

An Industrial Audit of International Advertising Agencies: The Ideal Customer Experience, the Effects of Internet Technologies, and Changes to the Traditional and Contemporary Customer Experience

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Executive Summary

Generating the ideal customer experience in the international advertising industry is slightly more difficult than in other industries. With multi-level customers and cultures, it is also more difficult to achieve than local advertising agencies. However, through extensive research, the fundamentals of the basic customer experience concept have proven to be return on investment, loyalty, customer friendliness, and product value. In supplement to this breakdown, research in the international advertising field has exhibited concepts which enforce these main ideas in the journey to ideal customer experience. With emerging technologies, customer experience gains new factors with social media sites, online campaigns, and open blogs. Methods for organizations to measure customer experience are also discussed.

Introduction

In the advertising industry, agencies strive to satisfy their clients, who in turn desire to satisfy their customers. This process involves both business-to-business as well as business-to-consumer methods. A client is satisfied when

their customers are satisfied. Following this methodology, the ideal customer experience is very similar to the ideal client experience. Throughout this examination of the international advertising industry, these two entities will be considered synonymous for the most part.

“It should be noted that service quality involves perceptions, which are influenced by the experiences and cultural background that a person brings to the service setting. Hence, it would be expected that service quality perceptions might differ across cultures” (Ueltschy et al. 2008 p.45). Cultural barriers are one of the many issues international advertising agencies face when satisfying the client and customer.

Research Methodology

The matrix from Appendix A lists the totality of topics covered across fifteen different sources related to overall customer experience. Clearly, all sources agreed upon the presence of product quality or value as a concern (Bear & Sauer, 2000; Bond & Fink, 2001; Bowen, 2008; Frow & Payne, 2007; Ghose, 2009; Ireland, 2010; Kordupleski, Rust, & Zahorik, 1993; Lane, 2005; Lutz & Foong, 2008; Moore, 2002; Mosley, 2007; Oh, 2008; Sweet, 2005; Ueltschy et al. 2008; Verhoef et al. 2009). Using the bucketing technique on Appendix A developed the four main concepts of customer experience in Appendix B.

As for Appendix C, twelve sources related specifically to international advertising agencies were included in formation of another matrix of client experience topics. In Appendix D these topics were matched to the appropriate categories generated in Appendix B. This analysis will discuss all elements from both matrices.

Ideal Customer Experience

After execution of the processes mentioned above, the ideal customer experience equals return on investment, loyalty, customer friendliness, and product value (see Appendix A and B).

All companies think about return on investment in one way or another. For the client this simply comes in the form of time and money/profit (Carpano & Shao 1994; Kim, Shyan, & Waller, 1999). If something costs little and profits

the user, they will be more likely to buy it. The advertising agency must enhance these sorts of ideas so that it will profit their client. After campaigns are implemented, clients also appreciate agencies that have adhered to their budgets and additionally profited them via the customers (Bear & Sauer, 2000; Bond & Fink, 2001; Frow & Payne, 2007; Ghose, 2009; Ireland, 2010; Lane, 2005; Moore, 2002; Mosley, 2007; Oh, 2008; Sweet, 2005; Ueltschy et al. 2008).

In order for repeat business or recommendations for a company to occur, loyalty must be established (Bowen, 2008; Frow & Payne 2007; Lutz & Foong 2008). For the client it may be loyalty to its advertising agency, and for the customer it may be loyalty to the brand.

Customer friendliness is the third topic agencies must cover. Proper research must be done about the consumer in order to fully understand their needs as well as their emotions (Ireland, 2010; Kordupleski, Rust, & Zahorik, 1993). Products should meet, if not exceed the consumer's expectations in order for it to be successful. If a product is convenient and/or brings enjoyment to the consumer, (Oh, 2008) they will be more purchase-prone. Some sort of customer relations service should be available to both customer and client (Bond & Fink, 2001). Clients additionally want to make sure communication is executed through all stages of the agencies' planning process so that they aren't thrown for a loop when the campaign hits the public.

Last but not least, product value is important to the customer and client. Customers will be satisfied with unique and functional designs and professional appearances of products with quality (Sweet, 2005; Bear & Sauer, 2000; Mosley, 2007). Such things include durability, number of uses, and aesthetically pleasing models. Clients want to be sure the agencies portray these images accurately so as not to injustice their products in the differing cultural markets. "Many client-companies who were new to the Hungarian market initially flocked to the bigger, better known and better equipped agencies in search of guaranteed quality work" (Wilson & Amine, 2009). This quality work comes with years of experience, proper use of technologies, and driven professionals.

Effects of Internet Technologies

Analyzing the international advertising agency has resulted in themes to accomplish an ideal customer experience. With ever-changing technologies,

customers and clients can reach out to others in more ways than ever. Referencing Appendix C and D, there is a range of possibilities to achieve customer satisfaction. Expanding on the main concepts stated previously, return on investment, loyalty, customer friendliness, and product value, there are specifics related to this particular industry.

In regards to return on investment, clients often look for localized global advertising, so that the culture of customers is taken into consideration when planning a strategy. This way, customers will be satisfied with advertising that respects their cultural views. Multi-channel marketing and commerce will also enhance profits by making use of the many channels that customers use (Cheon, 2004; Howard & Ryans, 1988; Marketing Weekly News 2010; Wilson & Amine 2009).

With loyalty, once again brand loyalty and client-agency loyalty is very important. “For example, a local client may want to boost its sales through attractive advertisements, whereas the global advertising agency may want to create a brand-building campaign that eventually will win an advertising creative award” (Dou et al., 2010).

Customer friendliness is a key subject because clients must understand the cultures and religions that the target audience lives. When agencies are not home-country oriented, they have a wider focus and don't solely rely on the likes of their country's audiences (Carpano & Shao, 1994; Howard & Ryans, 1988; Jaeseok & Huhn, 2002). Other methods include social media, where customers can stay updated and interact with their favorite companies and brands. Moreover, “Blogs give every consumer a voice,” (Neisser, 2006). Social media buttons are also easy to add to any company website. However, not all areas of the world view social media the same way, therefore studies must be conducted to understand the ways different audiences use it. A creative approach was explained when “a SapientNitro exec who was operating a vending machine with face-recognition software that offered free Unilever ice cream in return for a smile to be posted on Facebook...” (Wentz & Neff, 2010).

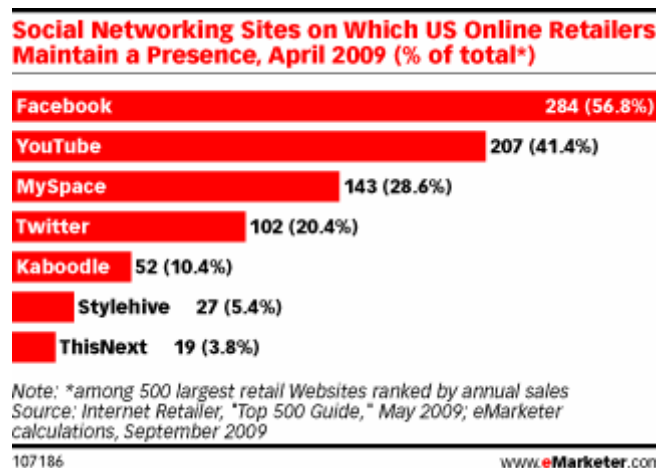
With product value comes perceptions of quality from different cultural audiences. These audiences may have differing views about the functionality of a product and its features. Furthermore, when developing advertising materials, accurate translations must be executed so that idioms and other references are displayed appropriately (Duncan & Ramaprasad, 1995; Jaeseok, Tharp, & Huhn, 2002).

Apart from taking account of such regionalised language differences when booking media space and time, advertisers and their agencies must take into account local variations in advertising censorship. For example, an ad can say “best value” in Beijing, Shanghai or Guangzhou, but not Chengdu (Sinclair 2008, p.83).

In the client perspective, a creative thinking process with the plan should be present in order to convince audiences that the product is ingenious and interesting (Ghose, 2009; Kim, Shyan, & Waller, 1999; Lane, 2005). Sometimes, clients prefer standardization via a universal theme or product, so agencies should try to make the product seem multi-faceted to more than one culture when applicable.

Changes to the Traditional and Contemporary Customer Experience

Since the creation of the internet, there have been a growing number of areas that people can be involved with. They can have their own presence online with a personal website or social media site or simply shop at home. With the emergence of these entities, marketers have had increasing ways to attract the attention of the consumer. Clients use LinkedIn to connect professionally with other organizations all the time. This enhances loyalties and promotes business propositions. That is why so many companies have been connecting with customers online, as portrayed in the following graph:



(Grau & Elkin, 2010)

Some online advertisements are annoying to people and may relate negative connotations to the sites or brands involved. Others are very

interactive and support customer preferences. With social media sites, people can “Like” or “Follow” their favorite products and organizations on Facebook and Twitter. This has enhanced customer involvement because they feel closer to the brand. They may also hear about an online campaign through another channel such as radio, tv, or even billboards. Of course, word-of-mouth is another source.

Online purchases have introduced a new realm of convenience but at a price. Though it may be easier to see all the items a company has in store, it takes away from the human aspect of the process. There is no “trying-on” clothes, and users must rely on their past experiences with the brand or guessing. This may lead to inappropriate sizing upon delivery and discontent.

Limitations and Conclusions

In summation, customer expectations and experience go hand-in-hand. Companies must ensure to continually provide quality products and advertising processes in order to hold onto existing customers.

Crucial notions in the understanding of customer dynamics concern the fact that current customer satisfaction affects future expectations. Other researchers have shown that current satisfaction scores are strong predictors of future satisfaction scores. This seems to suggest that satisfaction scores are pretty stable over time and that there are strong carry-over effects (Verhoef et al., 2009, p.38).

Unless a BP-like incident was to occur, these scores would generally be the same for a customer’s lifetime. In that case, better public relations would have to be in effect to keep the loyalty of customers.

Furthermore, as noted, the methods which fall under the categories in Appendices B and D are not mutually exclusive. They are all very important and themes may overlap in some areas on the road to customer experience.

“Your brand must become your customer experience, and your customer experience must become your brand” (Moore 2002). The Deming and Pisano website clearly emphasizes the importance of the client experience. Not only does it encourage client relationship and loyalty but an important point it notes is,

Is The Client Experience the same as The Customer Experience? It is - with one big difference: we work with you to encourage your customers to become clients. This means we help you build long-term loyalty, repeat business, and cross-buying with your target customers (Deming and Pisano, LLC 2011).

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The Client Experience™ determines if the clients will try your product the first time, repurchase, increase their depth of purchases, and recommend your brand to their colleagues and friends.

Deming & Pisano White Papers

White Paper
"The Art and Science of Transforming The Client Experience in Your Company"
By Lois Deming

White Paper
"The Client Experience is Essential to Organization Success"
By Dr. Daniel J. Pisano

If organizations want to measure the elements of an ideal customer experience there are many ways to go about it. Surveys and focus groups is a good way to get feedback from consumers. This may take the form of online chat rooms or blogs seeing as technology encourages these as more convenient methods for the public. These methods would provide more detailed explanations over a simpler Likert scale questionnaire; companies would have to analyze which is more necessary in particular instances. YouTube campaigns like Old Spice's adds a creative touch to a product and feedback can be garnered via views, likes, or comments.

In examining return on investment, one can use both qualitative and quantitative measures to analyze whether the time and money put into a project returned enough profits. Clients can also see how much above or below the budget their advertising agency used. Loyalty can be witnessed in consumers by asking them if they would recommend the product or buy it again, and then encouraging Facebook likes or tweets on Twitter. Online help centers could also provide a survey to fill out pertaining to the level of assistance they received.

Customer friendliness could also be measured with a Likert scale for enjoyment, convenience, and expectations before and after purchase. A creative online YouTube campaign could be weighed with likes or users sending the link to friend on social networking sites. Product value could involve surveying product quality and design before and after for product purchases online.

Clearly, there are ways of measuring the ideal customer experience, but in order to obtain the best results, organizations must keep up with the times. The internet becomes more and more popular every day and agencies must be able to adapt to its many changes. This way, customers will be reached through many online channels and can easily spread the word to others online.

Appendix A

Sources	time	cost/ profit/ adherence to budget	brand loyalty	willingness to recommend/ return	expertise/ accuracy	availability/ courtesy	production process (& communication)	understandin g of needs	meet/ exceed expectations	understand customer emotions	enjoyment	convenience	quality/ value	product satisfaction/ design	professional appearance
		ROI		Loyalty				Customer Friendliness						Product Value	
Bear & Sauer 2000	X	X				X			X				X	X	
Bond & Fink 2001	X	X				X		X					X	X	
Bowen 2008	X			X		X	X						X		
Frow & Payne 2007	X	X	X	X		X	X		X				X		
Ghose 2009	X	X				X	X		X				X		
Ireland 2010	X	X				X	X		X				X		
Kordupleski, Rust, & Zahorik 1993	X					X	X		X				X		
Lane 2005	X	X				X	X		X				X		
Lutz & Foong 2008				X		X	X		X			X	X		
Moore 2002		X				X			X				X	X	
Mosley 2007	X	X				X			X				X		
Oh 2008	X	X		X		X	X		X				X		
Sweet 2005	X	X		X		X	X						X	X	
Ueltschy et al. 2008	X	X		X					X				X	X	
Verhoef et al. 2009				X		X			X				X		
Gaeta 2011	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X

Appendix B

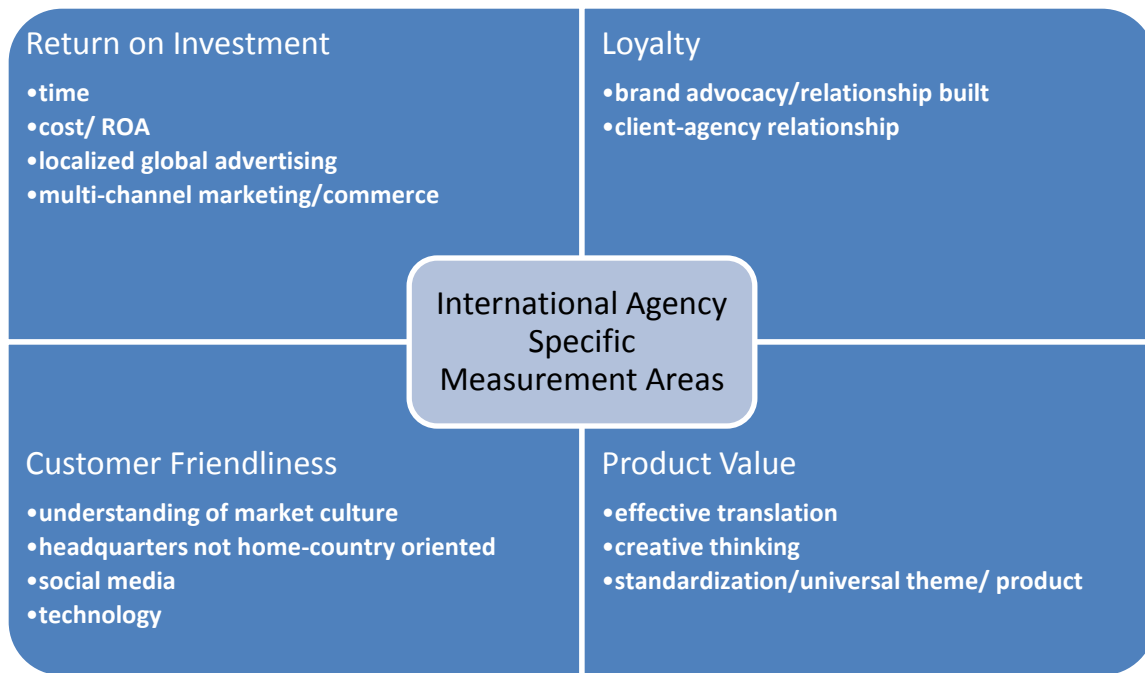


(Note: overlaps not shown)

Appendix C

Sources	multi-channel marketing	multi-channel commerce	technology	social media	brand advocacy/relationship built	understand market culture	headquarters not home-country oriented	effective transition	creative	standardization /universal theme/ product	localized global advertising	time	cost/ ROA	client-agency relationship
Carpano & Shao 1994	X						X		X	X	X		X	
Cheon 2004					X				X	X	X			X
Dou, Li, Zhou, & Su 2010								X		X		X		X
Duncan & Ramaprasad 1995										X			X	
Howard & Ryans 1988	X				X		X			X				
Jaeseok & Huhn 2002					X		X		X	X				
Kim Shyan & Waller 1999							X		X			X	X	X
Marketing Weekly News 2010	X													
Neisser 2006														
Sinclair 2008					X				X				X	
Wentz & Neff 2010					X				X				X	
Wilson & Amine 2009	X				X				X				X	X
Gaeta 2011	X	X	X	X	X	X	X	X	X	X	X	X	X	X

Appendix D



(Note: overlaps not shown)

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