know each other. His opinion is that far too often

<sup>&</sup>lt;sup>2</sup> With creativity the authors refer to innovativeness, competence and new influences.

<sup>&</sup>lt;sup>3</sup> A project group working with the client forming a team with different roles involved such as project manager, art director, writer etc.

<sup>&</sup>lt;sup>4</sup> DDB Worldwide Communications Group Inc.



clients are interested in a quick and superficial search process rather than a long-term, lasting relationship. Liking and trust are neglected variables, which should be essential when picking the right partner.

Most agency-client relationships fail today because the process doesn't take into consideration the importance of building a human relationship. They fail because both partners either don't establish trust or mutual respect, or this breaks down (Palmer, 2006, p.54).

Since relationships are established through trust and commitment from the individuals involved, this highly affects the relationship (Barry, 2004). Laing & Lian (2005) emphasizes that the stronger that the personal links or bonds across organisational boundaries, the stronger the organisational relationship. Social bonds are perceived to be particularly important in professional service context where the service embodied in the service professional. Depending on the strength of such social bonds it is possible to provide a valuable status of any inter-organizational, relationship. (Laing & Lian, 2005)

### The influence of company culture

Another factor that seriously can impede inter-organizational relationships is the lack of company cultural awareness and understanding. Wilkof et al. (1995) believe that cultural analyses should be conducted by organizations so that parties are aware of and accept each other's cultures. By having each party understand the other's culture, both parties can develop more realistic perceptions and expectations of the other and simultaneously improve their working relationship. The process of collaboration and interaction can only begin once awareness of each other's cultures is achieved and acknowledged (Wilkof et al. 1995; Cartwright & Cooper, 1993).

If the company chooses to use the same team, which evidently is familiar with the client in question and has had several years to create commitment and trust, the relationship will sustain strong and might strengthen. One problem discovered, is the lack of creativity and new competence in these kinds of long-term partnerships. A worst-case scenario is that the



client decides to get another supplier in order to continue to develop and improve the services offered (Dowling, 1994). Davies & Prince (1999) examine the longevity of new agency accounts and suggest that agencies should anticipate their likelihood of loss, seek to forestall it and invest in their client relationship. Their study exemplifies the rising problem of clients shifting supplier. As a possible reason for agency shifting, Moorman et al. (1992) argue that clients often perceive the supplier's thinking to be stale and sometimes too similar to their own. Higher expectations than before on the service provider is also discussed as a likely motive for switching communications bureau.

A mismatch between two strong cultures could be a contributing factor to the rising problem of client dropouts; a good match could be a reason for a strong marriage and a fruitful relationship. These possible options are not treated in any dissertation so far, and as the long-term supplier-client relationship is vital for the working process success, further variables are important to examine (Waller, 2004). Thus, the above discussion leads to the following research question:

Can company culture and social exchange work as a base for a communications bureau to be able to change work-teams in order to create creativity without deteriorating the relationship?

#### 1.4 Purpose

The purpose of this master thesis is to: Examine how companies can build long lasting relationships with clients and simultaneously analyse the influence of company culture and social exchange.

By examining company culture, teamwork and social exchange in a relationship-building context, a contribution to the theoretical field of supplier-client interactions will be accomplished.



#### 1.5 Structure of the thesis

## Chapter one

Introduction to the topic and problem discussion ending in a purpose

## Chapter two

The thesis' methodological considerations are discussed

## Chapter three

The theoretical fram ework is presented

## Chapter four

An investigation of the different parts in the authors' modified model

## Chapter five

The empirical results from the interviews are introduced

## Chapter six

The empirical data is analysed with help from the theoretical fram ework

### Chapter seven

Conclusions from the thesis are discussed



## 2. Methodology

If someone told you about the world's most beautiful painting, would you not like to know how it looked and was created? A trustworthy qualitative statement should be backed up by a thorough methodological reasoning and thus this chapter will give the reader an understanding of this thesis' methodological considerations.

#### 2.1 Basic methodological approach

Before describing *how* this research was conducted it is vital to provide an understanding to the reader *why* this specific industry, subject and company were chosen. The communication industry is of major interest to the authors and when studying contemporary research it became evident that relationships were of importance in this particular industry, perhaps more important than in any other business. When deciding on which company to select we firstly looked at communication bureaus in Skåne due to the convenience of location. We also mailed one bureau in Gothenburg which had captured our interest on their homepage. Solberg was the name of the company and as they seemed interested in supplier-client relationships and willing to discuss our ideas further the authors decided to have Solberg as case company.

#### 2.1.1 Ontological position

This research aims to understand a certain human as well as organizational behaviour and the underlying reasons for that. This view is in line with social constructionism where reality is not objective and exterior but is socially constructed and given meaning by people. (Bryman & Bell, 2003) The focus is on what people, individually and collectively are thinking and feeling. The authors are interested in examining how people make sense of relationships and their motivations for that. In the view of social constructionism the researcher should try to understand and explain why different people have different experiences, rather than search for causes and fundamental laws to explain their behaviour. Due to this, the authors choose to have a social constructionism approach. (Easterby-Smith et al. 2002)



#### 2.1.2 Epistemological position

Concerning the thesis' epistemological approach, as the authors will interpret human action and in depth investigate the differences or consensus among a group of people within a company, interpretivism best explain the authors' perspective. Rather than explaining human behaviour influenced by external factors the authors are concerned with understanding human behaviour and motivations in a hermeneutic way. Contrary to positivists and their stance towards natural science this study are more concerned in looking at human action in relation to the social world and ways of making sense of it. (Bryman & Bell, 2003, Easterby-Smith et al. 2002)

## 2.1.3 Deductive approach

To generate a course of action for a communications bureau when it comes to managing relationships in a service process the authors will use knowledge from previous theories and research in the field of supplier-client interaction. There has been extensive significant and useful research which has developed guidelines and deeper knowledge concerning B2B interaction and relations. For this thesis a deductive method of reasoning is chosen where the authors initially have certain expectations of how the reality and world look and work, based on previous research. (Bryman and Bell, 2003) Initially, theories were chosen and afterwards data was collected. A problem with the deductive approach is that it can create a bias by leading the authors to focus on information that supports the expectation the authors have by studying previous research. It is important that essential information does not "slip through" because the authors have a certain set of mind. (Jacobsen, 2002) The research also has characteristics from the inductive approach due to that new questions came to surface which helped shaping the purpose. During a later phase, theories were modified when compared to reality. The new variables examined within this thesis, with the IMP model as a theoretical framework, will possibly provide a contribution to the ongoing research. Thus, the deductive approach, with some inductive characteristics, seemed suitable since the interest for the topic was built up by finding gaps in existing theories.



#### 2.1.4 Qualitative research

The choice of a qualitative approach to this particular research topic was obvious since the authors wanted to profoundly examine human and organizational behaviour. Once the researchers have gained access to the company and come close to the organizational members they can gain insights into people and situations. The qualitative approach enables to interpret and describe the meaning of events and motivations instead of measuring the frequency of it. (Easterby-Smith et al. 2002) Instead of, as the quantitative position measures relations between variables as entities, this study prefers to investigate relations between people and their personal traits. Working with qualitative interviews one can see reality the way that the respondent does and interpret the meaning seen from a theoretical perspective. (Trost, 1997) In order to understand why the respondents answer the way they do, the researcher have focused on "seeing through the eyes of the people being studied" (Bryman & Bell, 2003).

#### 2.1.5 Case study method

Studying a real case will contribute to an intense elucidation of supplier-client relationships which is one of the significant signs of a case study. An experimental design is interesting when focusing on behaviour in artificial situations that can be manipulated directly. Thus this research, which clearly focuses on the affect that a change of team members in the communications bureau could have on the supplier-client relationship, is taken on the form of a case study design. Considering the timeframe for this research a longitudinal case study will not be an alternative either (Bryman & Bell, 2003).

Patel & Davidsson (2003) describe a case study as an examination of a smaller demarcated group. An intense design will be used as we look upon certain *phenomena*, the culture, teamwork and social aspects, in a specific *context* at Solberg. As the researchers want to grasp this interaction between a specific context and a phenomenon, a case study is suitable (Ibid).

After deciding on a case study the next step in this process are the choice of research objects, for example how many cases to study. According to Patton (1990) the ability to generalize is reduced when using a case study research strategy. Resources and time prevent the authors



from investigating several companies thoroughly. To mainly study one company in-depth, Solberg, and compare with another company within the communications industry would contribute to a better understanding of the social phenomena due to the level of contrast and comparing. However, a further in-depth exploration of Solberg's operations will be gained even if chances of generalization might diminish. In-depth studies facilitate the ability to get to know the company and its employees from the inside which in turn contributes to a deeper understanding of the problem. Further, as the problem chosen to examine were easy to identify in Solberg due to an evidently strong culture and the practising of teamwork, the authors decided that a more thorough survey of one company would be enough to fulfil the purpose.

As discussed by Yin (2002) and Bryman & Bell (2003) the critical case is suitable where the researchers have clearly specified hypotheses and a case is chosen on the grounds of a better understanding of the circumstances in which the hypotheses will and will not hold. By choosing Solberg as the most suitable case for the study the ability to generalize may become easier as you can say "if it is true for this case it might be valid for others" (Ibid). The authors will never be able to proclaim that our findings are a norm throughout the whole communication industry. However, other bureaus might experience the same issues and be able to make use of this thesis's conclusions as well.

#### 2.2 Choice of case company: Solberg

In a society, characterized by constantly new influences, a clear and consequent company profile is vital in order to reach the right target market. Solberg is the link which helps their clients to create, strengthen and spread the homogenous experience of their company through every channel and to every target group. (www.solberg.com) The choice of Solberg is partly based on the authors' interest in the communications industry. After an initial meeting with Stefan Arnelid, Elisabeth Henriksson and Jakob Ivarsson (4/30/2007) in Solberg's office in Gothenburg we got to know that the company work after three important core values; security, quality and positive relations. The company put competence and quality as number one but pinpoints the importance of positive relationships to their clients. This research focuses on supplier-client relationships as a fundamental condition for doing business and



keeping clients on a long-term basis. Thus, Solberg, who according to the authors not put relationship building as number one focus, is an interesting company to examine.

Ralf Solberg started the company in 1968. The initial work mostly included producing annual reports and the design of companies' logotypes. Over the years company presentations became a common work-task as well. Today Solberg is a communications firm that helps companies and organizations to build an overall strong brand. Solberg have 47 employees' with backgrounds in management, information, economics, journalism, art and project management. The different roles work in teams when they perform a job for a client. The clients are public companies, state-owed companies and organizations driven by its members. The firm has developed a process-model which they work by in order to show their clients that they care for the quality of the service in every step of the project. (www.solberg.se; Ivarsson, 4/30/2007)

#### 2.2.1 The industry

The information industry<sup>5</sup> is growing and comprised 36 billion Swedish crowns 2006. Of this amount 33 % goes to market PR, the part of market communication that is done by the company itself and not bought media, in purpose to create positive relations with customers. (Informationsindex 2006) Additionally, there is a trend in the industry that companies go towards increased interactions and cooperation. During 2006 the recruitments also increased with 60 %. Industry indicators and the general business cycle signify a fast growth which primarily depends on an increase in the number of people working in the industry. Also, the need for strategic advices and competence within the area of communication and PR has increased which consequently pulls resources into the business. (Ibid)

#### 2.3 Interviews

Since this study aims to examine relationships within and between companies the choice of in-depth interviews was made. Qualitative interviews provide more depth instead of a broader

<sup>&</sup>lt;sup>5</sup> Advertising, Media, PR, information and others.



knowledge that a quantitative approach would have given. Relationships are very complex phenomena, which are why face-to-face interviews had to be conducted even though it is very time-consuming. If the researchers had had fairly simple questions a questionnaire might have been more appropriate but the kind of information that the researchers wanted to obtain would most certainly not be attained that way. An obvious advantage of using personal interviews is the fact that non-verbal clues can be detected. Facial expressions and body language often offer clues to the inner thoughts of the respondents even though the person might not express this in words. (Easterby-Smith et al. 2002) As the employees in Solberg are cautious concerning answers of a more sensitive nature it is important for the interviewers' to detect body languages and other nuances in their way of responding. This provides a more realistic empirical material than material conducted from interviews by telephone or mail.

Conducting interviews gives the respondent the opportunity to express their ways of constructing reality from their personal beliefs and values in order to be able to say something about future events. Semi-structured interviews were conducted because this way of interviewing gives the researcher a chance to understand the constructs and opinions of the respondents. (Easterby-Smith et al. 2002)

Having a framework or an interview guide can help the researcher to structure the interview. It can be good to be tied to a framework, but as Easterby-Smith et al. (2002) note, the interviewer should not be tied up by them. Having a checklist can ease the interview in the way that the discussion does not have to be interrupted and it is possible to follow interesting thoughts and comments made by the respondent, in the end the interviewer can check if he/she has covered all the topics in the checklist. (Easterby-Smith et al. 2002) The checklist should be short and cover broad topics so the interviewer can remember it and develop subquestions from it (Trost, 1997). The authors have used an interview guide in the form of a checklist thus covering topics related to our interest. During the interviews the intention was to make the respondents elaborate on topics that we noticed they were particularly engaged in. Every employee in Solberg had their specific view on different issues and if indifferences between two respondents became evident the authors asked complementing questions in order to emphasize separate opinions. A totally unstructured interview enables the interviewee to



speak freely but stands the risk of not covering the topics of interest. This was not considered suitable in this research. (Easterby-Smith et al. 2002)

The questions as well as the answers are dependent on the social relation between interviewer and respondent. Therefore the authors aimed to establish a relaxed and comfortable atmosphere in order to create trust between the two parties. Since the case company is somewhat involved in the creation of this study and interested in a well-written final report the authors believe that the respondents did their best to make as accurate and precise answers as possible to the questions given to them. (Easterby-Smith et al. 2002)

All respondents are anonymous in this thesis and when it comes to the employees in Solberg the authors have used assumed names in order to distinguish them. A division between persons who have worked for Solberg more than ten years and less than two years has been done. In an early stage the authors wanted to distinguish the respondents by their own names in order to reinforce the trustworthiness. However, by letting the employees in Solberg answer the questions using a pseudonym it brought forth honesty and boldness which made the interviews more rewarding.

#### 2.3.1 Place for the interview

Since the interview is a relation between the interviewer and the interviewee it should be conducted in an undisturbed environment where no one but the intended individuals can take part. All places have advantages as well as disadvantages but it is important to reflect over the influence the choice of place has for the interview. This research has conducted the interviews in conference rooms at the case company's premises. It is a place where the respondent can feel comfortable and secure and since the interviews not were conducted in the respondents' personal offices no disturbance of telephones was noted. (Trost, 1997)

#### 2.3.2 How many interviewers?

This study's interviews were conducted by three interviewers instead of one. The authors believe that interaction between the interviewers can develop a more complete interview with more total final information if being more than one. A possible risk taken by being more



interviewers than respondents is that the employees in Solberg might experience an inferior position. Though, the authors believe that in their work role, the persons interviewed are experts and would therefore not feel inferior towards the authors. (Trost, 1997)

The empirical material could have been collected more rapidly if the authors had divided the interviews in between which desirable is considering the timeframe. However, the advantage of having three persons interpreting and analysing the same empirical material provide the study with an invaluable trustworthiness which is of vital character when conducting the result.

#### 2.3.3 Sampling

The choice of interview subjects has been done to represent a variation of individuals having different roles in the organization. Having "the same type of persons" is not interesting since the authors are interested in a deeper knowledge in a broader concept. This study aims to examine variations or consensus within the homogenised group. The authors are perfectly aware of the fact that the interviewed persons are not statistically representative in a societal meaning but should be somewhat representative for the communications industry. Anyhow, as Bryman & Bell (2003) points out generalization outside the studied company can be hard to do. By using a relatively small amount of interviews the data will be easier to handle and details not be foreseen. (Trost, 1997)

This research's sampling has been done in co-operation with the case company, Solberg. By discussing relevant individuals with the company's CEO a sample of co-workers in Solberg has been chosen to represent the organization. As the authors wished, different persons having different occupations within Solberg have been interviewed, in order to get a broader data representing the whole company. Just interviewing managers could have biased the research in only pointing out managerial issues. Nevertheless an interview has been conducted with the CEO of Solberg in order to get the big picture of the organization. The authors have taken into account the risk of just interviewing a sample of co-workers within Solberg. By speaking to all employees at the company the authors would have had an average picture of the company and divergences would have been easier to acknowledge. As the timeframe prevents



from this, a smaller sample was chosen which satisfactory represent the company and its individuals.

#### 2.4 Interviews with clients

Concerning Solberg's clients this study has used six different companies divided into three categories; lost clients, new clients and long-term clients. Using this division contributed to assess Solberg in different views, with loyal customers, satisfied customers and dissatisfied customers. The persons interviewed from these companies are the ones responsible for the contact and relationship with Solberg. They are the persons having the deepest experience and knowledge about Solberg in their respective organization. In contrast to the interviews with Solberg that will be conducted in-person the interviews with the company's clients will be done over telephone. The main reason for this is to save time and the fact that the authors believe that in-person interviews are not necessary for these interviewees. As mentioned earlier telephone interviews saves the researchers a lot of time that can be spent on more important research issues and it is more cost-efficient. Furthermore, the bias of "interviewer effects" on the respondent can be avoided by using the phone for the interview. (Gubrium & Holstein, 2002) However, a possible risk with telephone interviews could be that the respondents easier can terminate the interview if they feel uncomfortable or pushed in a certain direction. Further, telephone interviews complicate the ability to interpret the respondent as face expressions and body languages is lacking. (Bryman & Bell, 2003)

#### 2.5 Qualitative data analysis

Assessing qualitative data can sometimes be hard because of its large amount of information, although this data contains valuable information if it is analysed the right way (Bryman & Bell, 2003). According to Trost (1997) there can not be set up any general rules about how to interpret collected data. Some literature says that the analysis should be deducted during the actual interview but the authors have taken inspiration from Trost (1997) who claims that the analysis should be done afterwards. Using a tape recorder during the interviews has given the opportunity to listen to the interviews several times and thus interpret the important information. As Trost (1997) suggests, memory notes can be taken during the time the researcher listen to the interview and afterwards review of it can be done in order to structure



the content. This approach has successfully been used in this research and unnecessary data has been removed.

#### 2.6 Method of analysing

The interaction approach model by the IMP group, from the early 70's, serves as a theoretical framework and the model provides a method to accomplish a congruence analysis in the field of B2B interactions. In order to analyse the result from the empirical study the authors have used a modified model with new variables which are essential for this thesis purpose. Supplier-client relationship, company culture, teamwork and social exchange are the pillars which the study are structured after. With guidance from these significant factors the authors have structured the empirical material and throughout the analysis the interaction between the factors are addressed.

The authors have chosen to compile the analytical result in a model which constructively will conclude the analysis. Important findings and managerial guidelines are easy targeted in this model which is presented in the last chapter of the thesis.

#### 2.7 Evaluation of the research

It is important to prove that the research is more believable than common everyday observations. Constructionist research must develop the power to convince the examiners, professionals and wider public that their results should be taken seriously. (Easterby-Smith et al. 2002) In a constructionism research, Easterby-Smith et al. (2002), state the importance for a clear explanation of how the researcher gained access to a particular organization, what process led to the selection of informants, how data was recorded, what process was used to summarize and collate it, how the data became transformed to tentative ideas and explanations. Lincon & Guba (1985) propose trustworthiness as a criterion of how good a qualitative study is. Trustworthiness is evaluated through the study's credibility, transferability, dependability and confirmability.



#### 2.7.1 Credibility

Credibility relates to what is traditionally referred to as internal validity and investigates how believable the findings are (Easterby-Smith, et al. 2002). The credibility of the research is validated by constantly checking whether the responses of the interviews are correctly understood. To make sure that the responses was accurately understood the researchers of this thesis conducted semi-structured interviews. The answers were after the interview deeply discussed to make the outcome as truthful as possible. The qualitative approach of the research and the semi-structured method gave opportunity to interact with respondents and ask supplementary questions when required. This enabled the researchers to gather more valid data.

#### 2.7.2 Transferability

Transferability relates to what is traditionally referred to as external validity and investigates if the findings apply to other contexts. This study has a qualitative approach and entails a case-study of one company, Solberg. The analysis is based on small samples of individuals within the context of this company. The analysis is rather deep then broad. This implies that the qualitative findings are oriented to the contextual uniqueness of Solberg. A qualitative research should, according to Geertz (1973), produce thick description, meaning a rich account of details. The thick description provides others with the necessary knowledge to be able to judge the possible transferability of findings to other contexts. An extensive and precise description of the methodological procedure improves the transferability.

#### 2.7.3 Dependability

Dependability, also referred to as reliability investigates if the findings are likely to apply at other times. To ensure dependability, Lincon & Guba (1985) propose that complete records should be kept of all phases of the research process. In order to make the employees in Solberg feel relaxed and open up for a fruitful discussion, they were assured their anonymity.



This reduces the dependability in general. The researchers kept a large amount of records and recorded all the interviews, which enlarges the dependability.

#### 2.7.4 Confirmability

Confirmability or objectivity, investigate if the researcher allows own values to interfere the study to a high degree. Complete objectivity is almost impossible in a socially constructed research. It should though be apparent that the researcher did not overtly allowed personal values in the empirical analysis and convert to the conclusions of the study. (Bryman and Bell, 2003) The researchers had no earlier experience from the communications industry. Without any pre-understanding of the industry or from the company the authors started the project as objective as possible. The theoretical framework and the deductive approach have given the authors a grounded knowledge of relationship marketing that has influenced the study. As the relationship marketing field of research is widely discussed the authors had rather many opinions about how the reality should look like. This has been taking into account when conducting the research.

#### 2.8 Criticism of the study

When compiling the empirical results the authors realized that an essential part concerning the company culture in Solberg needed to be assessed. Due to the geographical location of the company, questions via mail were sent out to the respondents in order to clarify some issues discovered during the transcriptions. Concerning the respondents' heavy workload, the authors did not receive answers from everyone and on top of this some of the answers were quite scarce compared to the face-to-face answers. By conducting an interview guide which covered more questions than needed we would have had a broader selection which hopefully would have covered all important aspects of the study. On the contrary, too long interviews might have resulted in both unfocused respondents and interviewers, a risk the authors diminished by keeping the interviews rather short.

As emphasized in the methodological chapter the study lacks a comparable character. By looking at several communications bureaus it would have been easier to generalize and a

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deeper understanding of the industry would have been gained. However, due to the well established contact with Solberg the opportunity to obtain in-depth information about this bureau in particular was good. Concerning the amount of interviews made, the empirical study demanded the authors' undivided focus.



#### 3. Theoretical framework

A frame can be a restraining object but also work as a guide, for an artist as well as for a researcher. The theoretical framework is based on the research by the IMP (Industrial Marketing and Purchasing) group<sup>6</sup>. From their initial model the authors have developed a modified model, which will serve as an analytical tool when answering the research question.

#### 3.1 Theoretical Model for Business Interaction

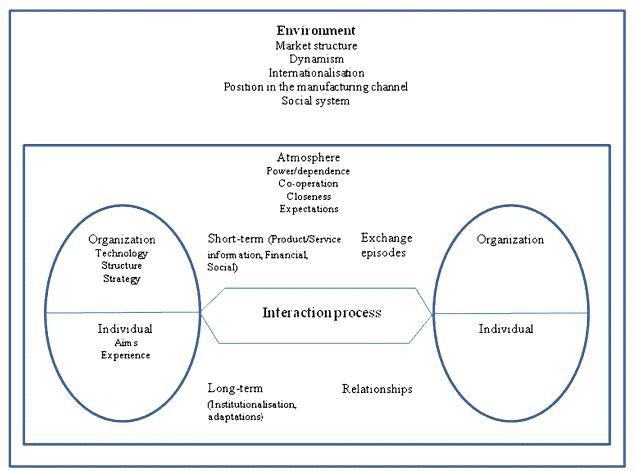
There are different theoretical models for analysis, description and evaluation of business interaction. The interaction view puts focus on the exchange relationship that develops through the interaction over time. (Johansson & Mattson, 1992) The interaction approach has had significant importance for the understanding of how business relations establish and develop. The IMP group improved the interaction approach and established a model (see model no. 1) with focus on dyads. The interaction approach model by the IMP group can partly be used due to the theory's socio-psychological nature (Fill & Fill, 2005). The interaction approach provides a conceptual understanding of a single relationship in a dyad. The model takes the relationship as its unit of analysis, rather than single transactions. Unlike other relationship marketing theories, the IMP-model suggests that both parties are active participants. (Ossiansson, 1997)

The basic assumptions of the interaction approach are the following:

- "Buyer and seller are active participants in the market."
- "The relationship between buyer and seller are frequently long-term, close, and involve a complex pattern of interaction between and within each firm."
- "The links between buyer and seller often become institutionalized into a set of roles that each party expects the other to perform" (Forsström, 2005, p. 66)

<sup>&</sup>lt;sup>6</sup> The IMP Group was formed in the middle of the 1970's by researchers originating from the Universities of Uppsala, Bath, UMIST, ESC Lyon and the Ludwig Maximilians University (Munich). Today the IMP Group is embedded in a wider community of researchers concerned with industrial marketing and purchasing. (<a href="www.impgroup.org">www.impgroup.org</a>)





Model no. 1, originally from Håkansson, 1982, p. 24

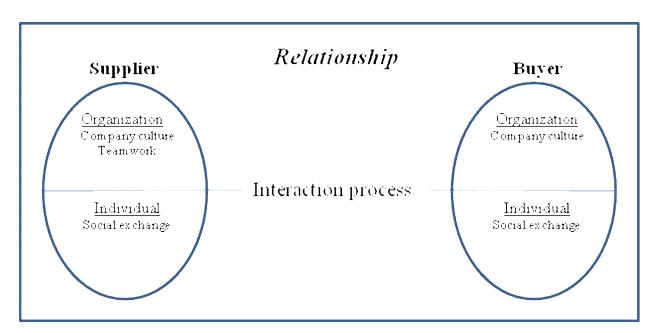
The interaction model has four basic elements. These are: the interaction process, the participants in the interaction process, the atmosphere and the environments within which interaction takes place. The last one, the interaction environment, considers the interaction in a wider context, for example the market structure, internationalization and position in the manufacturing channel. The atmosphere can be seen as a product of the relationship. (Håkansson, 1982) As the research question demands a specific focus, the organizational and individual part of the relationship will be analysed. Therefore, a focal point in this study will be on the interaction process and the interacting parties on both the organizational and individual level.

#### 3.2 The modified model

The original IMP model has been modified to be more specific for this case-study (see model no. 2). The authors have reduced the model to the interacting process and interacting parties,

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which will serve as an analytical tool when answering the research question. The base for all interaction, both on organizational and individual level, is the relationship between two companies. The interacting parties will be examined on both the organizational and individual level. As the process of collaboration and interaction only can begin once awareness of each other's culture is achieved and acknowledged, organizational culture is an essential aspect to examine (Wilkof et al. 1995; Cartwright & Cooper, 1993). As a result, culture is highlighted in the modified model and will be assessed at the organizational level. Further, the authors are interested in how a change in teams influences the relationship, and if a change in teams is a possible way to keep clients longer. Teamwork will be further examined under the organizational level. The interaction process and the relationships between organizations are dependent on the people involved, thus will the individual level also be emphasized in the modified model with specific focus on social exchange. With the following adjustments the model will serve as a tool that will lead the authors to analyse and finally answer the research question. The variables in the model will be further discussed in the next chapter.



Model no. 2, modified from Håkansson, 1982, p. 24



## 4. Relationships based on the modified model

What is a theory really? One could say that it is a way of painting, it can be cubistic or impressionistic or just a way to easier describe and explain reality. The authors believe the theories chosen in this thesis are helpful tools when explaining and communicating research findings in a clear way. Consequently, this chapter will provide the reader with useful instruments for better understanding business interaction. The chapter will start with a description of business relationships. Further, the organizational level describes culture and teamwork as parts of a relationship and finally the individual level of relationships is illustrated.

#### 4.1 Relationships in the communications industry

Companies interact, react and re-react in words but also concerning purchases, deliveries and payments (Ford et al. 1986). The IMP group stated that the interaction is the essential analytical concept at the heart of business markets (Håkansson, 1982; Håkansson & Snehota, 1995). Individually each interaction may be more or less important but collectively they comprise a comprehensive picture of the company and the reasons for its existence (Ford et al. 1986).

According to Lichtental & Shani (2000) the role for companies in the communications industry has changed dramatically during the last couple of years. The company's role as a business service provider makes the organization act accordingly and thus eases the communication between the company and the client. To reduce conflicts it is important that both parties present how they expect the other party to act and make clear what they themselves are willing to offer. (Ibid)

A study by Cagley (1986) shows that advertising agency's personnel find it more important with relationships than their counterpart, the clients. Both sides emphasize the importance of learning and understanding the other party. Murphy & Maynard (1996) say that it is foremost

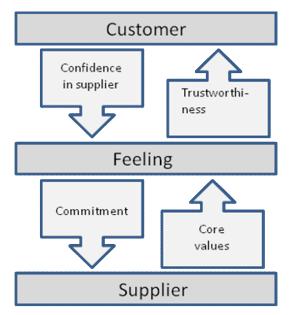


the supplier that worries about the relationship while the client cares more for the factors concerning the final service or product. Conflicts occur because of doubtful individual behaviour and cognitive disagreements. The authors of this study mean that these two factors might cause misunderstandings and bad communication. The two parties do not believe that they think the same but often they actually do. (Ibid)

According to Ojasalo (2001) a relationship works if both parties have common interests and if relationship values are strong, this determines if the companies can work together or not. Ojasalo (2001) further says that when people cooperate in a group it can be assumed that the individuals have different perceptions of relationships. Research shows that absence of conflicts might harm the creative process. Avoiding conflicts can have negative impact on the process. Handled the right way, conflicts might result in an even greater creative process. However, it is important that these conflicts remain task-oriented in order to have a positive outcome and be creative, both within and between groups. (Egan, 2005; Nemeth, 1995)

#### 4.1.1 Building relational commitment and trust

When a relationship initially is established the supplier needs to offer some kind of information in order to create a spark (see model no. 3). The supplier must communicate this information in a trustworthy way and with feeling in order to evoke interest. The actual interplay is taken place in a later sequence. The supplier needs to develop trust with the customer, this is especially important in the beginning of a relationship so the customer feels that the relationship adds value to the organization. Coming over this step, it is vital that the supplier informs the customer how the relationship can be strengthened. A way to do this can be to develop a "manuscript" that guides the customer's actions. This prevents that the customer experience situations where the individuals feel unsecure of the expectations of him/her and the roles within the relationship. By showing superior core values the customer in turn comes to the conclusion that the company is trustworthy and thus is ready to develop a relationship with the supplying company. That is how commitment is created and this is one of the factors affecting the value of the relationship. (Storbacka & Lehtinen, 2000)



Model no. 3, originally from Storbacka & Lehtinen, 2000, p. 43

Model no. 3 by Storbacka & Lehtinen (2000) illustrates how the company communicates their fundamental values to the customer. In turn the customer concludes that the company is trustworthy and therefore commit to a relation with the company.

Even though an investment in the end of a relationship feels like total misuse of resources this is definitely not the case. The last impression of a company can be positive if it is managed the right way, no matter if the supplier or customer ends the relationship. Customer satisfaction does not necessarily mean that the company is loyal. In some industries up to 75 per cent say that they were satisfied or very satisfied with the recent supplier. They change supplier because they need variation or competitors have better solutions. Early warning-signs that a relationship is in danger can be reduced interaction between supplier and customer or the amount of complaints. If the supplier can detect these warning-signs the organization has a chance to take action and save the relationship. (Storbacka & Lehtinen, 2000)

#### 4.2 Relationship on the organizational level

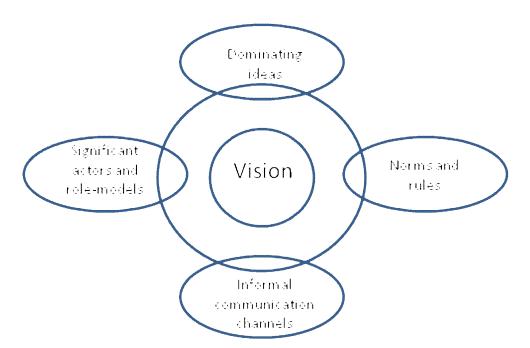
Cultural awareness is an important factor for organizational relationships. Both parties can develop more realistic perceptions and expectations of the other and simultaneously improve their working relationship, if they understand the other's culture. (Wilkof et al. 1995)



Additionally, the ability to perform a group's task effectively affects the success of organizations. As groups do not always function well a lot of focus has been on understanding the determinants of group effectiveness. (Choi & Thompson, 2005)

#### 4.2.1 Culture within the organization

It is not an easy task to describe what an organizational culture contains of. However, Bruzelius & Skärvad (2000) discuss vision, dominating ideas and values, significant actors and role models, norms and rules and informal communication channels as important elements in an organizational culture (see model no. 4).



Model no. 4, originally from Bruzelius & Skarvad, 2000, p. 310

*Vision* is often formulated in terms of a company's missions and objectives. This could for example be expressed in a company slogan or similar. In every company *dominating ideas* and values exist, for example opinions of what is good and bad, desirable or undesirable, which behaviours to reward respectively punish and what to avoid, respectively strive for. Values vary from company to company. Some organizations demand a certain dress code and



a certain moral while others think this is a private matter. With *significant actors* Bruzelius & Skärvad (2000) refer to persons with enough power and authority in the organization to influence dominating values, ideas and conceptions. *Role models* embody the values of the organization and by words and actions show the significant meaning of them which if they are used correctly, leads to success. Further, *norms and rules* consist of everything from style, language, how you behave and approach clients, to concrete rules of how to carry out different tasks. Finally, *informal communication channels* are the informal network which mediates values and norms in an organization. This element is sometimes referred to as the "gossip apparatus" and is of significant meaning according to several organization researchers. (Ibid)

#### 4.2.2 Characteristics for a strong company culture

Many researchers have emphasized the correlation between a strong and consistent organizational culture and the success of an organization. According to Peters & Waterman (1997) a strong culture is distinguished by

- A clear formulation of the task, goal and business philosophy of the company
- Agreement of fundamental values which in addition are well known by every employee in the organization.
- Constructive role models and significant actors.
- Norms and rules which support the fundamental values and the goal of the organization.
- Well functioning information channels and daily routines which enforces the values of the organization.

Concerning further characteristics of a strong culture, Sathe (1985) discusses the importance of thickness in a culture, which is the number of shared assumptions in an organization. Cultures with many layers of shared beliefs and values have a stronger influence of behaviour, thus a thick culture. There are also some important assumptions that are more widely shared than others. Cultures with more widely shared values and beliefs are perceived as strong cultures as more people are guided by them.



The size of an organization clearly influences the strength of a culture as beliefs and values are easier shared and developed among a smaller work force. Larger organizations with operations worldwide can also have strong cultures that derive from a strong leadership that adheres from the same values and norms and a stable work force over time. Under these conditions a consistent set of enduring values can take hold over time and become widely shared. (Sathe, 1985)

#### 4.2.3 Company Culture and relationships

Despite being initially positive to a "marriage" between two organizations, they often turn out in a disappointing way because the two companies' cultures are incompatible. Culture can serve as the "social glue" that connects individuals between organizations. As in social life a marriage between two very similar personalities can turn out negatively as well as two different personalities can be very positive and the other way around. It works just the same between organizations, thus, being alike is not a key to a successful relationship. (Cartwright & Cooper, 1993)

Harrison (1972) proposes four types of organizational culture that create a certain kind of psychological environment for the employees. These different kinds of cultures are more or less compatible with each other (See table no. 1).

- Power Power is centralized and individual work rather than teamwork is emphasized. Focus on implicit rules, personal motivation is to satisfy the boss or not be punished.
- Rule Every individual feel that they are dispensable in this very hierarchic culture. Written rules decide the individuals' actions and roles. Authority is clearly defined.
- Task/Achievement The task requirements decide how work is conducted. A strong
  focus on teamwork and offering tailored products/services to customers. Employees
  can be autonomous and flexible. If managed the right way this culture is a creative and
  satisfying environment but can be exhausting for the employees.
- Person/Support Focus on egalitarianism and personal growth of the employees.
   Often found in non-profit organizations.

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Culture of the			
supplier	Culture of the client	Likely outcome	Comments
Power	Power	Problematic	Success very dependent upon the choice and charisma of the organizational leader.
Power	Role Task Person/Support	All potentially Disastrous	Acculturation will be resisted. Culture collisions will inevitably result.
Role	Power	Potentially Good	Acculturation likely to be accepted.
Role	Role	Potentially Good	Likely smooth acculturation.
Role	Task	Potentially Problematic	Group members will seek the task-oriented organization.
Role	Person/Support	Potentially Disastrous	Anarchy likely.
Task	Power Role Task	Potentially Good	Smooth. Pleasant but still potentially disturbing culture shock. Some people might feel their status declines. Many will find the other culture demanding and stressful.
Task	Person/Support	Potentially Problematic	Clash when it comes to teamwork.

Table no. 1, modified from Cartwright & Cooper, 1993, p. 67

As can be seen in table 1 some cultural types "fit" better than other. This further proves the notion that a company needs to assess and evaluate its business partner. The greater the dissimilarities between the cultural types, the longer the time for the integration process. (Harrison, 1972) Nahavandi & Malekzadeh (1988) talk about acculturation, the process where two separate cultures meet, interact and adjustments are made.

#### 4.2.4 Teamwork and creativity

In order to improve innovation a lot of companies have adapted a team-based work system to respond to the market's demand of creativity (Pirola-Merlo & Mann, 2004). Organizations are constantly trying to seek better ideas than their competitors and much of the idea generation involve teams (Paulus et. al, 2001). Egan (2005) says that in a dynamic environment improvement of performance is constantly demanded and the need for creativity within the



organization is essential, and the employees are the most important key to success. Team-dynamic is, according to the author, a cornerstone when improving the creativity in the company. His study further states that diversity in teams such as different work roles and heterogeneity among the team members are of importance for creativity. (Egan, 2005) According to Pirola-Merlo & Mann (2004) an individual's creativity certainly contributes to the creativity of the whole team. Each person adds to the result of the team. Evidence of their research suggest that the "raw material" of innovative ideas can come from individual team members but the process of interaction between team members decides the group's creative results.

## 4.2.5 Changing group members

According to a study by Choi & Thompson (2005) a change of membership can have severe impact on the dynamic of the group and improve team performance. Changing members implies that the knowledge-base as well as relations among members changes. A simple reason for changing members is to remove "old-timers" whose presence harms the group by not thinking in an innovative manner. Nevertheless, teams often work with certain mental models that influence the way of acting, and changing members might cause disruption in processes and information coordination. (Ibid)

Hagel & Brown (2005) highlight in a study the importance of productive friction. They found in their study that not all frictions are bad. Different members of a team have different ways of approaching a problem and the potential for innovative solutions rises when different people interact. Productive friction occurs when a disagreement or misunderstanding is brought to the surface, addressed and resolved. Further Hagel & Brown (2005) suggest that firms should embrace friction, even seek it out, because it leads to opportunities and learning.

New members of a team are not always passive; instead they can in an active way influence the group's processes to perform more effectively. While old members of the group are trying to transmit knowledge to the new member they can reflect over how work was previously performed and see obstacles and thus create solutions, which had never been done if not the new member came in to the team. (Choi & Thompson, 2005) The same authors further found



in their research, by using experiments on group dynamics, that teams that changed members had more creative ideas as well as more variance of ideas. The study also suggests that how and why the change is done can have impact on the outcome of membership change, for example, if it is imposed by the organization and accepted by the team or not.

McDonough III & Spital (2003) have in their studies stated that switching team leaders during a project can be harmful to the end result. Companies switching team members less often are more successful in their work. Project-specific issues are seldom written down or tacit and can be lost when switching team members. Therefore they suggest that it is important to have "core members" in a team which can accumulate the knowledge of a specific project.

#### 4.3 Relationships on the individual level

The interaction process and the relationships between organizations are dependent on the people involved. Through the individual contacts, information is exchanged and trust is established between the parties. The distance between the two parts (social, technological and cultural) reduces in a long lasting relationship. (Ossiansson, 1997)

There are extensive personal interaction between company and client because of the fact that they co-produce a service. The client needs to be clear about its requirements and roles expected to be performed from the selling company. This is often a source for conflict in company relationships. Clients can be dissatisfied and terminate a relationship even though their role in the relationship has been poorly executed. Effective client representatives successfully form a collaborative team with bureau representatives, and the teamwork is based on mutually defined and understood work roles. (Beard, 1995)

Korgaonkar & Bellenger (1985) say that a client sometimes assigns personnel lacking the adequate training or experience for monitoring a project. The client's incompetence can then be more of a hindrance for the project. When person lacks job-related information needed for playing his/her role, ambiguity occurs and if uncertainty about the role performance is experienced the individual have a hard time accomplishing job goals. (Beard, 1995)



#### 4.3.1 Social exchange between individuals

Abdelfattah et al. (2007) say in a study that factors related to relationships and interaction, like social exchange between company and client, might be more important than functional quality like creativity. The study further suggests that interpersonal factors between companies are very important, especially communication and trust. (Ibid)

Working in a joint project with a partner involves uncertainty and Mills & Morris (1986) suggest that companies can reduce this uncertainty by socialization. In that way the persons involved can learn the required behaviour and values of the other party. (Ibid) Particularly important is the social exchange when the two parties have different company culture (Håkansson, 1982). In avoiding short-term difficulties between firms and establish long-term relationship that maintain in periods between translation, social exchange can play an important role. Social exchanges gradually interlock the two firms with each other. A relationship is based on mutual trust. Building up this trust is a social process, which takes time and must be based on personal experience. (Håkansson, 1982)

To create closer ties, firms participate in "bonding behaviour" which includes building personal relationships and relationship-specific investment. Social bonding refers to socialisation to develop stronger and tighter relationships. Personal relationships play an important role in social bonding. The stronger the personal social links or bonds are across organizational boundaries, the stronger the organizational relationship will be. The strength of social bonds provides a valuable indicator of how well the relationship is proceeding. (Laing & Lian, 2005)



## 5. Solberg's and their clients' view of relationships

What is a frame without a colourful canvas? Probably not an audience-attractor. Thus, this chapter will present the "colourful empirics" that was collected by using the theoretical framework. The empirical results are structured according to the theoretical IMP model modified by the authors. For a thorough presentation of the respondents, see appendix 3 and 4.

#### **5.1 Solberg and relationships**

The case company Solberg is a communication bureau in Gothenburg that helps their client to create, strengthen and spread the homogenous experience of their company through every channel and to every target group. The company has 45 employees and the respondents representing the empirical findings are a mixture of project leaders, art directors, art director assistants and production leaders.

There is a mutual agreement within Solberg's organization that relationships with clients play an important role for the company. Solberg puts a lot of effort into the professional relationship, referring to delivering on time, having competence and helping their clients as much as possible. Though, all of the respondents did mention that the social part of the relationship has to be developed. The culture of doing social activities with clients, like having a beer after work and other more informal interactions to improve the company's relationships, are not routine in the firm. The social relationship is a relationship-improving task that the majority of the employees thought would be good for the company and something needed to be further developed.

A majority of the respondents argued that a close and frequent relationship with the clients would simplify their work. A further strong advantage with having a close relationship is that it enables you to ask "tough" questions to the clients that can improve the final result, says "Lisa". Though, this very customer-focused approach has its disadvantages says "Amanda" who believes that Solberg sometimes is too helpful and gutless for its clients. She says that Solberg should occasionally try to govern the customers and not be afraid of taking conflicts.



However she believes that this process must be managed in a positive way in order to not hurt the relationship. This is a notion that "Madeleine" also claims is important since, as a consultant, you need to be determined and ready to manage the client. "Jack" says that Solberg once had team members causing conflict in the relationships with clients by the way he/she managed the relation. This might have been caused by the individual traits of these persons. However, conflicts with the client are something the firm tries to avoid. "Jenny" and "Amanda" emphasizes that Solberg must learn to say no and not accept everything the client demands. If something goes against the Solberg way of doing things it is important to stand up for your opinion in a conflict in order to preserve your own standpoint.

"Bill" mentions that by having good relationships with its existing clients a word-of-mouth effect is created spreading the notion among potential clients that Solberg is a trustworthy company. "Amanda" believes that Solberg's client list, the companies they are working for today or has been working for, talks a clear language and thus proves Solberg's competence on all levels.

#### 5.2 Client and relationships

From the clients perspective the relationship to the supplier is something that is supposed to work and the overall view is that no particular effort is made in this matter. The relationship is vital in order to close the deal and deliver excellent quality and due to this both parties must be automatically relationship-oriented. As a consequence no extra resources are pulled into relationship building and development from the client's point of view. A majority of the clients wanted to have a lot of contact with Solberg during the busiest period. Preferably, the contact base should be broad and the overall opinion seemed to be that it was positive with more people involved and not just the project leader. One client asserts the importance of the ability of a good and open relationship with the other members of the team in case the project leader is unattainable for some reason.

#### 5.3 Organizational level

#### 5.3.1 Solberg's Company Culture



Solberg's employees agree that the firm has a strong company culture where people are very committed to what they do. The characteristics of Solberg's culture are to be down-to-earth, where people are humble and helpful and the atmosphere is happy. "Lisa" expresses this in terms of spontaneity and joy of work where each and everyone stick up for each other. All of the respondents agreed with the statement that Solberg is a pleasant workplace and said that they thought others also enjoyed being at work. This is further proved by the low personnel turnover in the company and the fact that several co-workers have been in the company for about twenty years. Teamwork is emphasized and a good way of working says "Jenny". Solberg assumes that their clients find them easy to work with. The relations within the firm are informal and the company structure tends to be rather flat. Though, one respondent mentioned that the structure followed the cycle of amount of work. During low season when there was more time over, the structure was more formal and hierarchic compared to high season when the structure was looser.

Solberg has a clear business philosophy and every Monday the employees have a meeting where they go through which objectives and tasks to fulfil. The employees believe that there are fundamental values which everyone has in common even if it is just on a comprehensive level. "Amanda" stresses that every employee always are well informed thanks' to the intranet which is updated as soon as something important happens.

"I' am not sure that that this routine enforces the fundamental values but at least the intranet simplifies the spreading of information which in turn makes everyone a part of what's going on." (Amanda)

Several respondents referred the strong culture to the firm's history of being a family company. "Linda" says that the Solberg and family atmosphere are in the walls of the office. "Amanda", who is a somewhat new employee, believes that since many of the employees have worked in the company for a long time the organization has developed into "a family". In "Amanda's" opinion, Solberg should perhaps try to let go of this "family-company feeling" and develop a more structured organization in order to be more effective.



"People who know each other well in Solberg have developed a special jargon and a certain way of communicate which is hard to understand for someone who is new at the job."

(Amanda)

"Jack" says that the project leaders are looked upon as "heroes" as they often have the final call when it comes to decisions concerning the client. The project leader is often recruited outside the organization and is often demanded to have an academic education. According to the employees in Solberg the significant actors are the "old guard" which has worked in the company more than ten years, rather than one specific person such as the CEO.

There is conformity within the organization that Solberg's culture is clear and distinguished in the communications industry, and that the clients are well familiar with what Solberg stands for. "Bill", who has been in the company for a long time claims that both clients and suppliers connected to Solberg say that the employees in the company seem to be "a happy gang". Instead of being a pushy bureau mounting high horses (as is almost the norm in the industry), Solberg tries to have a more down-to-earth approach and believes that this is a winning concept and what Solberg is famous for in the communication environment. A majority of the respondents thought that the culture played an important role when clients were searching for a communications bureau. Together with quality and already established relations, culture was thought to be a significant factor for Solberg's competitive advantage. "Lisa" says that the combination of Solberg's competence and corporate culture might be a basis for clients to choose Solberg as supplier. "Amanda" sees the "laid-back" culture as a reason for clients to choose Solberg.

Whether the company has a similar corporate culture as its clients is hard to assess. "Jack" believes that Solberg only scratches the surface of the clients' company culture and thus it is hard to tell anything general about it. However, he believes that the clients' culture is somewhat similar to Solberg. "Madeleine" mentions an example of an existing client, Volvo AB, who demands quality and security, something that Solberg's company culture stands for, it is like a Volvo. In her opinion there is a clear match between the two companies' corporate culture. "Organizational culture is like personal chemistry, you need to understand the values of your partner", she says.



#### 5.3.2 Company Culture according to the client

Concerning the clients' own view of their company culture everyone except one perceived their own culture as a flat, informal organization with no significant actors such as a CEO who influenced dominating values and ideas. Overall values were dominated by down-to-earth atmosphere, no prestige, team spirit and openness. Only one company was formal, with a male culture that influenced the organization together with individual work instead of teamwork.

The clients' view of Solberg and the company's culture was primarily characterized by order, eager, professionalism, supportiveness, delivery of quality and customer focus. One client thought that Solberg were controlled by their CEO in a hierarchic way. One aspect that every client agreed on was that Solberg had a strong company culture with common fundamental values that permeated the organization. This was particularly evident in the clients' way of looking upon Solberg as a well bonded team who shared common norms and opinions and seemed to enjoy what they were doing.

About half of the respondents thought that similarity between cultures were important for cooperation and relationship. The other half was ambivalent and stressed that personal chemistry and good communication was of more importance.

"The match of company cultures is of minor importance to the relationship. We want delivery and Solberg's internal culture is insignificant to us" (A client to Solberg)

Only one client thought that their company culture differed from Solberg's, the rest of the respondents were quite positive that both client and supplier shared similar cultures. The client emphasized that different industries and company sizes could be a possible reason for different cultures.

To the question why the clients choose Solberg, competence was a predominately answer. Recommendations and geographical location also played in whereas company culture seldom



was at the client's top-of-mind. However, a few clients stressed that the positive vision of the company and the ability to work effective and make use of every competence within the organization also influenced their choice of communications bureau. One client who did not think that company culture was of importance said that if they would have felt displeased with the atmosphere and permeated values in the organization, they probably would have become suspicious and decide to reconsider their choice of bureau.

One Client had a somewhat different view on the permeated culture in Solberg. It became evident that this particular client had had difficulties in expressing how she preferred the service from Solberg to be delivered.

"Solberg has their own way of doing things. Sometimes I got a feeling of that it was an annual report fabric. Everything from proofreading to organization was more thorough than necessary, which of course affected the price. We learned a lot from Solberg, but compared to other bureaus that I have worked with, they were different and sometimes a bit lengthy" (A client to Solberg)

#### 5.3.3 Teamwork and creativity according to Solberg

The respondents mutually believed that the biggest reason for the clients to change communications bureau was change in personnel having "key positions" in the client's organization. Managers often bring their "old" communications bureau to his/her new position at a new company. This is obviously also a way for Solberg to get new customers when managers already working with Solberg change employer. Additionally, "Jack" thought that price could be a contributing factor for the client to leave Solberg. For example, if the client changed purchase manager they often interfered with what their company paid for communication services and if the service were too costly they turned to a cheaper bureau. However, change in personnel and its consequences are not going to be investigated further in this study.

After the factor that clients change bureau due to change in personnel, creativity is thought to be one of the main reasons for clients to change bureau according to the respondents in



Solberg. A common statement from the interviewed employees was that clients change bureau frequently, approximately every third to fifth year in order to get new creative input. The firm has started to confront the need for innovation by changing teams or team members. Overall, this is found positive among the personnel as well as by the company's clients and "Lisa" believes that it is important to "dare" to surprise the clients. One of the production leaders highlights that caution has to be taken when changing teams or team members.

"It is important that the shift is done smoothly to not hurt the established relationship". ("Amanda")

She further says that it is very important to listen to the client when changing the team. "Madeleine" emphasizes having a lot of contact with clients in order to assess what the buyer thinks about Solberg and how the company can develop.

To improve the creativity with consideration to the relationship, the change often includes only a smaller part of the team. The individual who is in charge of the relationship tries to be a part of the team when making the shift so it runs as easy as possible. "Bill" believes that the changed member and the new member can run the project parallel for a time to make the switch as easy as possible. There is certain knowledge about the clients "in the walls" and when changing teams there is accumulated information that the employees can assimilate. As "Lisa" mentions the creativity certainly will be different when changing art director and the client will definitely notice this switch.

#### 5.3.4 Teamwork and creativity according to the clients

The reason for changing communications bureau depended on several different variables. Geographical location, price, competence and maternity leave was mentioned and as the interviewer asked if the need for new creativity could be a possible reason for changing supplier, the respondents in almost all cases attuned. The respondents mutually agreed on the importance of creativity skills for the bureau in order to develop the idea to a final product/service.



Clients who have been with Solberg for a long time has experienced changes of team members within Solberg as a consequence of maternity leave for example. The overall opinion among the respondents was that they wanted to stay with the initial contact person, in most cases the project leader, which they built the closest relationship with. To keep the core competence within the team seemed to be of major importance for the client as well. The AD did not affect the relation to the same extent as the project leader. However, the AD did affect the creativity and most of the clients were positive to change AD in order to gain new influences. The respondents generally believed that a change of teams or team members did not affect the relationship as everyone in Solberg was considered satisfactory substitutes.

"The specific individuals in Solberg does not matter that much, everyone are equally competent. How good we are at giving information to Solberg about our expectations is what counts..." (A client to Solberg)

#### 5.4 Individual level

A majority of the different occupations within the company (CEO, art directors, art director assistants, project leaders and production leaders) want to have a close and frequent relationship with clients. According to "Madeleine", there is an ambition to broaden the contact base, the amount of people that the employee is in contact with on the client side. There is an agreement by the participants that a broader contact base is good for the relationship. Furthermore, it is seen as a positive factor to be available at all times which, according to "Madeleine", can strengthen the company and its brand. She phones a lot of clients to "check up" on the relationship and make sure that everything is in order. However, "Jenny" does not think that she needs a lot of personal contact with the clients. "Jenny" prefers that one person is in charge of the contact with the client since this makes the communication easier and decreases the possibility for misunderstandings.

The employees believe that easiness to communicate will make it simpler for the clients to express their opinions. A stronger relationship also makes daily work for the employees easier because a stronger relationship means a more open dialogue which results in deeper understanding of the clients' needs and wants. "Bill" says that he wants to have an own and



direct contact with the client which he believes will facilitate his work. Concerning the question whether the relationship lies on corporate or individual level "Lisa" believes that it is a combination. The relationship is individual but is backed up by the Solberg spirit. Since many of the relationships have been running for a long time a personal contact establishes says "Bill". However, "Jenny" who has less contact with the clients believes that the relationship lies on an organizational level.

From the clients' point of view, more than half of the respondents believed that they had a relationship with the company, not the individuals per se in Solberg. Clients that believed they had a relationship with the organization were the same clients which thought that a change of team members did not affect the relationship.

#### 5.4.1 Social exchange

According to "Jack", it is thanks to the founder, Ralf Solberg's social skills that a big network of relations was built up in the early days of the company. But as Ralf retired these social connections was somewhat lost and the company is now struggling to build up social relations again after "ignoring" them for some time. Nevertheless, "Jack" continues and says that too much focus should not be put on the social relationship. He bases this statement on the fact that people have less time nowadays for social activities and have to give priority to family instead of having a beer with Solberg. Another issue that aggravates the social relationship is the geographical distance between Solberg and most of its clients since the buyers are mainly based in Stockholm. However, "Jack" still believes that social relationships are important for the success of the company.

"Throw out the microwave oven and go out and have lunch with your clients..."

Above quotation is a way to broader the company's network. "Madeleine" continues and says that strengthening social relations are something the company is trying to develop today.

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According to the clients they periodically wanted a lot of contact with Solberg and preferably a broad contact base. Social activities where not seen as something negative and lunches and dinners were welcomed in order to get to know each other on a more personal level.



## 6. Analysis

A colourful canvas in a well thought-through frame opens up for discussion and interpretation. Otherwise, the artist might have failed on his/her mission. This chapter will provide the reader with the interpretations and analysis made by the authors of the thesis.

#### 6.1 Relationships – a great value for Solberg and its clients

The theory in the field of relationship marketing highlights the importance of a strong supplier-client relationship within the communications industry (Lichtental & Shani, 2000; Gummesson, 2002). Solberg's personnel agreed that relationships with clients are a significant factor for successful business interaction. In agreement with Cagley's view (1986) and the results of the empirical part of this paper, the communications bureau's personnel considers relationships more important than their clients do. Clients are more concerned with the final product/service that Solberg delivers. Close relationships are one of Solberg's visions and something everyone in the company viewed as important.

If Solberg's clients do not appreciate close relationships as much as Solberg does, should the company then put so much effort into their relationships? Murphy & Maynard (1996), illustrate that it is common that two parties do not believe that they share the same opinions, but often they actually do. Solberg's clients may consider the relationship very important but simply take it for granted and choose to put less focus upon it. The authors argue that there are two explanations of the paradox that companies believe that relations are important but do not openly recognize it. One explanation could be that those companies have not yet understood the importance of strong relationships and the advantages they can bring, for example, reduced transaction costs and better services. This view could also mean that relationships are something peripheral and intangible: they are thus not seen as being of great importance compared to competence and price and are therefore ignored by the clients. The other possible explanation is that companies have taken to heart the importance of relationships but have not considered them as vital and or as the determining factor that a lot of academic research suggest them to be. Therefore the authors wonder if there perhaps is a gap between the research in relationship marketing and the actual role that relationships play in practice?



Clients as well as Solberg's employees say that in the end competence and price are the key factors determining why two business units choose to work together. The authors believe, however, that the role of relationships cannot be neglected. In an initial interaction-phase, the relationship might not be as vital as it becomes when the service process has been established. This is when relationships are of utter importance. From the supplier's side, a close and honest relationship should be emphasized to enhance effective cooperation with its partner. This will lead to a better final product/service and in the end generate long-term business partners.

The empirical study showed that ultimately both Solberg and their clients had the same focus, to deliver/receive a professional final product/service of high quality. According to Ojasalo (2001), a mutual interest between the two parties is a significant condition for a functional relationship. Solberg has created a process model that makes it possible for clients to know what they can expect from the company. By showing their customers Solberg's core values and by using the "manuscript" of the process model, Storbacka & Lehtinen (2000) argue that in this manner, the customer will perceive the company as trustworthy and will therefore be more inclined to develop a relationship with the company. Consequently, commitment should be created, which in turn affects the value of the relationship (Ibid).

From the empirical material, it became apparent that Solberg avoids conflicts with their clients. As an employee stated, the firm does everything to please the client and is very cautious about expressing opinions of its own in a straightforward way. Conflicts are important for the development of a relationship (Egan, 2005; Nemeth, 1995). A client that left Solberg stated that she did not "dare" to speak out about how she felt about Solberg and the requests her company had. If the relationship would have been stronger she might have "dared" to take this conflict, which could have improved Solberg's product/service according to the authors of this thesis. Obviously Solberg and the client had cognitive disagreements, probably caused by a distant relationship causing bad communication (Murphy & Maynard, 1996). Conflicts can work in good ways by creating open dialogs (Egan, 2005). Hagel & Brown (2005) go further and even encourage firms to seek frictions to improve creativity and innovation. Honest relations where conflicts and disagreements have positive outcomes demand open and deep relationships. This type of relationship makes it easier for Solberg to



satisfy their clients' needs. The result will be a better final product/service, which will further strengthen the relationship. Just as in social life outside the business environment, a person can distinguish warning-signs from a close friend easier than from an unknown individual. This issue is evident on the organizational level: it is a strong reason for building close relationships. It is crucial that Solberg becomes aware of signs of dissatisfaction from their clients at an early stage. Detection of these early signs would be facilitated by a closer relationship. If Solberg discovers problems as they occur, the company will be able to act more swiftly. (Egan, 2005)

#### 6.2 It all boils down to individuals...

How can Solberg reach a closer relationship where conflicts and different opinions between the bureau and client are more easily discussed and more outspoken? Today Solberg's relationships with clients are primarily on a professional level. This means that the relationship is limited to work and lacks most forms of social interactions. A majority of the respondents in Solberg thought that a social relationship with their clients would be positive for the company and would further develop the interaction with their clients.

Relationships, no matter on what level, are always a question of ties and connections between individuals (Ossiansson, 1997). Solberg can, by trying to reduce the social distance between individuals involved in the business process, create long-term relationships. Mills & Morris (1986) say that uncertainty is the ground to bad relationships. Uncertainty can be diminished by using social activities as a way for people to create closer relationships and thus to develop trust between individuals involved in the business interaction process. If Solberg wants to build trust to its clients they need to develop social processes that serve as foundations of the personal interaction (Håkansson, 1982). This can interlock Solberg with the clients, and when customers are starting to think about changing bureau, that becomes more difficult because of the social ties that the individuals have to the personnel in Solberg.

All of the employees in Solberg believed that social relationships were something the company needed to develop. If they use social bonding like having a beer after work with customers, the social ties will strengthen and thus create closer relations, which will facilitate the professional relationship concerning work tasks between the parties (Laing & Lian, 2005).



As the majority of the employees in Solberg want to have a close relationship with a lot of personal contact, it is vital to give the employees the opportunity to meet clients under more relaxed circumstances. A way of doing this could be, as "Madeleine" says, to skip having lunch in the office and go out to have lunch with clients. However, they must be perceptive about how much social contact the client really wants to have, so it does not get overwhelming. According to the empirical results, clients are positive to activities such as lunches etc.

By having closer social relationships, every individual involved can be more straightforward and honest and can consequently express requirements and expectations on the other party's performance, so that misunderstandings will not occur. Communication will, according to Beard (1995), be easier and more personal, and needs and wants can be expressed more clearly, which will hopefully create a better final service. Since Solberg's services are created in co-operation with the client, it is important that the personal chemistry works. Abdelfattah et al. (2007) emphasize that this social relationship can sometimes be more important than the functional qualities. The authors believe that Solberg might be able to strengthen the final service by using social exchange between the individuals involved in the project. In all events, the client's perception of the final result might be enhanced since successful social exchange occurred during the project. The authors do not encourage Solberg to deliver a final result of lesser quality. However, the authors recommend putting more focus on the social relationship and not only on the professional aspects; it can probably lead to higher customer satisfaction in the end. *Perhaps a beer after work is more valuable than an afternoon's work in the office?* 

#### 6.3 Solberg - a strong company culture

In order to determine whether Solberg has a strong company culture or not and how this affects the company's business interactions, it is important to analyse the different variables within the culture and also investigate how thick the culture is (Bruzelius & Skärvad, 2000; Sathe, 1985).

Solberg has a clear vision for the company, and the overall company goal is to deliver services by following the core values: security, quality and positive relations. The business



philosophy is clear according to the employees, and by going through objectives weekly everyone agrees on what tasks to fulfil. There are no pronounced fundamental values in the organization, but there seems to be a shared understanding of how to behave and what to strive for in the organization. The characteristics of Solberg's culture are to be down-to-earth, where people are humble and helpful and the atmosphere is happy. This was common for every employee in Solberg and consequently the permeating value in the organization according to the authors.

Solberg has both role models and significant actors. The founder of the company, Ralph Solberg, created positive relations and built up an important network, which is still used today. The social skills he possessed are still known and of importance to some employees in Solberg, which in turn affects the organizational values. Ralph Solberg is what Bruzelius & Skärvad (2000) refer to as a role model. When it comes to significant actors that affect the fundamental values, the employees who have worked more than ten years in Solberg are of key importance. They embody the company and family values. The family feeling grows with the amount of time you spend in the company and according to some new employees in Solberg this is not always a good thing as it decreases the effectiveness for example. If you are not a part of the significant actors ("the old guard") it is hard to take part of the jargon, and the consequence could be a left-out feeling where new employees are intimidated. Additionally, it could take longer to understand what your colleagues refer to when too much jargon is involved which impedes the effectiveness of the working process. Further, significant actors can be the project leaders who are academically skilled and are looked upon as the heroes within the company according to "Jack". They are the closest link to the client and can therefore use their knowledge to influence the other employees in Solberg.

The atmosphere in Solberg is relaxed, as a result of it being a family company. The employees dress casually, and as an outside observer you get the feeling that the private and the professional way of acting have melted together, concerning both style and behaviour. People working in Solberg seem to be a relaxed and happy gang, privately as well as professionally. There are no formal rules, and the overall norm seems to be common sense, straightforward communication and acting down-to-earth when approaching the client. The informal communication channels in Solberg according to the employees are well



functioning, and there is no problem to go directly to the CEO with your issues or to walk into a colleague's office. Routines such as weekly meetings and continually updated information on the intranet also work well according to "Amanda".

According to the characteristics pointed out by Peters & Waterman (1997), the authors believe that it is possible to determine that Solberg has a strong company culture. Sathe (1985) strengthen this statement, as the values and beliefs are widely shared in Solberg and influence how people in Solberg should behave. Everyone ought to be happy, down-to-earth and helpful in order to fit in the organization, and this is a widely shared understanding among the employees. As the workforce in Solberg is relatively small, values and beliefs are more easily shared among the employees, which according to Sathe (1985) is a sign of how strong a culture is. Solberg is a small company, which enforces the intimate feeling and the uniform values, which in turn establish the strength of Solberg's culture.

## 6.4 Company cultures meet – attraction or repulsion

According to the cultural interaction-table (see table no. 1) by Cartwright & Cooper (1993), Solberg is a typically task/achievement culture with a strong focus on teamwork, which offers tailored products/services to customers. The employees are autonomous and flexible in this type of culture. By being a task/achievement culture, Solberg are supposed to work fairly well with all other cultures except the power culture in Cartwright & Cooper's (1993) table. Everyone except one of the clients described their own culture as similar to Solberg's. The company that differed from the rest is clearly characterized by individual work and a male culture. This company, which is a former client to Solberg, has what Cartwright & Cooper (1993) calls a power culture. In the authors' opinion, as the dissimilarities are great between the two cultures, it could have affected the integration process, which in turn contributed to the client's leaving Solberg. Acculturation must be done according to Nahavandi & Malekzadeh (1988), and as the company culture is strong in Solberg it is important that the other party's culture congruence in order to facilitate the adjustment process.

Does a firm's company culture affect the client's choice of communications bureau? Most of the interviewed participants found competence to be the most important aspect when choosing a communications partner, and that the internal culture in Solberg was of minor importance.



However, as one of the clients indicated; if the personal chemistry, atmosphere and fundamental values (all indicators of a culture), was not satisfying, the client decided to reconsider the choice of bureau. According to the authors, this proves that culture is of more importance than the client initially believes. Solberg's strong company culture will probably affect the clients when they meet the company for the first time. A client described a welcoming and relaxed atmosphere when visiting Solberg's office. This could indirectly influence whether the client decides to work with the company or not. Some of the clients thought that personal chemistry between supplier and customer was an important influencer, and as the employees in Solberg form a flexible workforce with uniform values, this probably plays a vital part. In the interviews with the employees in Solberg, all the participants' answers were surprisingly similar. A conclusion is that the firm's spirit is widely spread among the employees and that the core values are well integrated.

As a result of Solberg's strong company culture, a majority of the clients find themselves in a relationship with the firm rather than with the individuals. These clients have a close relationship with individuals but see them just as a part of Solberg. They believe that every individual possesses the same basic values within the company and is therefore exchangeable. In contrast, a minority of participants find themselves in relationship on the individual level; those participants were more hesitant about changing team members. Having a strong culture implies that customers see Solberg as a solid company where business is made with Solberg, not with the individual in Solberg. This results in a greater flexibility for Solberg, having opportunities to change teams or team members in order to strengthen the relationship.

Company culture can definitely influence the relationship between companies. However, the organizational culture influences more or less on different levels of the relationship as well as during certain stages of the relationship. The authors believe that the atmosphere and the personal behaviour that has developed through the internal culture become obvious when clients meet with the supplier and can influence the customer's first impression of the bureau. Thus, having a culture that has a strong customer-focus should simplify initial meetings with potential clients. A culture can strengthen the relationship rather than weaken it. Solberg should put more emphasis on communicating its down-to-earth culture when interacting with clients. Social exchange may simplify this process. The down-to-earth culture together with a



down-to-earth approach to relationships will give Solberg's culture a greater impact when socializing with clients.

#### 6.5 Changing teams or team members can enhance creativity

The authors believe that the client does not just want to be served a final service satisfying their needs; they want the final result to be something extra. As "Lisa" says, it is essential to "dare" to provide something extra to the customer, and this can be done using innovation as a platform. Thus, improving group dynamics and the creativity of a team is necessary for Solberg not to be stuck in the same track for years.

As Paulus et al. (2001) mention, teamwork is a key factor for innovation and for the development of creative ideas. Since Solberg works in a highly competitive industry where creativity is seen as a vital ingredient for success, it is important for Solberg to acknowledge the role of teamwork. As most research suggest (Egan, 2005; Pirola-Merlo & Mann, 2004), working in teams can enforce an idea of one individual, and through group dynamics and exchange of ideas, it can be developed to a better final solution than was initially thought. Solberg has adopted this particular way of working, and today the teamwork is well developed in the company. The teams in Solberg are assembled to match the market's demand on creativity and competence, thus using several different occupations and skills in each team. But as a team works together for several years, it is obvious that a certain manner of thinking and working will develop. This can be both positive and negative. (Choi & Thompson, 2005) But for the creativity of a group the authors suggest that this development might be harmful to idea generation: the team members might not think "outside the box". This particular way of thinking is demanded by some of Solberg's clients and may be a reason for not choosing Solberg or for leaving the company. The company has begun to adjust and has started to meet the clients' requests for change of group members, and, when necessary, they are ready to switch for example the present AD for a new one within Solberg. The empirical study showed that all employees were regarded as satisfactory substitutes according to the clients. This in turn highlights the strength of Solberg's culture with a uniform workforce where everyone possesses similar values and competences. Consequently, the authors argue that it is possible to distinguish an indifference of which employee you work with in the organization and that a change teams is possible without harming the relationship. Due to a strong company culture,



the supplier-client relationship transfers to an organizational level rather than an individual level, which simplifies exchanges of team members.

The authors took an interest in the effects of changing just one or more group member versus changing the whole team. Switching the whole team can produce a totally new way of thinking and offer the client new innovate results. However, introducing just one group member with a creative role might produce a good result as well. This solution will imply that a lot of knowledge about the client will stay within the team, but it might not improve the creative thinking as much since an old way of conducting tasks will remain and there might not be room for the new member to express his/her ideas. Another disadvantage of this solution is that the group dynamics will probably not change as radically as when putting together a totally new team, resulting in keeping the same track as before the exchange of a member.

However, as many interviewed clients suggested, there is no need for a change of the whole team in order to produce more creativity. The responding clients were more positive to switching just one or a few members of the team and keeping the core competence within the project. In Solberg's case, the project leaders with whom the clients build the closest relationship possess the core competence. Thus, a change of project leader can severely damage the project and the relationship. Another concern to address is the fact that many employees working for Solberg believe that it is vital that the client has a say when changing group members. The clients are the ones that the company should satisfy in the end; thus, who they believe should be or should not be in the team has to be considered by Solberg. Today, the company tries to listen to the needs and wants of its customer concerning specific individuals in certain positions in the organization. However, a more detailed and specific instrument should be used to assess what the clients really regard as important in a relationship with an individual or a work-group. Routine consultations with the customer on a regular basis will result in a time-specific evaluation of the team, and issues about the development of the team as well as the relationship will arise, thus giving Solberg solid ground to take action if team members should be switched.

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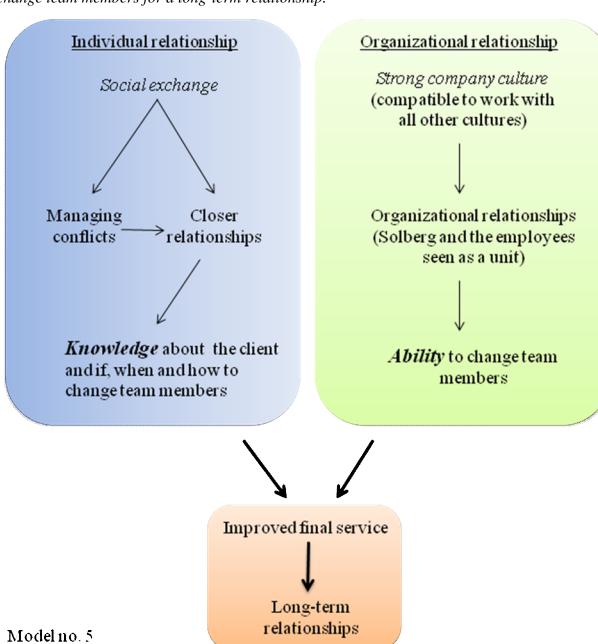
An important issue to consider before changing the team in any way is, as Mcdonough and Spital (2003) say, to make sure that project-specific knowledge is gathered, so it does not "disappear" when the team is abolished, thus securing that the information about how the buyer wants to be treated stays in the company. How this accumulated knowledge should be transmitted between group members and within the company is an interesting topic that the authors suggest further research on.

The authors would make the suggestion that, if Solberg should do anything to improve their teams and thus the creativity, it should be to exchange group members, not the whole team. In this way, core competence stays within the team and knowledge about the clients can be secured. Furthermore, this is what the clients would like as well.



#### 7. Conclusions

What conclusions can one make by analysing a painting? Do I like it? Should I by it? Similar thoughts, but in terms of business, went through the authors' minds after conducting this research. The authors have developed a final model (see model no. 5) involving the thesis' variables. The conclusion will highlight the importance of a strong company culture as well as establish that the culture needs to be supported by social exchange in order to effectively change team members for a long-term relationship.





Solberg has a strong, informal and family-like company culture. This is due to the uniform values and intimate feelings within the company. A conclusion is that the firm's strong company culture affects the relationships with their customers. As a majority of Solberg's clients find themselves in a relationship with the firm rather than with the individuals in the organization, the image of the company is integrated. Even if the relationship is personal, the company's culture is a base that supports the personal relationship. This opens up opportunities for the firm. Since the client sees the individuals as exchangeable, the firm can change team members without damaging the already established relationship. Changing team members is an opportunity to keep clients more than 3-5 years, as is the norm in the industry. By changing team members, the two parties can enhance the creativity, which can lead to an improved final service, which hopefully satisfies the client. A satisfied client will continue to have Solberg as a supplier, and thus long-term relationships will be created.

As the study progressed the authors became aware of the fact that company culture can work as a base for an ability to change team members without hurting the relationship, but that is not enough. The firm also needs to be aware of if, when and how to change team members. To have the ability to change team members without having information about if, when or how to do it, is pointless. Solberg's purely professional relationships lack this particular knowledge about the client. This knowledge can be developed through social relationships.

By using social exchange that strengthens the connections between supplier and client, candour and trust can be developed. Knowing each other on a more personal level opens up for more effective communication. It became apparent in the analysis that avoiding conflicts and being "too helpful" can have unconstructive influence on the final service that Solberg delivers. A closer relationship will enable both supplier and client to "dare" to take conflicts, which oftentimes have the impact of a positive outcome on the final service, if it is managed professionally. Thus, the two parties will positively develop the relationship, which hopefully will be closer after the conflict.

As Solberg put strong focus on the professional relationship, the authors suggest that the company revise its "relationship approach", not to be purely professional but also to



emphasize social exchange, which will create a closer social relationship. As was mentioned before, having a beer after work can be very valuable in the long run.

By having a closer relationship with the client, Solberg is not only able to produce a better service, but can also see early warning-signs from the client and can try to develop the relationship by offering new team members and innovation. Thus, having knowledge about the client through social activities can work as a preventive "detection-system". However, it is essential to let the client be a part of this membership change as well as keeping the group's core competence, which often is constituted by the project leaders in Solberg.

A down-to-earth culture supported by a down-to-earth approach to relationships, which goes further than professional relations, will give Solberg's culture greater impact when socializing with clients. *Knowledge* about whether clients want new creativity, gained from a close individual relationship, and the *ability* to change team members due to a strong culture, result in a capability for Solberg to offer the client superior service which is fundamental for a long-lasting relationship. Therefore the authors have come to the conclusion that both organizational and individual relationships are equally important for a fruitful relationship.

Similar to a happy marriage or a skilled dance couple, a B2B relationship needs attention and activity. A marriage can easily lead to divorce if the parties cease paying attention to the relationship and assume that it takes care of itself. It is important to do enjoyable things with your partner and constantly bond socially in order to continue developing the relation and simultaneously keep up a good communication. As the dance metaphor by Wilkinson & Young (1994) indicates, over time, partners can perform more complicated activities together, which in turn strengthens their ability as a couple. Similar or dissimilar fundamental values and cultural understandings can work as complements in the relationship and may lead to what every person or organization strives for, *a perfect match*.

#### 7.1 Future Research

When studying the IMP group and their business interaction model, several factors interesting to investigate have crossed the authors' minds. The external atmosphere surrounding B2B interactions in the communications industry is one variable for example.



Internationalisation, dynamism, position in the manufacturing channels and market structures is examples of large areas within the external atmosphere which most likely demands more extensive research and a longer timeframe to be conducted properly.

Initially, the authors had a thought about examining different roles within Solberg and their clients to see how these roles, within their respectively team, match each other. The relationship between different work roles is an important research area to address as depending on which responsibilities you have within the company, you have different interests and objectives. Some managers have the internal finances as number one issue while the art director's only concern is design and the project leader focus on the congruence between all the above. Evidently, different interests might cause unbalance between the parties which in turn might harm the long-term relationship.

Another important aspect that should be investigated is the question of what happens when persons in key positions leave their job. Do these individuals bring their professional network to their new jobs and why do they do this? If they do, it is essential to conduct research within the topic and how Solberg can create relationships which causes "key-position-employees" in their own company as well as clients to remain loyal to Solberg.

Obviously, there is a lot of interesting research needed to be done within the field of relationship marketing and this thesis has only narrowly grasped the area. Thus, the authors now give the opportunity to other researchers to pick up this thesis thread and keep investigating the fascinating area of relationships and B2B interaction.



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## Appendix 1

Interview-guide Solberg
Name:
Professional role:
Relations
Can you start by telling what characterizes Solberg?
What role does customer relationship has in your company? Does the company put a lot of
effort to it or can it be further developed?
Do you prefer a lot of contact with your customers?
Would a stronger relationship with your clients simplify your job?
What are the pros and cons with more or less relations?
Company Culture
What are the characteristics for Solberg's company culture?
Ideal goals – mission/vision
Significant actors – someone who influences the dominating values
Role models – "The Solberg man/woman"
Formal/Informal norms

Which variable better describes Solberg?

- Formal/Informal
- Flat organization/hierarchy
- Collectivistic/Individualistic



Does Solberg have a similar company culture as your clients?

Does Solberg distinguish itself in the communications industry for its company culture?

What do you think are the reasons that a company chooses Solberg?

- Competence
- Company culture
- Previous relations
- Others

#### **Team**

Why do you think clients leave Solberg?

Do you switch teams within the company or does the client work with the same team?

What is your opinion about changing teams?

How is it to "overtake" a client from another team? Do you have to re-establish the relationship?

How is the relationship affected by the changing of teams?

Do factors like creativity improve when changing teams?

Where "is" the relationship, on individual or corporate level?

Thank you for your co-operation!



## **Complementary questions through e-mail:**

Would you say that Solberg has a clear formulation of the task, goal and business philosophy of the company?

Is there an agreement of fundamental values in the organization which in addition are well known by every employee?

Are there any functioning information channels (informal networks within the organization) and daily routines which enforce the values of the organization?

How is Solberg's approach concerning conflicts with the client? Are conflicts something you avoid at the longest or is conflicts looked upon as necessary for the relation? (Is Solberg to weak in this matter?)

What do you think happen with the group creativity when one or several group members are exchanged? Is your opinion that a certain group of people with core competence should stay within the group?



## Appendix 2

## **Interview-guide client** Name: Professional role: How long have you had Solberg as your communications bureau? **Relations** What role do relationships to your suppliers have? Does the company put a lot of effort to it or can it be further developed? What is your relationship to Solberg today? Do you/Do you want to have a lot of contact with Solberg? Do you want to have contact with one or more individuals working for Solberg? **Company culture** What do you think characterizes your company? Do you have anything to add about your company's culture? Which variable better describes Solberg? Formal/Informal

- Flat organization/hierarchy
- Collectivistic/Individualistic

What do you think characterizes Solberg's company culture?



In your opinion, do you believe that Solberg has a strong and distinct company culture?

Dow you think that Solberg has a similar company culture to yours?

Do you believe that similar company cultures between companies are important for the relationship?

What are the reasons for clients to choose Solberg (Let the respondent answer by him/herself first)

- Competence
- Company culture
- Previous relations
- Others

#### **Team**

Have you ever changed communication/PR bureau and in that case why? (If creativity is not mentioned, say that it is a common factor for changing bureau and see what the respondent says)

Solberg works in team, what is your opinion about changing teams in their company?

If they change teams, should the whole team be changed or just certain individuals? (Explain the logic about that creativity improves if the whole team is replaced, but if some individuals stay accumulated knowledge about the client is obtained)

If Solberg ever changed team or certain persons, what happened? (Let the respondent answer freely first)

- Creativity?
- Relationships?

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Would you stay as client with Solberg if they change teams caused by your demand of new creativity?

How do you think the relationship is affected when changing teams?

Where"is" the relationship, on individual or corporate level?

Thank you for your co-operation!



## Appendix 3

## **Interview respondents - Solberg**

## Took place in Solberg's office in Gothenburg, April 27<sup>th</sup>, 2007

"Linda" – Worked in the company more than seven years

"Lisa" – Worked in the company more than seven years

"Jack" – Worked in the company more than ten years

"Amanda" - Worked in the company less than two years

"Madeleine" – Worked in the company more than ten years

"Bill" – Worked in the company more than ten years

"Jenny" – Worked in the company less than two years

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## Appendix 4

**Interview respondents – Clients** 

Was conducted by phone, May 14<sup>th</sup>, 2007

Anci Johannisson – Andra Ap-Fonden

Barbro Tufvesson – Sardus

Cecilia Arvidsson – Bilia

Inger Vilhelmson – VBG

Maria Norin - Electrolux

Ulrika Danielsson - Lindex