

**THE REPUBLIC OF TURKEY
BAHCESEHIR UNIVERSITY**

**ANALYSIS OF THE ADVERTISING AGENCY –
ADVERTISER RELATIONSHIP IN DIGITAL
ADVERTISING**

Master's Thesis

KÜBRA YÜREKLİ

ISTANBUL, 2016

**THE REPUBLIC OF TURKEY
BAHCESEHIR UNIVERSITY**

**GRADUATE SCHOOL OF SOCIAL SCIENCES
MASTER OF BUSINESS ADMINISTRATION**

**ANALYSIS OF THE ADVERTISING AGENCY –
ADVERTISER RELATIONSHIP IN DIGITAL
ADVERTISING**

Master's Thesis

KÜBRA YÜREKLİ

Supervisor: DR. SELÇUK TUZCUOĞLU

ISTANBUL, 2016

**THE REPUBLIC OF TURKEY
BAHCESEHIR UNIVERSITY**

**GRADUATE SCHOOL OF SOCIAL SCIENCES
MASTER OF BUSINESS ADMINISTRATION**

Name of the thesis: Analysis of the advertising agency - advertiser relationship in digital advertising

Name/Last Name of the Student: Kübra Yürekli

Date of the Defense of Thesis: 17 May 2016

The thesis has been approved by the Graduate School of Social Sciences.

Asst. Prof. Dr. Burak Küntay
Graduate School Director
Signature

I certify that this thesis meets all the requirements as a thesis for the degree of Master of Arts.

Asst. Prof. Dr. Ela Ünler
Program Coordinator
Signature

This is to certify that we have read this thesis and we find it fully adequate in scope, quality and content, as a thesis for the degree of Master of Arts.

Examining Comittee Members

Signature

Thesis Supervisor
Dr. Selçuk TUZCUOĞLU

Member
Assoc. Prof. Y. Alper ECEVIT

Member
Dr. Fatih ANIL

ABSTRACT

ANALYSIS OF THE ADVERTISING AGENCY – ADVERTISER RELATIONSHIP IN DIGITAL ADVERTISING

Kübra Yürekli

Master of Business Administration

Thesis Supervisor: Dr. Selçuk Tuzcuoğlu

May 2016, 62 pages

With technological advancements, digital advertising became one of the most significant factors strengthening the advertising industry in last years. As a good partnership between advertising agency and advertiser is the key to success of advertising campaigns, this study aims to analyze advertising agency - advertiser relationship in digital advertising. Past researches have mostly focused on advertising agency-advertiser relationships in traditional advertising. The purpose of this study is to identify the changes in the factors impacting the advertising agency-advertiser relationship with development of digital advertising technologies and to provide valuable information for advertisers and advertising agencies that may help to improve the relationship in order to ensure conduction of advertising campaigns smoothly and successfully.

After introduction of advertising agency relationship life cycle and important factors affecting this relationship in different life cycle stages, digital advertising tools and changes in advertising industry with digital advertising trends are examined. Qualitative approach is adopted for the research to access detailed views of both parties of advertising, advertisers and advertising agencies, on research topic with in-depth interviews method. Most significant factors impacting advertising agency-advertiser relationships in agency selection, maintenance of advertising agency-advertiser relationship and agency termination stages are identified. Changes and challenges in advertising agency-advertiser relationships with rapidly changing digital advertising technologies are examined.

Keywords: Digital Advertising, Advertising, Advertising Agency - Advertiser Relationships, Advertising Agency, Advertiser

ÖZET

DİJİTAL REKLAMCILIKTA REKLAM AJANSI - REKLAM VEREN İLİŞKİSİNİN ANALİZİ

Kübra Yürekli

İşletme Yönetimi Yüksek Lisans Programı

Tez Danışmanı: Dr. Selçuk Tuzcuoğlu

Mayıs 2016, 62 Sayfa

Teknolojik gelişmeler ile, dijital reklamcılık son yıllarda reklam sektörünü güçlendiren en önemli faktörlerden biri haline geldi. Reklam ajansı ve reklam veren arasında iyi bir ortaklık, reklam kampanyalarının başarısının anahtarı olduğu için; bu çalışma reklam ajansı - reklam veren ilişkisini analiz etmeyi amaçlamaktadır. Geçmiş araştırmalar çoğunlukla reklam ajansı-reklam veren ilişkilerinin geleneksel reklamcılıkta incelenmesine odaklanmıştır. Bu çalışmanın amacı dijital reklamcılık teknolojilerinin gelişimi ile reklam ajansı - reklam veren ilişkisini etkileyen faktörlerdeki değişiklikleri tespit etmektir. Araştırma, reklam ajanslarına ve reklam verenlere ilişkilerini iyileştirmelerinde yardımcı olabilecek değerli bilgiler sunabilmeyi amaçlamaktadır.

Reklam ajansı-reklam veren ilişkisinin yaşam döngüsü ve bu ilişkiyi farklı yaşam döngüsü aşamalarında etkileyen önemli faktörler tanıtıldıktan sonra, dijital reklamcılık araçları ve dijital reklam akımları ile reklam sektöründe olan değişimler incelenmiştir. Reklamcılığın her iki tarafının da, reklam verenlerin ve reklam ajanslarının, detaylı görüşlerine derinlemesine mülakat yöntemi ile ulaşabilmek için, araştırma için niteleyici (kalitatif) yaklaşım benimsenmiştir. Dijital reklamcılıkta reklam ajansı-reklam veren arasındaki ilişkiyi reklam ajansı seçimi, reklam ajansı-reklam veren ilişkisinin sürdürülmesi ve reklam ajansı ilişkisinin sonlandırılması aşamalarında etkileyen en önemli faktörler belirlendi. Hızla değişen dijital reklam teknolojileriyle birlikte reklam veren-reklam ajansı ilişkisindeki değişiklikler ve zorluklar incelendi.

Anahtar kelimeler: Dijital Reklamcılık, Reklamcılık, Reklam Ajansı - Reklam Veren İlişkileri, Reklam Ajansı, Reklam Veren

CONTENTS

FIGURES	vii
1. INTRODUCTION	1
2. ADVERTISING INDUSTRY OVERVIEW	3
2.1 ADVERTISING AGENCY – ADVERTISER RELATIONSHIP LIFE CYCLE	7
2.2 FACTORS AFFECTING AGENCY SELECTION & AGENCY SATISFACTION IN TRADITIONAL ADVERTISING	8
2.3 FACTORS AFFECTING DISSATISFACTION & AGENCY - TERMINATION IN TRADITIONAL ADVERTISING	12
2.4 IMPROVING THE ADVERTISER – ADVERTISING AGENCY RELATIONSHIP	13
3. DIGITAL ADVERTISING & DIGITAL ADVERTISING TOOLS	16
3.1 DISPLAY ADVERTISING	17
3.2 WEBSITES	18
3.3 SEARCH ENGINE MARKETING	19
3.4 EMAIL MARKETING	20
3.5 SOCIAL MEDIA MARKETING (BLOGS, WIKIS & SOCIAL NETWORKS)	20
3.6 VIDEO ADS	22
3.7 VIRAL MARKETING	22
3.8 MOBILE MARKETING	23
3.9 CHANGES IN ADVERTISING INDUSTRY WITH DIGITAL ADVERTISING	24
4. RESEARCH ABOUT ADVERTISING AGENCY - ADVERTISER RELATIONSHIP IN DIGITAL ADVERTISING	28
4.1 RESEARCH OBJECTIVES	28
4.2 METHODOLOGY OF THE RESEARCH	29
4.3 INTERVIEWEE OVERVIEWS	29
4.4 INTERVIEW QUESTION OVERVIEWS	31
4.5 LIMITATIONS	32

4.6 FINDINGS	32
4.6.1 Perspectives on Factors Impacting Agency Selection	33
4.6.2 Perspectives on Factors Impacting Agency Satisfaction & Maintenance of Relationship	39
4.6.3 Perspectives on Factors Impacting Agency Dissatisfaction and Agency Termination	44
4.6.4 Perspectives on the Role of Creativity, Price Levels and Customer Relationship Management in Advertising Agency-Advertiser Relationships	49
4.6.5 Perspectives on Challenges in Advertising Agency-Advertiser Relationship with Changing Digital Advertising Technologies	52
5. DISCUSSION & CONCLUSION	57
REFERENCES	63
APPENDICES	68
APPENDIX 1 - In-depth Interview Questions for Advertising Agencies in Turkish	69
APPENDIX 2 - In-depth Interview Questions for Advertisers in Turkish	70

FIGURES

Figure 2.1: Global advertising industry value between 2010 and 2014.....	5
Figure 2.2: Turkey advertising industry value between 2010 and 2014.....	5
Figure 2.3: Share of global ad spending by medium.....	6



1. INTRODUCTION

While advertising is one of the most significant elements of marketing, relationships between advertising agencies and advertisers are the key to success of advertising campaigns for clients and advertising agencies. Decision of advertising agency selection, maintenance of advertising agency-advertising relationship and agency relationship termination decisions are impacted by various factors related with both parties; advertising agencies and advertisers. Whereas a successful relationship between advertising agency and advertiser is significant for advertisers in order to maintain success of their advertising campaigns, it is also crucial for advertising agencies to maintain their payments and prestige in the industry.

Considering the rising expenditures on digital advertising and the changes in advertising industry with rapidly developing digital advertising technologies, research on digital advertising and advertising agency-advertiser relationship in digital advertising becomes increasingly important. For this reason, this thesis aims is to analyze the advertising agency-advertiser relationship in digital advertising and to find out the changes in this relationship as a result of changing expectations of advertisers due to changing digital advertising technologies. In the theoretical-conceptual background the main models, well established definitions and assumptions on advertising, advertising agency - advertiser relationship and digital advertising will be introduced.

In order to summarize the research purpose and objective, the research question is formulated as: "How advertising agency - advertiser relationship is affected with digital advertising?". The sub questions are formulated below:

- i. According to which factors, do advertisers select their advertising agencies in digital advertising?
- ii. Which factors are found to be significant by advertisers and advertising agencies in maintaining and improving the relationship between advertisers and advertising agencies?

- iii. Which factors impact decision of advertisers to terminate their relationship with their advertising agency in digital advertising from perspectives of both advertising agencies and advertisers?
- iv. What is the role of creativity, communication and prices in advertising agency - advertiser relationship in digital advertising?
- v. Is advertising agency - advertiser relationship challenged with rapidly changing digital advertising technologies?

Due to the research question, the main focus will be on the advertising agency-advertiser relationship and changes in the factors impacting the relationship in digital advertising for successful conduction of advertising campaigns. The second chapter examines advertising industry from the beginning of advertising in order to give an overview on the developments in advertising industry and the significance of digital advertising in advertising economy today. In the third chapter digital advertising is explained with a brief history of various digital ad formats. In this chapter various digital advertising tools are illustrated and changes in advertising industry with digital advertising technologies are discussed. As this study aims to find out the significant factors impacting advertiser - advertising agency relationship in digital advertising from perspectives of both advertisers and advertising agencies; a qualitative approach with in-depth interviews method is selected for the research. Finally, the fourth chapter illustrates the construction of the research and analysis of the results gathered through in-depth interviews.

2. ADVERTISING INDUSTRY OVERVIEW

Advertising is the business of announcing that something is for sale or of trying to persuade customers to buy a product or a service (Ivanovic & Collin 2003, p. 6). Organizations communicate with their customers to inform about a product/brand, create awareness, perception and/or a preference on the product/brand and persuade the customers to purchase the product/brand (Bendixen 1993, p. 19). Advertisements have existed almost for all the time in different forms and played a crucial role in development of societies and cultures (Norris 1980, p. 4-7). The history of advertising industry has been influenced by various factors such as technological developments, advertiser's changing needs, globalization and economic cycles affecting advertiser-advertising agency businesses (Powell *et al.* 2009, p. 13).

Hammurabi's temple in Uruk is even claimed by some to be early examples of billboard advertising. As industrial revolution transformed economy and life in general in many aspects, the revolution had significant impact on the quantity and forms of advertising we have today. Technological advancements increased the goods available for marketing with expanded production and manufacturers started searching for ways to achieve market power against distributors to be able to sell the goods at their prices. As a result, advertising was used with the purpose of creating product differentiation as it is used today and it enabled manufacturers to gain market power and increase their profits by raising the prices (Norris 1980, p. 4-7). Using advertising to build awareness and desire on brands, manufacturers increased their power in the marketplace against retailers which have the advantage of being closer to customers (Semenik *et al.* 2012, p. 169).

The advertising industry is composed of advertising agencies; which provide variety of advertising products and services for advertisers, advertisers and publishers. Advertisers aim to reach their audiences communicating marketing messages via advertising in order to generate awareness or sales for their products.¹ Advertising is composed of media messages that advertiser companies invest in with the aim of changing behaviors

¹ IHS Technology, 2015. http://www.iabeurope.eu/files/9614/4844/3542/IAB_IHS_Euro_Ad_Macro_FINALpdf.pdf, [accessed 10.01.2016], p. 4.

of the reached audience in advertisers' expected directions. A substantial number of people work in advertising industry to develop and publish those advertising messages (Weillbacher 1984, p.13-16). The advertising industry is composed of advertising agencies delivering variety of advertising products and services ranging from sponsorship of sports events and teams to internet advertising campaigns through several channels. Advertising involves activities of three types of companies which are advertisers, publishers and advertising services providers. Advertising agencies plan, design and manage advertising campaigns for advertiser companies which aim to communicate marketing messages to their audiences and generate awareness or sales for the advertisers' products.²

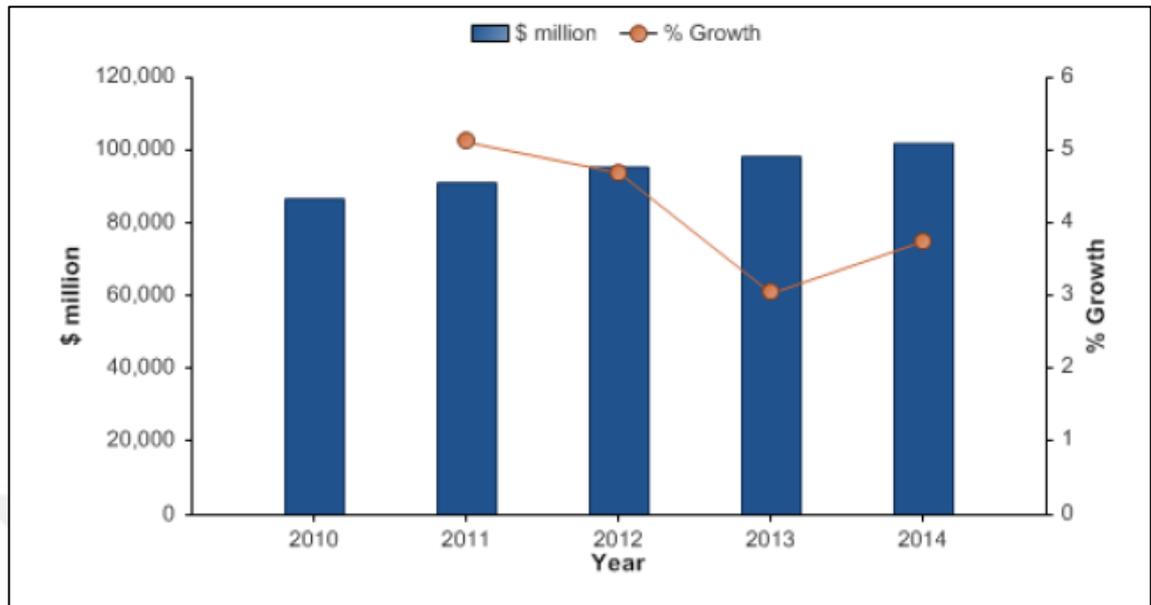
While main objective of advertising is to persuade people to buy, the outcome of increased demand with advertising is not only increased sales but also increased production and jobs (Norris 1980, p. 4-7). Advertising has significant impact on the economy not only with its impact on audiences but also the jobs and profits created within advertising industry.³ Advertising changed also mass communications that publishers became the gatherer of consumers for advertisers to sell a product (Norris 1980, p. 7-8).

In 2014, the global advertising industry revenues reached \$101,999.9 million as a result of 4.1 percent growth between 2010 and 2014. It is given in Figure 2.1. Turkish advertising industry grew by 10.6 percent in the same time period reaching \$1,642.7 million with a higher growth rate compared to global advertising, as seen in Figure 2.2. Turkish advertising industry is forecast to grow at a strong rate of 9.4 percent for the 5 years period and reach \$2,576.8 million by the end of 2019 (Marketline 2015a, p. 2).

² IHS Technology, 2015. http://www.iabeurope.eu/files/9614/4844/3542/IAB_IHS_Euro_Ad_Macro_FINALpdf.pdf, [accessed 10.01.2016], p. 4.

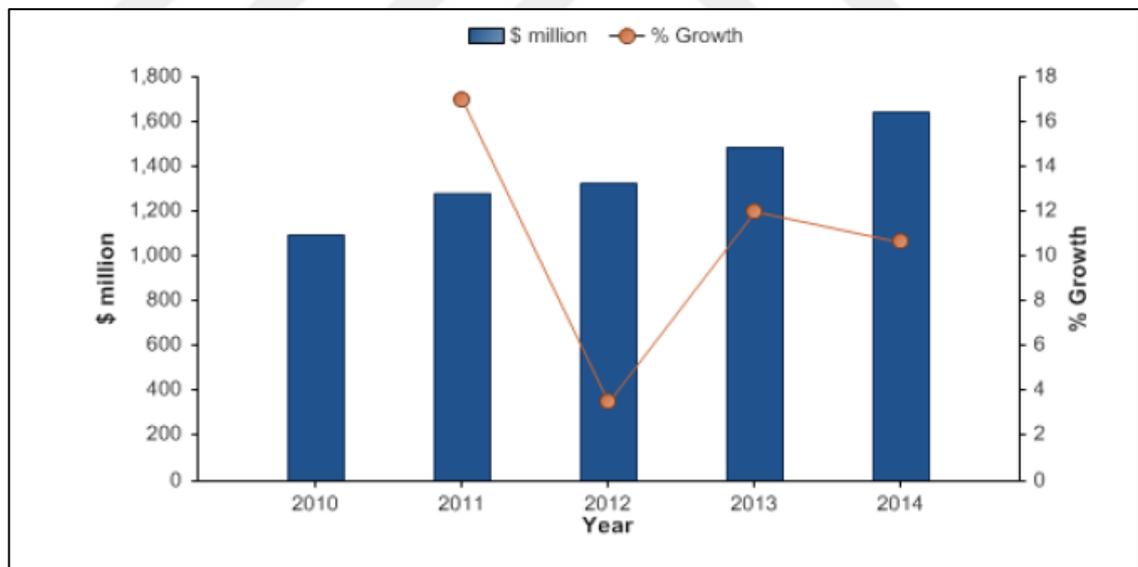
³ IHS Technology, 2015. http://www.iabeurope.eu/files/9614/4844/3542/IAB_IHS_Euro_Ad_Macro_FINALpdf.pdf, [accessed 10.01.2016], p. 4-5.

Figure 2.1: Global advertising industry value between 2010 and 2014



Source: Marketline, 2015b. Global advertising. Marketline Industry Profile. London: Marketline, p. 7.

Figure 2.2: Turkey advertising industry value between 2010 and 2014



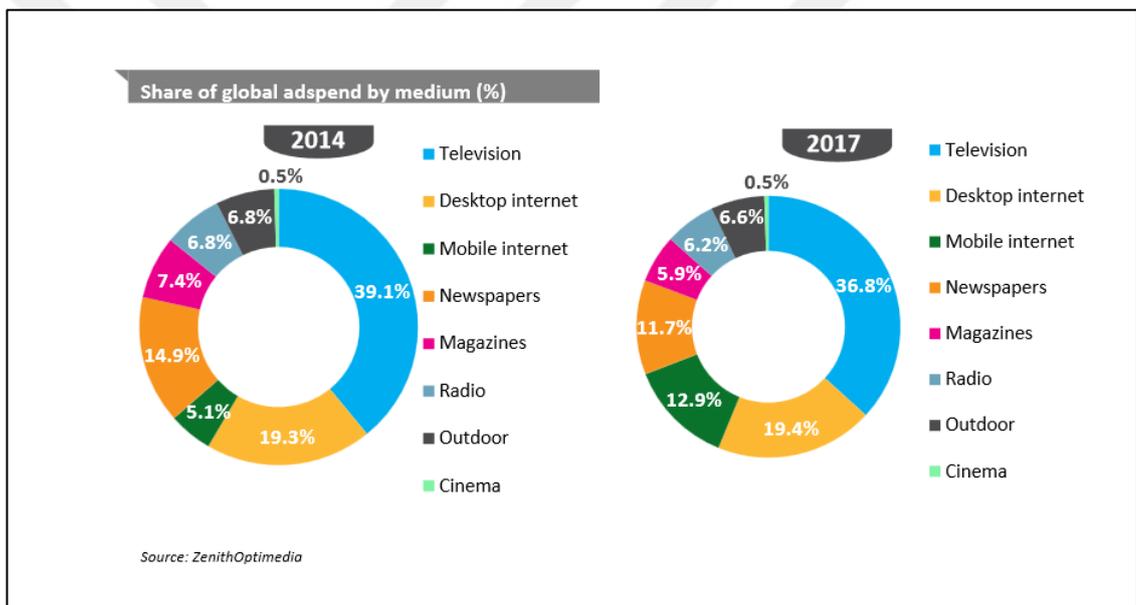
Source: Marketline, 2015a. Advertising in Turkey. Marketline Industry Profile. London: Marketline, p. 2.

With technological advancements, digital advertising became one of the most significant factors strengthening the advertising industry in last years (Marketline 2015a, p.7). According to the reports of ZenithOptimedia, internet advertising spending is in second place among advertising mediums in global with 24 percent of the total

global advertising spending, as it is seen in Figure 2.3. The television advertising is maintaining its first place among advertising mediums with its 39 percent share of total spend in 2014.⁴

Internet advertising's share of global advertising spend has risen from 4 percent in 2004 to 24 percent in 2014 while newspapers' share of global spend has fallen from 30 percent to 15 percent and magazines' share has fallen from 13 percent to 7 percent. Share of internet advertising is forecast to grow to 32 percent in 2017, while newspapers and magazines shares are expected to continue shrinking.⁵

Figure 2.3: Share of global ad spending by medium



Source: ZenithOptimedia, 2015. <http://www.zenithoptimedia.com/wp-content/uploads/2015/06/Adspend-forecasts-June-2015-executive-summary.pdf>, [accessed 10.02.16], p. 9.

Turkish Association of Advertising Agencies reported that while in 2014 the advertising expenditure in Turkey was \$2,638 across TV, newspapers, print, out-of-home, radio,

⁴ ZenithOptimedia, 2015. <http://www.zenithoptimedia.com/wp-content/uploads/2015/06/Adspend-forecasts-June-2015-executive-summary.pdf>, [accessed 10.02.16], p. 9.

⁵ ZenithOptimedia, 2015. <http://www.zenithoptimedia.com/wp-content/uploads/2015/06/Adspend-forecasts-June-2015-executive-summary.pdf>, [accessed 10.02.16], p. 9.

and cinema advertising⁶, online advertising; in 2015 the advertising spending grew by 7,81 percent in Turkey.⁷

Growth in digital media spending in 2013 in Turkey at a rate of 23 percent is the indicator of a similar situation in Turkey (Marketline 2015a, p.7). According to the report of Turkey's Association of Advertising Agencies, digital advertising spending for search, display and mobile application advertising is 21 percent of total advertising spending in 2015 in Turkey.⁸ As a result of technological advancements in advertising industry, advertising agencies need to differentiate themselves from others with innovation and expertise by improving their products/services and adjusting to different consumer needs (Marketline 2015a, p. 13).

2.1 ADVERTISING AGENCY – ADVERTISER RELATIONSHIP LIFE CYCLE

Developing of a strong and good partnership with advertising agencies is very significant for the advertisers in order to conduct the advertising and promotional campaigns smoothly and successfully, but a strong relationship can only be developed over a long period of time (Fam & Waller 2008, p. 217-220). Whereas a good partnership is the key to success of advertising campaigns for the clients, it is also crucial for the agencies to keep their paying clients (Waller 2004, p. 95).

According to many researchers, the advertiser-advertising agency relationship life cycle is composed of three stages: “agency evaluation/selection”, “relationship development and maintenance”, and “agency review/termination” (Waller 2004, p. 95). The lifecycle begins with the "agency evaluation/selection stage" when an advertiser selects an advertising agency to run its' advertising/promotional activities. When the client does not already have a satisfying advertising agency, the client evaluates potential agencies to make a final decision (Waller 2004, p. 99).

⁶ Turkish Association of Advertising Agencies, 2015b. <http://rd.org.tr/doc/RD-MEDYA-YATIRIMLARI-2014-NISAN-2015.pdf>, [accessed 10.01.2016]

⁷ Turkish Association of Advertising Agencies , 2015a. http://rd.org.tr/doc/RD_TABLO_2015_EKIM.pdf, [accessed 10.01.2016]

⁸ Turkish Association of Advertising Agencies, 2015a. http://rd.org.tr/doc/RD_TABLO_2015_EKIM.pdf, [accessed 10.01.2016]

Agency selection stage is initiated by advertiser also if existing advertising agency of the advertiser has insufficient skills in the new business area entered, or if advertiser wants to compare its existing agency with competitor agencies especially creatively (Powell *et al.* 2009, p. 17). Wackman *et al.* (1987, p. 22) defined this stage in his research as "pre-relationship stage" as the phase when the agency and the advertiser learn about each other before a formal contract or agreement is established.

Once the advertising agency is selected, agency and the advertiser work together to successfully develop and maintain the relationship in "relationship development and maintenance stage" (Waller 2004, 102). In some researches, this stage is evaluated as two separate stages as development stage and maintenance stages; but these two stages are examined together as they have similar features. While development stage is defined as the period when first advertising campaigns are conducted, maintenance stage is defined as the period when a deep relationship is developed and several advertising campaigns are conducted. Maintenance stage is expected to be the most profitable phase for the advertising agency (Wackman *et al.* 1987, p. 22).

Final stage, "agency review/termination stage", is the review of the agencies' performance to decide to continue working with the agency or to terminate the relationship (Waller 2004, p. 105). The relationship between the agency and the advertiser changes over time as the relationship develops in different life cycle stages (Fam & Waller 2008, p. 218).

2.2 FACTORS AFFECTING AGENCY SELECTION & AGENCY

SATISFACTION IN TRADITIONAL ADVERTISING

It is critical to comprehend the main factors affecting agency-client relationships and taking into account that the attitudes of advertisers can change in different stages of the relationship between agency and client. Fam and Waller's (2008) study found that people factor, which includes interpersonal relations, creative ability, quality management, and integrity & shared purpose, is the main criterion for agency selection. According to the research of Wackman *et al.* (1987, p. 23), advertisers select advertising

agencies which have strong creative abilities, experience in advertiser's industry employing experienced staffs.

Trust creation is also a strategic asset that effects agency selection and sustaining trust is significant for long relationships. According to the results of Davies and Prince's (2005, pp. 24-25) study, the clients prefer to work with the agencies that they trust because they do not have sufficient time or expertise to audit all decisions of the agencies. There are different trust creation strategies. Advertising agency's motivation to work with advertiser is one of the important factors that help agencies to build trust in advertisers. In addition to trust creation strategy, while some small agencies may promote their flexibility to deliver varied products in order to attract advertisers, some agencies may appeal to clients' values and aspirations investigating the background of their clients (Davies & Prince 2005, pp. 7-25).

The reputation of the advertising agency is also significant in selection of a new advertising agency, and it is evaluated by factors such as references about agency performance from previous or existing advertisers of agency, awards of the agency and reasons of its break up with past clients (Fam & Waller 2008, pp. 221-225). Awards are invaluable for advertising agencies for recognition and they help agencies acquire new advertiser clients and maintain their existing advertisers with advanced loyalty. Besides, more talented employees may prefer working in the advertising agencies with prestigious awards which may increase the success of advertising agency (Helgesen 1994, pp. 43-44). Winning award is one of the best ways for an advertising agency to differentiate itself from the competitors and gain attention of potential advertisers (Galmes, Berlanga & Victoria 2016, p. 82).

Creativity of an advertising agency is crucial in agency selection decisions being a significant agency qualification and criterion to assess agency success as an implication of effective advertising campaign (Helgesen 1994, p. 44). Most of the advertising agencies aim to attract advertisers which search for new agencies via presentations which respond to advertisers' needs and requests. Despite presentations' impact in agency selection decision, presentations may not be perfect indicator of potential creative performance of the agency (Davies & Prince 2005, p. 2). The agencies' having

cross holdings also is seen as a factor in selection of an agency nowadays as the studies reveal that the agencies having strategic alliance with international agencies are preferred more by the advertisers having high ad budgets and international operations (Arul2011, p. 237). Whereas unsophisticated advertisers with short-term advertising plans may be more price-conscious and they can be impressed by low price policies of advertising agencies; sophisticated advertisers which aim long-term relationships with advertising agencies are more appealed to advertising agencies with strong strategic thinking capabilities (Davies & Prince 2005, pp. 10-20).

Trust, honesty and commitment are also evaluated as the most significant factors in development and maintenance stage for long-term relationships with agencies as the backbone of the relationship. In development and maintenance phases other important factors affecting relationship with agencies are selected as information exchange, joint working, understanding, communication effectiveness, conflict handling, satisfaction, benefits, and relationship strength (Fam & Waller 2008, p. 234).

Advertising agencies provide highly customized services to meet the advertiser organizations' specific needs, and human element becomes a significant component of the services because the nature of the advertising is based on communication (Salleh & Rahim 1995, pp. 31-41). After agencies establish the relationship, creativity and closeness to the clients' way of thinking become crucial for the agencies to retain the developed trust in clients (Davies & Prince 2005, pp. 24-25). In addition to creative abilities of advertising agency and quality of creative work; honesty, follow-up skills and meeting deadlines are other significant factors related with agency which impacts maintenance of advertising agency-advertiser relationships (Wackman *et. al* 1987, pp. 26-27).

Agency proactivity, which is defined as being predisposed to anticipating and acting on the future needs of a client, is also found to be crucial for client satisfaction. According to the studies, agencies need to give importance to client-relevant researches, credibility building and continual communication to maintain the relationship (Beverland, Farrelly, & Woodhatch 2007, pp. 58-59).

Strategic thinking in development of advertising campaigns which are in line with the objectives and values of advertiser organization is crucial in advertising agency-advertiser relationships with its impact on advertisers in agency selection and agency switch decisions. Advertising agency's responsiveness to changes requested by advertiser, generating new creative ideas, being in regular contact with advertiser and developing trust in advertiser with honesty are other important factors that advertising agencies should demonstrate in order to attract new advertiser clients and build confidence in existing clients for maintenance of relationships (Davies 2006, pp. 389-390).

The results of Suh, Jung & Smith's study (2012) suggests that traditional performance measures like sales goals and audience reach are not enough to evaluate the agencies. According to this study, client learning is a critical criterion not only for creating value for customer, but also for adopting organizations to changes. However client learning is directly influenced by the agency's creativity; engendering creativity is not only the responsibility of the agency, but outcome of a good partnership between the agency and the client. When clients encourage creativity, agencies develop more creative products. Besides, clients learn from the agency's creative process especially from highly successful marketing campaigns (Suh, Jung & Smith, 2012, pp. 435-436). Agencies expect more freedom and respect from their clients for creative work (Arul 2011, p. 237).

Different advertisers may have different needs from the advertising agencies, but accountability on money spent on the advertisement is a common factor that all clients expect from their advertising agencies. When sustainability is established after the selection process, mutual respect and responsiveness become crucial to strengthen the relationship between the advertiser and the agency (Arul 2011, p. 237).

2.3 FACTORS AFFECTING DISSATISFACTION & AGENCY TERMINATION IN TRADITIONAL ADVERTISING

In the "agency evaluation/selection stage", there are some barriers that may prevent the advertiser selecting an agency such as agency's not having a satisfactory image, the proposed budget's exceeding the advertiser's budget or proposed campaign's being disagreed by the advertiser. According to the researches; other barriers to the continuance of the relationship may appear on agency side in next stages such as lack of cost-consciousness, unnecessarily over spending, not meeting the specific deadlines while executing the advertising campaign and failing to meet advertising campaign's objectives (Hotz, Ryans & Shanklin 1982, pp. 40-44; Salleh & Rahim 1995, pp. 31-41). In the final stage of advertising agency-advertiser relationship lifecycle, the "agency review/termination stage", the advertiser evaluates the performance of the advertising agency and some factors like "the degree of service quality" determines the advertiser's perception of the advertising agency as positive or negative (Waller 2004, p. 105; Salleh & Rahim 1995, pp. 31-41).

Fam and Waller's (2008) study found that the lack of closeness, bonding and client dependence; is the most significant factor driving failures in agency-advertiser relationships. Other negative factors are found to be high personnel turnover within advertising agencies, agency's tendency not to listen and poor follow-up (Hotz, Ryans & Shanklin 1982, pp. 40-44). International alignments, management changes, product conflicts, and disenchantment with each other are reasons for switching advertising agencies according to the results of Ammani's research (2012, p. 46).

Expectation of a higher standard of creativity is also found to be one of the most important reasons of agency change although sometimes the agency can avoid this situation by changing the account team. Arul's study (2011, p. 228) reveals that other possible reasons for change of agency are client's looking for an agency that has more business and market knowledge, has more enthusiasm in account handling, has more commitment to the client and employs good personnel with teamwork mindset. Agency

switch may also exist in case of inefficient account management and poor follow up of advertising agency (Arul 2011, p. 228).

Evaluation of the agency by the advertiser and frequency of the negative factors on agencies/advertisers depend on the length of the relationship between the advertising agency and the advertiser. The factor of failure to meeting deadlines is found to be faced more often in the advertising agencies that have been in more than ten years long relationship with their advertisers compared to the agencies having shorter duration relationship with their clients. The advertisers with long-term relationship consider lack of openness as a major issue, while advertisers with shorter duration relationships do not mention this as a high issue (Hotz, Ryans & Shanklin 1982, pp. 40-44).

There are also some shortcomings on advertisers' side that are found to be significant by advertising agencies. For instance, poor communications on the part of client organization is believed to be a frequent advertiser shortcoming. High number of approval levels, lack of clear objectives, indecisiveness and lack of marketing/advertising knowledge are some of other shortcomings of advertiser organizations according to advertising agencies' evaluations. On the other hand; while advertisers consider high expectation from advertising agencies as a shortcoming of themselves affecting the relationship with the advertising agencies negatively; agencies feel differently that they generally meet expectations of the advertisers adequately (Hotz, Ryans & Shanklin 1982, pp. 40-44).

2.4 IMPROVING THE ADVERTISER – ADVERTISING AGENCY RELATIONSHIP

Increasing competition makes the clients expect more from their agencies in development of creative, cost effective and successful campaigns. Clients evaluate their advertising agencies regularly comparing with their rivals and switch over agencies if they notice meaningful performance differences. A successful advertising agency - advertiser relationship is essential to a firm's success. Failures in agency-client relationship can result in considerable costs in terms of money and effort because

finding a new agency, developing confidence in the new agency and starting to conduct new successful advertising campaigns take long time. For these reasons, it is very important for an advertiser to improve the relationship between the agency and the advertiser as it is significant for an advertising agency (Fam & Waller 2008).

Wackman *et al.* (1987, p. 23) identified four sets of factors influencing the productivity of the advertising agency-advertiser relationship. "Work product factors", which are the advertisements and advertising plans done by an agency for the client, is the first set of factors. "Work pattern factors", which are day to day aspects of how the agency and advertiser work together, is the second set of factors. The third set of factors is "organizational factors" which include qualifications and experience of agencies' and advertisers' personnel, policies and organizational structures of both parties. Finally, the fourth set of factors is defined as "relationship factors" which includes the trust level between agency and advertiser personnel. According to the results of the researches over these factors, relationship factors were found to be the most significant predictor for advertiser's satisfaction. As second most important item for satisfaction was found to be fair charging which is part of "organizational factors". The next most important item was selected as efficiency of agency meetings which is part of "work pattern factors". Finally, quality of creative work and research was selected to be other important factors as part of "work product factors" (Wackman *et al.* 1987, pp. 23-27).

Creativity of the agency is very critical in evaluating the performance of the agency according to the studies of Suh, Jung & Smith (2012, p.238). Clients' encouraging creativity and creating the environment for the creative work helps the agencies take risks and, develop creative and successful campaigns. The findings of the study suggests that clients can improve their learning in the relationship with the agencies in different ways such as both clients' and agencies' believing in team work, clients' learning from the creative campaign development process of the agencies as well in addition to campaign outcomes and clients' encouragement of agencies to be creative (Suh, Jung & Smith, 2012, p. 436).

According to the Arul's research findings (2011, p. 238), clients should encourage open communication to build long-term relationships with the advertising agencies. Close

working relationships and interpersonal connections are also very critical to ensure that the expectations of the clients are met by the agencies.



3. DIGITAL ADVERTISING & DIGITAL ADVERTISING TOOLS

There have been tremendous changes in advertising with changing consumer preferences in terms of how and where they prefer to obtain information, and new communication technologies (Semenik *et al.* 2012, p. 7). As a result of technological developments and increased access to the internet, digital advertising became a new sector for advertising (Barfoot, Burtenshaw & Mahon 2006, p. 64). Digital advertising has grown rapidly in recent years at a higher growth rate than whole advertising market. Online advertising is seen to have some advantages over traditional advertising methods (magazines, newspapers, radio, TV, bill boards, catalogues, flyers, etc.) such as lower costs, richness of format, more targeted marketing, quicker release and giving more control to customers (Xu & Quaddus 2010, pp. 46-47).

Digital advertising has become a dominant activity financing highest share of online platforms and contents today (McStay 2010, p. 12). However, the internet advertising has its own challenges for companies that do not exist for traditional media. For instance, rating the delivery of advertisements is a challenge in digital advertising because visit frequency is used to determine this rate but the same person can access a website from different computers (Danaher, Lee & Kerbache 2010, p. 345).

Today companies expand their investments on digital advertising in various ad formats to drive traffic to their websites, depending on the result of the investigations that have been made thus far on consumers' behavior changes after visiting websites. As most companies invest on different types of online ads in addition to offline advertisements today, they have a challenge to attribute their success across those different advertising tools. Companies gain the ability to target customers with personalized ads only with digital advertising. Ads are shown to customers according to their previous exhibited interests with the help of online algorithms developed to identify each customer's interest based on his/her tracked online behavior (Neslin & Winer 2014, pp. 326-327).

Digital advertising has significantly developed in the last decade. Ads on the internet were in form of simple banners in the beginning of the internet advertising and only

short messages could be delivered with those banners. Today, internet banners include pictures, product descriptions and messages; besides they work differently conveying integrated communication messages with continually changing contents in order to attract audiences to their websites (Hanafizadeh & Behboudi 2012, p. 22-23). Marketers can utilize several digital advertising techniques such as websites/micro sites, targeted and animated banners, social media marketing, search engine marketing, paid search, blogs, video ads, viral marketing podcasts, social networks, user-generated contents, email marketing (Barnes & Hair 2009, pp. 223-239; Wolin *et al* 2002). Most frequently used digital advertising tools and methods will be introduced in following sub chapters.

3.1 DISPLAY ADVERTISING

Display ads are the online version of traditional print ads which appear on high traffic websites (Neslin & Winer 2014, p. 326). Banner advertising was first introduced in 1994 and the first interactive banner was invented in 2004. Advertising messages were shown in banners in newsgroups and proprietary services. In 1998, pop-up ads emerged as a new style of digital advertising which appears in a separate browser window being independent of the existing website and pop-ups became a common form of digital advertising like banners (Barnes & Hair 2009, pp. 223-239).

Display advertising still maintains its popularity being the most common used form of online advertising by advertisers and advertising agencies, and this situation may result in a misunderstanding in that online advertising means using only pop-ups and banners in the internet (McStay 2010, p. 43). Nevertheless, life of banner and pop-up advertisements is short and they need to be changed at most every two weeks (Barfoot, Burtenshaw & Mahon 2006, p. 64).

Banner advertisement has not lost its importance to this day, despite the invention of new techniques in digital advertising with technological advancements and banners were believed to be one of the most common ways to attract customers to a website and engage with them to promote a product/service (Barnes & Hair 2009, pp. 223-239). Banner has also a branding impact over customers in addition to its aim to drive traffic

to websites. With use of interactive and animated rich media banners, important increase in responses to banners and brand perception has been observed (Altstiel & Grow 2013, p. 309).

A research made in 2006, which investigated efficacy of banner advertising driving online purchasing, revealed that number of exposures and the number of websites that banner ads are shown on, increased purchasing rates. Realization of the advantages that display advertising types have on awareness, recognition and attitude formation has resulted in steadily increasing spending on these types of advertisement (Neslin & Winer 2014, p. 327).

3.2 WEBSITES

Business websites are used to inform customers about the company, its products or services. According to a survey by Oracle, 74 percent of customers use company websites in order to get information about products and services, but only 44 percent believe that the information on company websites meet their needs (Washington 2014, p. 118). In addition to corporate websites of companies, microsites are also used as landing pages with the purpose of introducing new products or promotion (Altstiel & Grow 2013, p. 309).

In 1995, new digital advertising applications were invented on the internet including cookies and corporate websites in addition to the banners which had already been successfully used as an advertising tool that time. Cookies allowed the companies to personalize their websites by identifying and tracking customers' online behaviors. However, development of cookies resulted in customer concerns about privacy rights and new standards were developed to protect rights of customers. Websites allowed companies to engage with their customers with interactivity (Barnes & Hair 2009, pp. 223-239). A recent research by Corporate Executive Board found that optimizing their website is the best thing a company can do in terms of digital strategies (Washington 2014, p. 118).

3.3 SEARCH ENGINE MARKETING

Results are shown in search engine results pages in two categories: organic search and paid search. While organic search results are shown according to their relevance to the search terms, paid search results are listings that are paid by advertisers to appear and be clicked on search engines (Washington 2014, p. 105). Search ads are used to target the customers who search for specific key words. Paid search advertising has grown rapidly like banner advertising (Neslin & Winer 2014, p. 326-329). Digital advertising spent is dominated by search advertising spending as 40 percent of total spending on digital advertising is on search advertising (McStay 2010, p. 49).

After keyword searches were embedded into the new internet technology, targeting advertising to keyword search queries was introduced in 1995 and used as a new advertising technique to promote products and services online. As researches showed that customers usually do not browse more than three pages of the search engine results, existence in top of the search results became crucial for brands (Barnes & Hair 2009, pp. 223-239). The advertisements that appear at the top of the search results are clicked more by customers (Neslin & Winer 2014, pp. 326-329). Companies develop strategies to appear near the top of search engine results pages and they purchase ads on search engines in order to gain traffic to their websites (Washington 2014, p. 105). Another finding about click-through rates is that keywords mentioning a specific retailer are clicked more (Neslin & Winer 2014, pp. 326-329).

Several studies showed that click-through rate is not the only advantage of search advertising, but advertising a brand when a generic keyword is searched also increases future searches for this specific brand. Another impact of sponsored search advertising is found in a study made in 2011 by Rutz, Trusov and Bucklin that paid search ads may result in customers' visiting the brands websites later typing the URL of the website directly (Neslin & Winer 2014, p. 330).

3.4 EMAIL MARKETING

Email ad campaigns are online versions of the traditional direct mail campaigns to target specific individuals on contact lists and allow companies to communicate with customers with customized contents (Neslin & Winer 2014, p. 326). Forrester Research estimated the investment on email marketing as \$4.4 billion in 2013 (Washington 2014, p. 90). Email advertising enables advertisers to contact with customers which allow interaction via email and give them the chance of intimate contact with their consumers. Email marketing was found to be the most popular type of direct marketing in US according to a research made in 2008 (McStay 2010, pp. 46-48).

Customers' responses can be analyzed by companies to optimize the layout, content and timing of their emails to be sent to their customers. Optimization of email messages is found to increase click-through rates by more than 60 percent. It is revealed that effect of emails increases when a customer has purchased a product/service recently, but impact of direct marketing is greater when more time has passed after the purchasing (Neslin & Winer 2014, p. 326).

The most effective email marketing tactics according to B2C marketers are creating relevant and compelling context, testing and optimizing email messaging, segmenting email database, integrating email with other tactics, and personalizing email messages. A survey conducted by Campaigner in 2013 revealed that familiarity of sender name, email subject line, email reading device, email body length and awareness on promotion influence the internet users' responses for reading advertising emails in US (Washington 2014, pp. 90-93).

3.5 SOCIAL MEDIA MARKETING (BLOGS, WIKIS & SOCIAL NETWORKS)

The emergence of blogs, wikis and social networks has been the most interesting e-business application development in recent years. These social media tools connect people with common interests with the functionalities they provide to customers such as

sharing knowledge and experience, giving comments, making friends, and building communities (Xu & Quaddus 2010, p. 55). Advertisers view social media channels as an environment to increase engagement with customers rather than just an advertising medium (Miller & Washington 2013, p. 169).

Blogs are personal weblogs or diaries differing from websites by their personal nature. Blogs contain unique contents which are updated frequently by authors of the blogs. They are used by organizations also for public relation purposes. Wikis are online applications which can be updated by members of the community with unlimited capability of sharing information. Wikipedia is one of the most popular wiki applications. Wikis, blogs and other social networks are expected to survive in the long run despite the arguments about the future of these social sharing environments (Xu & Quaddus 2010, pp. 55-59).

Companies could concentrate on also relational elements in addition to transactional elements by using discussion forums. User generated content became central to current approaches and importance of building relationships with customers increased in the new internet world (Barnes & Hair 2009, pp. 223-239).

It was realized that consumers got more control on the Internet with steady rise of blogs and blogger's influence on public opinion (Barnes & Hair 2009, pp. 223-239). Social media tools have also been used by political figures in UK, US and Australia (i.e. Queen Elizabeth II, Barack Obama, Kevin Rudd) (Xu & Quaddus 2010, pp. 55-56).

According to the results of Pew Internet Research Project; 72 percent of online adults used social networking sites in 2013 in US, increasing from 67 percent in 2012. Digiday reported that 64 percent of advertisers in US increased their investments on social media advertising in 2013. The most significant objectives of social media marketing are improving customer engagement, increasing website traffic and increasing sales revenues. The most effective social media tactics according to B2C marketers are creating article/blog post content, using social sharing buttons, creating video/audio content, administering social branded networks and advertising on social networks (Washington 2014, pp. 109-110).

3.6 VIDEO ADS

Video advertisement is one of the most successful advertising methods which have been used since the introduction of the television. Video advertisements can visualize what a customer can provide to a consumer and give a good branding (Mind Commerce 2012). Videos are commonly used in digital advertising as online advertising is not only the use of display advertising and search advertising for a while. Since 2015, video became prevalent form of online content in digital advertising, as it provides increased interaction with customers and directs customers to websites of advertisers (McStay 2010, p. 54).

After Google bought YouTube in 2006 being aware its value, Youtube became very profitable in 2012 becoming one of the most important websites on the internet with its 4 billion daily video views. Currently Google use YouTube as an advertising channel where companies and individuals can upload their videos and create their own channels (Mind Commerce, 2012).

According to eMarketer, U.S. digital video spending reached to \$5.75 billion in 2014 while it was \$2 billion in 2011. Consumers are found to be 27 times more likely to click through online video ads than standard banners according to Media Mind. Video ads are run on different online platforms. (E.g. YouTube, Facebook, Twitter, Vine, Instagram, LinkedIn.) The interactive video ads allowed two-way communication between advertisers and audiences (Washington 2014, pp. 113-116).

3.7 VIRAL MARKETING

Word-of-mouth is one of the most powerful influences on consumers' behavior. While buzz about a product or service is usually generated by consumers based on their experiences, companies also can set off the buzz by their efforts. PQ Media estimated the annual spending of US companies on word-of-mouth promotions as \$2 billion. Survey results show that recommendations from family, friends and peers impact

purchasing decisions more than advertising which support the need for investments on word-of-mouth marketing (Washington 2014, pp. 258-259). Viral advertising, the new type of advertising, appeared first in 1990s as a result of internet use for advertising purposes and it has been referred with different names such as "viral advertising", "buzz marketing" and "word of mouth marketing" (Powell *et al.* 2009, p. 119).

Brands' using communication between customers to multiply the popularity of their products/services was established as "viral marketing". Users started to watching and sharing with others the commercial ads online. After the success of first viral marketing campaigns, companies focused on producing viral ads and promotions for customers to share with their friends (Barnes & Hair 2009, pp. 223-239).

According to the results of Chevalier and Mayzlin' (2006) research on impact of online product reviews on sales, negative reviews have a greater impact on sales compared to positive reviews. They also found that online reviews are generally positive differing from offline WOM (word of mouth) where most of the reviews are negative (Neslin & Winer 2014, p. 332).

3.8 MOBILE MARKETING

Mobile advertising is the advertising which is directed via mobile devices such as smartphones and tablets (Miller & Washington 2013, p. 154). Some factors, such as increased usage of mobile devices globally, developing mobile technology and mobile advertising's providing the possibility of targeted personalized messages for customers, resulted in rapidly increasing spending on mobile advertising (Darren 2011, pp. 4-5).

According to eMarketer, investment on mobile advertisements reached \$14.97 billion in 2014 from \$4.36 billion in 2012 and it is expected to reach \$35.62 billion in 2017. Investment on mobile advertising is shared among different mobile ad formats like search ads, display ads (banners, rich media and other), video ads, SMS/MMS/P2P messages, emails, etc. (Washington 2014, pp. 113-116).

The potential to reach customers anywhere and anytime via mobile devices is one of the most important reasons of advertisers' increasing investments on mobile advertisements (Darren 2011, pp. 12-21). Check-in data from social platform sources enables mobile advertising messages to be more personalized based on geographic locations of customers (Altstiel & Grow 2013, p. 309). Mobile users' viewing their devices as main source of information and communication also has an impact in success of mobile marketing. While messaging in different forms, such as short messaging service (SMS), multimedia messaging service (MMS), mobile instant messaging (MIS) and mobile e-mail, is still the most profitable mobile advertising type being followed by mobile search; display advertising, mobile videos, mobile applications and in-game advertising are also other commonly used methods of mobile advertising (Darren 2011, pp. 12-21).

3.9 CHANGES IN ADVERTISING INDUSTRY WITH DIGITAL ADVERTISING

Digital advertising is the process by which advertisers communicate with customers via online platforms in order to position a brand, create awareness and preference on a product and/or influence them to make a buying decision (Hanafizadeh & Behboudi 2012, p. 22). Technological developments in recent decades have transformed online marketing practices and created a new business space with new advertising opportunities for marketers (Lim 2015, p. 81).

As consumers are increasingly using the internet and mobile commerce for different purposes such as shopping, entertainment and information exchange; companies have a great chance to listen to their customers and connect with them via online platforms (Dickey & Lewis 2012, p. 31). As a result of changing media habits of customers, especially of younger customers, advertisers started to focus more on other marketing communication tools like consumer-generated advertising and internet advertising than the traditional advertising tools.

While advertising messages' reaching only people who have access to internet may be defined as a disadvantage of digital advertising, there are many advantages of online

advertising such as its' interactivity, messages' being available for twenty hours a day and messages' being spread through viewers with quickly (Barfoot, Burtenshaw & Mahon 2006, pp. 65-69). Companies can access a larger pool of customers anytime and everywhere, and they can offer customized communication products to their consumers with the help of new online advertising approaches at the same time saving costs and time. Today, internet is believed to be an increasingly important marketing communication medium by the companies in order to change consumer perceptions and buying behavior (Lim 2015, p. 81). With targeted online advertising, the advertisers can address the customers more effectively based on their past browsing and search behaviors (Chen, Stallaert 2014, p. 429).

Companies need internet as the flexible channel for advertisements to reach consumers anywhere, so traditional advertising channels are no longer found to be enough for the firms' long term advertising objectives. Companies believe that investing in interactive media is effective in engaging relationships with customers and measurability of the results is also an advantage of digital advertising (Hanafizadeh, Behboudi 2012, p. 19).

Internet is an attractive commercial medium creating an efficient channel for companies to share information globally for advertising, marketing and selling of goods. In addition to be an advertising medium, internet is also used for market researches on customer behaviors, demands and perceptions. While traditional media is a one-to-many distribution channel where the same message is viewed by everyone, the internet can provide personalized messages and offers for customers with the advancement of the technology. Another difference of the internet advertising is that companies can access directly customers who search about their products in search engines via search ads (Dickey, I. J. & Lewis, W. F. 2012, p. 36).

One of the initial impacts of the internet was that customers acquired a new need to find the sellers in the internet medium. As a result of this change, website presence became to be a need for companies. Although it was relatively easy to have a website online, there was also a need to continually update the websites (Kassaye 1997, pp. 85-101).

Advertising has gone through various changes after introduction of internet and digital advertising. Although interactivity is one of the biggest changes in advertising, the biggest change in advertising is seen as user-generated content according to Barnes's study (2007).

The relationship between advertising agency and advertiser has begun to change with the arrival of the World Wide Web (Kassaye 1997, pp. 85-101). The agencies have been expected to broaden their business horizon and include all forms of communications or to focus on their core business traditional media. As a result, agencies had to invest in building their skills related with web technologies and internet advertising. With the growing acceptance of new digital advertisements, technology affected advertising agencies and the ones which adopted the web gained competitive advantage to increase revenues (Kassaye 1997, pp. 85-101).

According to a study conducted in 2001, the internet was seen as a new communication medium by the advertising agency executives and they had a "wait and see" approach about internet advertising. Agencies, which could utilize their internet knowledge and skills by differentiating themselves with innovative creativity and learning, attained potential for new business opportunities. Those agencies could improve long-term relationship with their advertisers with integrated value proposition where the internet became a viable communication channel (Durkin & Lawlor 2001, pp. 187-189).

Advertising agencies are changing with changing advertising industry for marketing communications, as digital will become central to advertising services in next decade. Agencies will be challenged to provide interactive advertising products improving their skills across new digital advertising platforms and utilizing new technologies for improved data analysis with the purpose of developing more effective campaigns with better targeting (Powell *et al.* 2009, p. 213).

Digital age's bringing a variety of new marketing channels made advertisers' needs much more challenging and resulted in a need for remodeling the advertising agency - advertiser relationships. A research conducted by GyroHSR with in-depth interviews with 50 top marketers revealed that advertising agencies are expected to be "always on"

to reflect that consumers are continually connected to media via various channels. There is a new need for brands to react to consumers' behaviors online. According to the results of this study, while the digital age has encouraged marketers to prefer full service agencies to place the creative idea in most relevant channels, boutique agencies still have a role to play that they are found to respond best to market and client changes. Clients also want to see more transparent behavior from agencies in digital age.⁹

Marketing Week made a research on how the companies select their agencies and partners, and how agencies and clients can improve their relationships. According to the results of this research, digital agencies are seen as the second most strategic partners after PR agencies preceding the branding and media agencies. The advertisers have new expectations from their agencies such as finding new interesting channels to reach their target customers and understanding the changes in digital advertising technologies like SEO (Search engine optimization). According to the research results, the agencies and advertisers focus more on monitoring campaigns to drive effectiveness and a challenge for clients is to provide measurement and analytics in order to prove return on investment. Another expectation from agencies is to bring innovative thoughts to clients and provide information on new technologies, future trends, changing customer behavior.¹⁰

According to research results, companies invest more on digital marketing campaigns and personalized customer engagement; and as a result companies search for new capabilities in their advertising and media agency partners such as high-performance in digital advertising, specialized knowledge in digital technologies and data marketing expertise.¹¹

⁹ Marketing Week, 2010. <https://www.marketingweek.com/2010/08/03/remodelling-the-agency-relationship-for-the-3-0-age/>, [accessed 28.03.2016].

¹⁰ Marketing Week, 2014. <http://www.marketingweek.com/2014/07/23/what-brands-want-from-their-agencies-in-association-with-weber-shandwick/>, [accessed 25.03.2016].

¹¹ Chief Marketing Officer, 2015. <http://www.cmocouncil.org/press-detail.php?id=5078>, [accessed 25.03.2016].

4. RESEARCH ABOUT ADVERTISING AGENCY - ADVERTISER RELATIONSHIP IN DIGITAL ADVERTISING

This chapter presents the selection of thesis topic, research strategy and objectives, and the methodology in collection and analysis of the data aiming to provide deep understanding on the research background and execution. After the selection of thesis topic is explained, the research design and findings will be discussed.

As the author of the thesis works related with digital marketing closely collaborating with advertising agencies, a topic related with digital advertising was selected for the thesis to contribute academic resources in an interested area. As a strong and good partnership between advertising agency and advertiser is crucial for success of advertising campaigns; to find out how the relationship is affected with digital advertising and how it can be improved in Today's digitally driven advertising industry becomes a valuable research topic. The results of such researches are expected to be beneficial for both advertisers and advertising agencies.

After the academic research is completed throughout various sources, from academic literature and research to reputable books and industry reports; empirical data is collected through in-depth interviews. The research question and sub questions are established according to the data gathered during literature review.

4.1 RESEARCH OBJECTIVES

The research aims to understand how the relationship between advertising agency and advertiser is affected with digital advertising; and to provide invaluable information to both advertisers and advertising agencies on how the relationship can be improved. As a good relationship between advertising agency and advertiser is the key to success of advertising campaigns, results of the research is targeted to be precious for both advertisers and advertising agencies.

4.2 METHODOLOGY OF THE RESEARCH

Qualitative and quantitative research methods are the methodologies used by researchers to conduct an academic study. Qualitative research is preferred when behaviors and motivations of a group are targeted to be analyzed in-depth by recording and analyzing what they say they think in detail to reveal their point of views (Barnham 2015, pp. 837-841). As the purpose of this study is to identify the factors impacting the advertiser - advertising agency relationship in digital advertising, a deep understanding from perspectives of both advertisers and advertising agencies is needed. Taking into account the purpose, a qualitative approach is selected for this research.

After comparing advantages and disadvantages of all types of research methods, in-depth interviews method was selected for this research and structured interview with open-ended questions are preferred in order to explore views of interviewees in detail and gain in-depth knowledge on advertising agency - advertiser relationship in digital advertising from perspectives of both parties.

After the interview questions were prepared, the interviewees were identified from both advertising agencies which provide digital advertising services and advertiser companies which work with advertising agencies to get services related with digital advertising. The interviews were conducted mostly face-to-face with interviewees. Face-to-face interviews were preferred as primary method by the author to conduct interviews, but some of the interviews were conducted via phone conversation or gathering detailed answers to questions through email channel if face-to-face conversation was not feasible for the interviewee.

4.3 INTERVIEWEE OVERVIEWS

Two types of interviewees were chosen for the research as employees of advertising agencies and advertisers who have authority in significant decisions related with management of digital advertising campaigns with the aim of exploring perspectives of

both parties and comparing their points of views with each other in order provide valuable information to both parties in regards to advertising agency-advertiser relationships in digital advertising. Advertising agencies which provide digital advertising products and services to companies and well-known companies which work with advertising agencies in conducting their digital advertising campaigns were two types of the companies selected for the research.

Thirty interviewees were chosen to contact in total from advertiser and advertising agency companies; however some of the interviewees did not accept to give interviews in the time period of research and some of the companies could not be reached. Interviews were conducted with twenty interviewees; ten of the interviewees were from advertisers and other ten of the interviewees were from advertising agencies.

The list of the advertiser companies interviewed except the companies which did not prefer to provide name and contact details for the thesis is provided below:

- i. Acıbadem Sağlık ve Hayat Sigorta
- ii. Bayer Türk
- iii. Coca Cola
- iv. Enerjisa
- v. Gruppal
- vi. Pfizer
- vii. Roche
- viii. Sony

The list of the advertising agencies interviewed except the agencies which did not prefer to provide name and contact details for the thesis is provided below:

- i. Buzz Dijital
- ii. Collective
- iii. Decathlon Buzz
- iv. Diverseffect
- v. Pitstop

- vi. PortalGrup
- vii. PortalGrup Healthcare
- viii. Vidizayn

Average working experience of interviewees in advertising agencies or advertisers companies in relevant roles with marketing and advertising is 9 years and almost all interviewees has more than 5 years of experience in digital advertising industry. Some interviewees have working experience both in advertising agencies and advertiser companies.

4.4 INTERVIEW QUESTION OVERVIEWS

Interview questions were identified according to research objectives, research question and sub questions. The interview was decided to start with general questions about interviewees and to continue with open-ended questions in order to explore the interviewees' point of views. The objective was to understand the opinions of the interviewees in detail on advertising agency-advertiser relationship in digital advertising and to find out the factors which are found to be more important in impacting the relationship as a result of rapidly changing digital advertising technology from perspectives of both advertisers and advertising agencies. Interviews were conducted in Turkish to obtain opinions of interviewee in their mother tongue languages. Interview questions asked to the interviewees from advertisers and advertising agencies are introduced in Appendix 1 and Appendix 2 sections.

The interviewee questions may be grouped into four categories. First three questions aims to obtain general information about the interviewees and their experiences in traditional and digital advertising. The purpose of the next three questions is to identify the significant factors impacting agency selection, agency satisfaction/dissatisfaction and agency termination in digital advertising. In the third group of questions; the impact of creativity, pricing and customer relationship management in advertising agency - advertiser relationship in digital advertising is aimed to be clarified. Finally, the last question group aims to access perception of interviewee related with challenges in

advertising agency-advertiser relationship with rapidly changing digital advertising technologies.

4.5 LIMITATIONS

The research focused on the perspectives of advertising agencies and advertisers about advertising agency-advertiser relationship in digital advertising. Some major limitations were encountered during this research which may have affected the overall quality of the study. Limited time schedule of the interviews was one of the limitations because of the intense schedules of the interviewees.

Another limitation is the number of the interviewees who could be reached in the limited time of research and gave interview on the research subject; because some of the targeted interviewees were not reached whereas some of the interviewees did not accept to attend the interviews for the research. Lack of generalization is the other important limitation of the research as in-depth interviews do not include large samples for the data collection and the analysis.

4.6 FINDINGS

This chapter includes the findings of the research on advertising agency-advertiser relationships in digital advertising. In total, twenty professionals from advertising agencies and advertiser companies were interviewed: ten advertiser interviewees and ten advertising agency interviewees. Detailed analysis of the answers obtained in the interviews and categorized findings according to sub questions are provided in following sub chapters.

4.6.1 Perspectives on Factors Impacting Agency Selection

References gathered about the advertising agency are mentioned by most of the advertiser interviewees as an important factor in agency selection. Advertiser interviewees pointed out that they prefer to work with the agencies which are recommended by their previous advertiser partners with positive feedbacks about their working styles and products. The brands that advertising agency is currently working for, previous successful advertising campaigns of advertising agency and feedbacks from other advertisers especially from the same industry are found to be valuable information sources by the interviewees to be used in decision process of advertising agency selection. References become more important especially if advertiser will work with an advertising agency for the first time.

Advertising agencies stated that advertisers prefer to work with advertising agencies which would meet their expectations in terms of providing advertising services of high quality on time with reasonable prices. According to the views of advertising agency interviewees, as advertiser can only learn if an agency can meet its expectations after working with agency for enough time, advertiser collects references about advertising agency before the agreement in order to increase the probability of satisfaction from the agency. However, some of the advertiser interviewees mentioned that the synergy between advertiser and the advertising agency may change according to brand, therefore while an advertising agency may not have a good relationship with brand manager of a brand; it may have very successful relationship with brand manager of another brand, even in the same company and they can produce very successful advertising campaigns as a result of this good synergy between the advertiser and advertising agency. For this reason, advertiser interviewees also suggested that the references should be evaluated objectively and carefully according to specific needs of the brand.

Previous awards of an advertising agency in advertising industry, is also found to be very effective in agency selection decision by being an indicator of good reference for the advertising agency. In digital advertising, the advertiser interviewees mentioned that they give importance to the awards of the advertising agency because the advertising

campaigns which reach more people and create more awareness are awarded in the industry. Well-known and reputable advertising agencies are preferred more by the advertisers and awards help advertising agencies to increase their reputation in the sector according to the interviewees' point of views.

Interviewees from advertising agencies also mentioned about the significance of references and awards of agencies for advertisers in agency selection process. They stated that they share their references with potential advertisers and they present results of their previous successful advertising campaigns to persuade advertisers in agreement with them. Interviewees from agencies indicated that preference of an advertising agency by reputable brands and companies gives the agency strength and advantage increasing the probability of selection by other advertisers. For this reason, most of the interviewees from agencies mentioned that they share references from the companies they work for in both their online websites and presentations made to advertisers.

As some advertiser interviewees stated that they search for information about advertising agencies online before the selection of a new advertising agency, online presence of the advertising agency is also significant for digital advertising today. Interviewees from advertisers also mentioned that they give importance to giving information about their agencies and services in online channels, especially in digital advertising. Comments of interviewees from both agencies and advertisers shows that online information about advertising agencies has also become a valuable source of information for references about agencies. Some ways to earn reputation and to be known by advertisers are also mentioned by interviewees from agencies; such as public relations studies, networking, attendance or sponsorships to conferences, and advertisements.

Almost all interviewees from advertising agencies and advertisers pointed out that creativity is a crucial factor impacting agency selection. Advertisers mentioned that they expect the advertising agencies to differentiate themselves from other agencies with their creative ideas, proposals and presentations. Views of the interviewees from advertising agencies also supported the opinions of advertisers that they mentioned importance of employing creative, young and innovative people in their agencies.

Interviewees from advertising agencies stated that they try to show their creativity level to advertisers with different campaign proposals and by presenting their previous creative advertising campaigns to advertisers in agency selection stage.

Whereas prices of the agency services are viewed as a factor impacting decision of agency selection by most of the advertiser interviewees, they also stated that they may prefer an advertising agency with higher prices if they believe the agency would produce of high quality and creative advertising campaigns on time and would meet their expectations. They indicated that price is not the first priority of advertisers in decisions of agency selection.

The views of advertising agencies are also very similar to the views of advertisers according to their responds. The advertiser interviewees mentioned that the prices of the advertising agency services should be in the limits of the marketing budget for advertising, but advertisers search for the agencies which can provide the most creative and of highest quality work with the least budget possible. Advertising agencies stated that price is significant in agency selection, but it is not the most significant factor for advertisers' agency preferences according to their experiences.

Most interviewees from both advertisers and advertising agencies mentioned that importance of the price in selection of advertising agency depends on many factors such as expectations of the advertiser from the advertising campaign, objectives of the advertiser, the budget limits of the campaign, and targeted advertising campaign channel. Advertiser interviewees stated that they can work with different advertising agencies at the same time for different digital advertising channels and prices of the advertising agency for their different services also affect their decisions in agency selection for specific advertising campaign. Most of the advertising agency interviewees mentioned that they aim to provide advertising services that meet expectations of advertisers with reasonable prices in order to eliminate high prices from potential reasons of not being selected by advertisers.

The agency's understanding the strategy of the advertiser is found as a significant factor in agency selection by many respondents. According to the advertiser interviewees,

advertising agencies need to know the strategy of the advertiser, therefore they expect from the advertising agency to make research about the advertiser before they come to a meeting with advertiser to propose an advertising concept for the first time. Agencies should come with advertising solutions which are in line with advertisers' strategies according to the advertiser interviewees. Nevertheless, the advertiser interviewees mentioned that advertisers also have responsibility in explaining their strategies and purposes correctly and openly to the advertising agency by providing them all needed information for preparation of advertising campaign. Advertising agencies are expected by advertisers to ask all of their questions about the company and brands to advertisers in order to learn more about the brand and to be able to create consistent advertising campaigns.

The views of the interviewees from advertising agencies support views of advertiser interviewees in regards to importance of advertising agency's understanding strategy of advertiser while preparing an advertising campaign. Most of the interviewees from advertising agencies mentioned that they are selected by advertisers since they give importance to developing campaigns which are compliant with strategies of the brands. They pointed out that they aim to support advertisers in reaching their targets on planned time with efficient budget management.

In selection of an advertising agency, the presentations made by the advertising agencies to advertisers are found to be very important in agency selection decisions of advertisers according to the interviewees from both advertisers and advertising agencies. The interviewees stated that the advertising agencies mostly present their previous successful advertising campaigns in their first presentations to the advertisers and they aim to differentiate themselves from other advertising agencies with their presentations.

Advertiser interviewees mentioned that advertising agencies should present their proposals from strategic point of view based on the features and objectives of the specific brand in order to be more effective on advertisers' decisions. However, some advertiser interviewees pointed out that the evaluation of the advertiser's presentation about an advertising campaign proposal depends on the expectation of the advertiser

from the advertising agency related based on the features of planned advertising campaign. They stated that if advertisers expect strategic suggestions from the agency, the strategic point of view becomes more important in evaluation of the advertising agency's presentation and proposals. If the advertisers expect to see a creative and attractive campaign proposal, they expect from the advertising agency to present different ideas with creative and innovative approach.

The advertiser interviewees from global companies stated that their companies may decide on the advertising agencies from global head quarter of the company among global advertising agencies and country organizations have to work with these agencies accordingly for at least specific types of projects. However, for local advertisements they mentioned that they may select local advertising agencies which can adapt to local conditions better if necessary. On the other hand, advertiser interviewees from local companies stated that they may prefer to work with small and young advertising agencies because they find those agencies more motivated and excited to work with them compared to large and corporate advertising agencies.

The interviewees from advertising agencies which are global advertising agencies also mentioned about advantages of being part of global advertising agency networks in being selected by advertisers. They stated that they can serve to other countries as well; therefore their customer potential is not limited with local advertisers. In addition, they believe the reference of working with global companies and companies from other countries is not only advantage to work with global companies but also strength for agencies to be selected by local companies for new advertising projects.

One of the factors indicated by most of the advertiser interviewees as important in agency selection is the motivation of the advertising agency to work in an advertising campaign with an advertiser. Interviewees from advertising agencies support the views of advertiser interviewees in regards to motivation that they believe if the agency is highly motivated to work with the advertiser, they pay attention to needs of the advertiser and meet its expectations easier. It is believed by both interviewees from advertisers and advertising agencies that advertisers give more chance to the motivated agencies because they expect good communication and follow-up of tasks with attention

from those agencies. An interviewee from an advertising agency described the motivation factor as advertising agency employees' putting themselves in the advertiser's shoes and doing their best with enthusiasm and team spirit.

The experience of the advertising agency in the advertiser's sector is also found to be influencing for the agency selection decision. According to common views of interviewees from advertisers and advertising agencies, if specific advertisement regulations and conditions exist for the industry of the advertiser, the advertisers prefer more to work with advertisers which have experience in their industry in order not to lose time with training the agency about the regulations and the rules of digital advertising in the advertisers' sector.

Organization of the advertising agency and the team dedicated in advertising agency for the advertiser is also another significant factor which is mentioned by interviewees as effective in agency selection decision. The advertiser interviewees pointed out that they prefer to work with experienced account managers who have good level of business, marketing and advertising knowledge. Experience level of the team which is dedicated for the advertiser is also valued by advertisers for successful conduction of advertising campaigns. According to the views of interviewees from advertising agencies, they are also aware that experience is significant for advertisers in agency selection decision.

Another factor which is mentioned by many interviewees is the flexibility of the agency. The interviewees stated that the advertising agencies are expected to be flexible in order to respond different advertising needs of the advertiser with various advertising services options and to be able to adopt the company's standards and policies related with advertising. Advertising agency interviewees also mentioned about flexibility in terms of providing both traditional and digital advertising services as an advantage to convince advertisers to work with them. The variety of the services provided by advertising agency is also significant for advertisers according to the views of some interviewees from advertisers. However, opinions of advertisers show variety that some interviewees mentioned that they prefer to get some specific advertising services from small advertising agencies which work only for that specific type of advertising. They

believe that advertising agencies which work in specific areas are more successful since they focus on developing themselves in that area.

In digital advertising, the advertising agency's following the latest technological trends and adopting those trends in their advertising campaigns is another factor which is mentioned by all interviewees from both parties, advertisers and advertising agencies, as a very important factor in decision of advertising agency selection. According to the views of the interviewees from advertising agencies, they are also aware that agencies need to follow-up latest trends and technologies in digital advertising. However, interviewees from advertising agencies mentioned another point in addition to comments of advertisers that openness of advertisers to innovation and new different advertising methods is also very crucial for conduction of creative advertising campaigns. Some interviewees from advertising agencies also stated that advertising agencies should train advertisers to keep their knowledge updated about latest trends and technologies in digital advertising with the aim of minimizing the gap between knowledge levels of both parties and speaking the same language during projects.

4.6.2 Perspectives on Factors Impacting Agency Satisfaction & Maintenance of Relationship

All the advertiser respondents pointed out that they communicate with their advertising agencies very frequently on a regular basis. They mentioned how critical continual communication is for good maintenance of advertising agency-advertiser relationships and successful conduction of advertising campaigns. They stated that they have regular face-to-face meetings with their advertising agencies. Face-to-face meetings are found to be very valuable by advertiser interviewees, especially for briefing an agency and initiating a new advertising project. After advertising agency and advertiser agree on the plans about the advertising campaign, advertisers review the progress with their agencies via regular meetings according to the responds of the interviewees.

In addition to face-to-face meetings, the advertiser interviewees mentioned that they frequently communicate with their advertising agencies via phone and email. Most of

them stated that they prefer communication via phone calls especially for urgent topics but they prefer to communicate via emails most of the time for detailed briefing to the agency and non-urgent topics. Some interviewees also mentioned that they send emails after phone calls or face-to-face meetings to make the communication formal and ensure everything is understood correctly by the advertising agency. Most of the advertiser interviewees pointed out that as communication over emails and phone calls for long time may result in misunderstandings, the most preferred way of communication is face-to-face communication if the conditions are suitable.

Whereas some advertiser interviewees mentioned that close relationships and sincerity between the advertiser and advertising agency is very important for good maintenance of relationships, some advertiser interviewees stated that sincerity is not important but regular communication and professionalism in the communication is more valued. All interviewees agreed on good communication and regular contact is significant for maintenance of advertising agency-advertiser relationships.

Whereas continuity of communication is very important, open communication between the advertiser and advertising agency is also believed to be very crucial for smooth maintenance of relationships by most of the interviewees from both advertisers and advertising agencies. Open communication is found to be very important to ensure quality of the advertising services and good time management. Advertisers' communicating the brand strategy, the targets of the advertising campaign, budget limitations of the campaign and the scope of the project with the advertising agency clearly is found to be very critical for open communication by advertiser interviewees. They mentioned that advertising agencies' being honest in their feedbacks and proposals is essential for open communication and success of advertising campaigns.

Most of the advertiser interviewees indicated that advertising agencies should ask all of the questions in their minds after the briefing meeting without losing time in order to clarify all open points in the requirements of the campaign and to get prepared for the advertising campaign on time. Honesty between both parties is also mentioned as critical by advertising agency and advertiser interviewees to maintain the advertising agency-advertiser relationships.

Most of the interviewees from both advertisers and advertising agencies mentioned from quality of the advertising agency's products as a crucial factor for agency satisfaction. The interviewees responded that especially the basic needs of the advertiser should be satisfied by the advertising agency with high level of quality. Not only the quality of advertising products but also quality and experience of the team in advertising agency which is dedicated to advertiser is also valued by advertisers according to the interviews.

In addition to quality of the advertising products, delivery of the products on time as agreed between advertising agency and advertiser is also found to be crucial in agency satisfaction by advertiser interviewees. Most of the interviewees from advertising agencies also stated that they give importance to developing the advertising campaigns on time according to the planned project deadlines in order to meet expectations of advertisers and maintain the good relationship with their advertisers.

Advertising agencies also mentioned about the sensitivity of advertisers in budget limits of advertising campaigns, therefore it is found to be significant to finalize advertising campaigns' development in budget limitations which are agreed with advertisers in order to maintain the good relationships with advertisers. Providing advertising services of high quality, on time and in budget limits as agreed is indicated as factor which affects the trustworthiness of advertising agencies and advertiser's trusting in its' advertising agency is the key to the maintenance of relationship according to the views of both advertisers and advertising agencies.

Almost all interviewees stated that advertising agency's being responsible and following up the tasks assigned to the advertising agency on time is very significant in digital advertising campaigns. According to the views of advertiser interviewees, advertising agencies are expected to give regular status updates and feedbacks to advertisers during preparation of advertising campaigns and services, and ask advertisers any missing information which is needed to proceed with production of the advertising services on time. They indicated that advertising agency's taking more responsibility relieves advertiser during conduction of advertising projects and advertiser can trust the advertising agency more as a result.

The advertiser interviewees also mentioned that advertiser also needs to follow-up the tasks of the advertising agency and control the agency regularly to make sure they are on track with the agreed plan. In addition, they also mentioned that advertiser needs to assure that delivered brief details and expectations are understood clearly and correctly by advertising agency with regular confirmations in order to receive the expected advertising service successfully and to maintain the good relationship with advertising agency.

Motivation level of the advertising agency to work in an advertising campaign with an advertiser is mentioned also as a significant factor in maintenance of good relationship between advertising agency and advertiser, as it is in agency selection decision. Interviewees from advertising agencies and advertisers mentioned about also advertising agency's developing advertising campaigns according to strategies and objectives of advertiser as an important factor in maintenance of advertising agency-advertiser relationships. Advertising agencies and advertisers' working with common aim and objectives as partners with teamwork is found to be significant by advertising agency and advertiser interviewees.

Flexibility of the agency during project phase of advertising campaign is also indicated as an important factor which increases agency satisfaction and ensures good maintenance of relationship with advertising agency by most of the advertiser interviewees. Advertiser interviewees mentioned that requirements may change during project execution and they expect advertising agencies to take action quickly according to the changing expectations of advertisers. Nevertheless, they stated that advertisers also should be flexible about their expectations from advertising agencies and they should provide the necessary working environment for creativity and innovation to advertising agencies.

All of the advertiser interviewees mentioned about also advertisers' responsibilities in good maintenance of relationships with advertising agencies. They stated that both advertiser and advertising agency should be careful for good maintenance of relationships, as it is not enough if only one side gives importance to the relationship. Especially the interviewees, who expressed that they had also working experience in

advertising agency before working in an advertiser company, stated that the role of advertiser in management of relationships between advertiser and advertising agency is more important compared to the role of the advertising agency. Advertiser's briefing the agency clearly with as much as possible details on the expectations from the advertising campaign, objectives of the campaign and budget restrictions; is found to be responsibility of advertiser.

Almost all advertiser interviewees mentioned that if the advertiser does not provide the needed details to the advertising agency in the beginning of the project, the advertising agency may need to ask many questions to the advertiser. This situation may result in delays in preparation and production of advertising products according to the interviewees. Advertiser's replying the questions of the advertising agency on time is also found to be crucial on conduction of advertising campaigns without delays which is believed to be very important by advertiser interviewees for agency satisfaction.

Most of the interviewees from advertising agencies also indicated that they pay attention to receive the brief correctly from advertisers in the beginning of the projects in order to develop the campaigns according to the objectives of advertisers and to avoid developing advertisements which are irrelevant to expectations of advertisers. Advertising agency's analyzing and interpreting the advertiser's brief correctly and developing the right solution for advertiser is found to be significant by the interviewees from advertising agencies.

Another factor mentioned by the interviewees as critical in maintenance of relationship between advertiser and advertising agency, is how advertiser communicates with advertising agency. It is stated that if the communication and the atmosphere between advertiser and advertising agency is smooth, better results can be achieved in the advertising campaigns and services. Both parties' being polite and understanding to each other is given importance by respondents as they indicated that advertisers and advertising agencies should work in a partnering model to have better relationships and to conduct advertising campaigns smoothly and successfully.

The interviewees commented that if advertisers respect the advertising agencies, brief the objectives of the advertising campaigns in detail to the agencies clearly, and give the advertising agencies sufficient time to work on and develop the advertising campaigns and services; the relationship between advertisers and advertising agencies can be utilized for smooth conduction of projects.

4.6.3 Perspectives on Factors Impacting Agency Dissatisfaction and Agency

Termination

All of the interviewees from both advertisers and advertising agencies stated that poor relationship management and issues in communication between advertising agency and advertiser are among most significant factors that may lead to agency termination. Interviewees mentioned that if communication is poor between the parties, this situation generates other problems as well; such as advertising agency's insufficient understanding of the advertiser's brief for advertising campaign and advertising agency's delivering low quality services or services which are different than the expectations of advertiser.

Advertiser interviewees believe that if communication and relationship is managed well by advertising agency and advertiser, many issues can be resolved together. However, if there are issues in communication, they concluded that it becomes difficult to improve the relationship. Most of the advertiser interviewees explained that they give regular feedbacks to their advertising agencies on both positive and negative points about their performances. If advertising agencies take those feedbacks into account and take actions accordingly to improve themselves and their services, the interviewees believe the relationship between the advertisers and advertising agencies can be enhanced. According to the advertiser interviewees, the most important reason to terminate a relationship with advertising agency is advertising agencies' not organizing themselves according to feedbacks of advertiser.

Advertising agencies' not meeting expectations of advertisers in terms of different variables is another reason for agency termination according to comments of almost all

interviewees from both advertising agencies and advertisers. Interviewees mentioned about different variables of expectations which may not be met by advertising agencies. Quality level of the provided advertising services, timing of the advertising agency in delivering services, creativity level of the products and compliance to advertiser's brief are some of these variables of advertiser expectations according to the interviewees.

As quality level of advertising agency services is an important factor in agency relationships according to views of the advertiser interviewees, they mentioned from low quality level of products and services as a reason of terminating agency relationships. They pointed out that if advertising agency delivers advertising campaigns or services with insufficient quality, they may give feedback to improve themselves. However, if the advertising agency sustains providing low quality advertising services, advertiser terminates the relationship with advertising agency according to responds of the advertiser interviewees.

According to the responds of advertisers, the timing of the advertising agencies by providing the advertising services on agreed time is very significant for agency satisfaction, therefore almost all interviewees pointed out that continuing delays in delivery of advertising campaigns or services is one of the most important reasons to leave an advertising agency. As a result of these delays, advertisers search for other advertising agencies which would keep their promise by providing the requested services on proposed and planned time.

Most of the interviewees from advertising agencies also stated that advertising agency's not delivering the advertising products and services with expected quality on time as a reason of agency termination. They indicated that in order to be successful in timing, advertising agency should be honest when they propose a timeline for an advertising campaign project and determine reasonable deadlines which can be achieved. Advertising agencies mentioned that they give importance to propose reasonable time plans and work coordinated in order to avoid dissatisfaction of advertisers because of timing of projects.

Most of the advertiser interviewees mentioned that decrease in creativity level of the advertising agency is also one of the common reasons for agency dissatisfaction and agency termination. If advertising agency does not produce attractive advertising solutions with creative ideas using new advertising technologies, they cannot meet expectations of advertisers in today's advertising world according to the responds. This can be a reason for advertisers to switch to other advertising agencies which can promise more creative advertising services terminating current agency relationships. Creativity level of advertising agency products is mentioned as a reason of agency termination by some advertising agency interviewees as well.

Advertising agency's understanding strategy and objectives of advertiser company/product is also mentioned by the advertiser interviewees as an important factor impacting relationships between advertiser and advertising agency. Respondents indicated that if advertising agency does not internalize the targeted strategy and objectives of the advertising campaign, the results of the campaign becomes ineffective even if the work behind the campaign is of high quality or the idea of the campaign is very creative. Similarly, advertising agencies' not complying to the standards or policies of the advertiser companies while producing the advertising campaigns or procedures, is also another important reason for agency termination which is mentioned by the advertiser interviewees which especially work in regulated industries in terms of advertising.

Advertiser interviewees stated that they expect advertising agencies to pay attention to details in the advertisers' brief in terms of expectations and restrictions; and they expect proposals of advertising solutions according to the briefs. Persisting time losses because of advertising agencies' misunderstanding the brief details and working on irrelevant products is not tolerated by advertisers and this can lead in agency termination according to the views of the advertiser respondents.

Most of the advertiser interviewees mentioned that advertising agency's poor follow-up is a critical factor impacting the relationship with advertiser in a negative way. They indicated that if advertising agency does not does not improve its follow-up skills despite the negative feedbacks of advertiser, the relationship is most likely terminated

by advertiser if there is not an obligation for the advertiser to work with this specific advertising agency.

Lack of motivation in the advertising agency is also another reason that is mentioned by advertiser interviewees as one of the possible reasons of agency dissatisfaction and termination. This factor is not mentioned by the interviewees from advertising agencies as a reason for agency termination.

According to the views of the advertiser interviewees; increasing prices of advertising agencies' services are one of the reasons for termination of agency relationship, if advertisers find the increases unfair and they can find alternative advertising agencies which can provide the same services with lower prices. Price levels is also mentioned as a reason for agency termination by advertising agency interviewees, however they mentioned this factor from a different perspective. They stated that advertisers' preferring alternative cheaper advertising agencies due to budget restrictions can lead to agency termination. They did not mention about the advertising agencies' increasing price levels as advertisers pointed out.

As most of the advertiser interviewees mentioned that advertisers also have important role in good maintenance of relationship with advertising agencies, they mentioned some factors related with advertisers that may result in termination of relationships with agencies. One of the factors mentioned by interviewees is advertiser's not providing needed information to advertising agency in the beginning of the projects and during projects. In this situation, advertising agency cannot work efficiently to create the advertising campaign on time and the results can be irrelevant because of missing information on agency's side. As a result of this, the advertiser's expectation is not met and advertiser may terminate the relationships due to continuing dissatisfaction from advertising agency's products and services according to the interviewees.

The interviewees from advertising agencies also pointed out a reason for agency termination which is not mentioned by advertiser interviewees. The organizational changes in advertiser's company and change of brand manager or marketing manager in advertiser's organization is also a reason for agency termination according to the views

of advertising agency interviewees. They stated that new brand/marketing managers may prefer to work with different advertising agencies to make differences in advertising concepts and styles of the brand or company. The new brand manager/marketing manager's existing strong relationships with another advertising agency is also a potential reason for agency termination according to the advertising agencies.

Most of the advertiser interviewees stated that the expectations from advertising agencies changed with digital advertising and rapidly developing advertising technologies. They mentioned from some factors which become more important in impacting relationship between advertising agencies and advertisers in today's advertising industry. They pointed out that if advertising agency does not follow-up latest trends in digital advertising, this becomes disadvantage for the advertising agency to maintain its relationship with advertisers. The advertiser interviewees stated that they leave the advertising agencies which insist on the traditional advertising methods or the digital advertising techniques which become old-fashioned or which have been used by various companies before them.

Advertisers give importance to create an advertising campaign with latest advertising trends before their competitors. According to comments of most of the advertiser interviewees; advertisers expect their advertising agencies to internalize the latest digital advertising trends, to combine these trends with their brand strategy and to propose advertising campaigns accordingly by using the latest digital advertising technologies. The advertising agencies should develop themselves continuously in rapidly changing digital advertising worlds according to the advertiser interviewees. The advertising campaigns which take too long time to produce are also not preferred by advertisers in digital advertising as most of the interviewees stated that they expect advertising agencies to be agile in proposing and creating digital advertising campaigns in order to save their prestige and reputation in today's rapidly changing digital advertising world.

4.6.4 Perspectives on the Role of Creativity, Price Levels and Customer

Relationship Management in Advertising Agency-Advertiser Relationships

As creativity, prices and customer relationship management are very crucial in advertising agency-advertiser relationships and it is supported by results of many researches in the literature review section; the role of these three factors are asked specifically to the interviewees after they explained all factors that are important in different stages of the relationships according to their views in the previous questions. As all of the interviewees already mentioned about creativity, prices and customer relationship management as answer to previous questions; this question was beneficial to compare the impact of these factors from point of views of the interviewees from advertisers and advertising agencies.

All of the advertiser interviewees stated that all of these three factors are very crucial for advertisers in selection of an advertising agency and in decision of agency termination in digital advertising. They pointed out that whereas the impact of any of these three factors cannot be ignored in relationship management between advertisers and advertising agencies; the importance level of these factors depends on the advertiser and the advertising campaign.

While most of the advertiser interviewees found creativity as a necessity in digital advertising, they pointed out that prices of the services may be as important as the creativity level of the work due to the budget restrictions. Besides, most of the interviewees stated that price level of advertising agency is not the first priority of advertisers in agency selection procedure as long as the prices of the potential agency services are in budget limits of the advertisers. If the advertiser has sufficient budget for a very creative advertising campaign, the budget becomes less important in agency selection, whereas expectation from a creativity work from advertising agency becomes more significant. Nevertheless, if the creativity of the advertising campaign is not the first priority of the advertiser and the budget of advertising campaign is restricted, price level of the advertising agency becomes more effective in agency selection decision. The interviewees also stated that they may prefer a more expensive advertising agency

to a cheaper one, if they believe the results will be worth to the budget and if the gap between the price levels is not too large. Expectation from the creativity level of the advertising campaign is found to be directly proportional to the budget level of advertising campaign according to the views of advertiser interviewees.

Most of the advertiser interviewees also commented that the importance of creativity became more important in digitalized advertising world where competition is very strong and challenging between advertisers and also advertising agencies. Advertising agencies are expected to differentiate themselves from others with their creative approaches and to support advertisers to differentiate themselves from their competitors with highly innovative and creative advertising campaigns.

In agency termination decision; customer relationship management is found to be the primary factor by most of the advertiser interviewees because they believe that if the relationship between the advertising agency and advertiser is strong and both parties can understand each other; they can resolve most of the issues related with creativity, budget and other topics together. They stated that if there is a good relationship between advertiser and advertising agency, the creativity level of the advertising agency can be improved with support of advertiser and common price levels that are appropriate for both advertiser and advertising agency can be agreed on together similarly.

Sensitivity to the prices of the advertising services of the agency increases when the results of the advertising campaign are not satisfying for the advertising agency according to views of the advertiser interviewees. It is similar in customer relationship management according to their responds that prices become more significant when the communication and relationships are not managed effectively by advertising agency. Most of the interviewees pointed out that price levels of the advertising agency become a reason for agency termination, when the advertising agency does not meet expectations of advertiser in terms of creativity and communication management. This factor is not mentioned as primary factor on its own in agency termination decision and it is found to be a factor that is evaluated together with other factors impacting advertising agency - advertiser relationship.

Views of the advertising agencies on the role of creativity, price levels and customer relationship management in advertising agency-advertiser relationships in digital advertising are parallel to the views of advertisers according to the interviews. Most of the advertising agencies indicated that customer relationship management is the most significant factor for advertising agency-advertiser relationships. They stated that if the advertising agency has a good relationship with the advertiser based on healthy communication, it can provide creative advertising products and services with reasonable budgets which can meet the expectations of advertiser. The issues related with creativity and price levels can be improved if the relationship between advertising agency and advertiser is managed successfully according to the views of most of the advertising agency interviewees. All of the advertising agency interviewees agreed on that the level of prices is the least important factor compared to other factors although it is also an important factor in impacting advertising agency-advertiser relationships.

To summarize the point of views of the interviewees from both advertisers and advertising agencies in terms of the role of creativity, price levels and customer relationship management in advertising agency-advertiser relationships; customer relationship management has the highest impact among these factors in agency - advertiser relationships in digital advertising whereas importance of price levels and creativity found to change depending on the expectations of advertisers for the advertising campaign or the budget planned for advertising campaign. According to the views of the most of the interviewees, the level of the agency prices is the least significant factor among these factors in advertising agency-advertiser relationships. Nevertheless, all of these factors are crucial in advertising agency selection, maintenance of good relationships and terminating agency relationships according to the common views of all interviewees from both advertisers and advertising agencies.

4.6.5 Perspectives on Challenges in Advertising Agency-Advertiser Relationship with Changing Digital Advertising Technologies

Almost all of the advertiser interviewees stated that they believe need for traditional advertising services will exist for long years; nevertheless digital advertising has become to be a necessity in today's digital world and this necessity brought significant changes into the advertising world. They pointed out that expectations of advertisers from advertising agencies changed and increased with digital revolution in advertising industry and this situation may be challenging for both parties.

All of the advertiser respondents pointed out that advertising agency should follow-up new digital marketing and advertising trends very closely in order to be successful in digital advertising industry. They expect from advertising agencies to propose creative and trending advertising campaigns which are both in line with advertisers' strategies and according to latest trends in digital advertising. Whereas the interviewees view this situation as a challenge for advertising agencies, they also indicated that it can also be an advantage for the agencies which are successful at following up the latest changes and trends in digital advertising.

Most of the companies are targeting to develop advertising campaigns with latest trends before their rivals in order to conduct more attractive and successful campaigns according to the advertiser interviewees' point of views. They indicated that the brands which apply a digital advertising trend first time in the industry in an advertising campaign, accomplishes creating awareness with their creative and innovative approach. Besides, most of the advertiser interviewees believe that the larger portion of the role and responsibility to follow-up latest news in digital advertising technologies is on advertising agency's side. Most of the interviewees mentioned that their digital advertising agencies are sending regular newsletters which include the developments on digital advertising technologies, the latest trends in advertising and examples of latest best-practice advertisements in the industry.

Most of the interviewees stated that if advertising agency insists on old-fashioned advertising methods and techniques which were already used by many competitor companies at that time; the relationship between the advertiser and advertising agency is weakened because of dissatisfaction of advertiser. Advertising agency's proposing new, different and creative advertising campaigns become more important in digital advertising as a challenge for agencies.

Rapid changes in digital advertising technologies compel the advertising agencies to develop advertising campaigns faster compared to traditional advertising campaigns according to the opinions of the advertiser interviewees. As digital campaigns or the techniques used in a digital advertising campaign may become outdated when the campaign is developed in long time; speed of the advertising agency in working on and developing the advertising services becomes more crucial in digital advertising. This new condition is also indicated by most of the advertiser interviewees as a challenge for advertising agencies and advertisers in digital advertising.

Interviewees pointed out that performance measurement of advertising campaigns changed with digital advertising technologies. They believe that it is easier to measure effectiveness of advertising campaigns in digital advertising compared to traditional advertising. Some interviewees explained this point that they can easily view detailed information about the advertising campaign; such as number of customers they could reach with the campaign, number of customers who shared comments about the campaign online, and number of positive and negative reactions of customers to the campaign. The performance of advertising campaigns can be evaluated more transparently in digital advertising compared to traditional advertising according to the views of the advertiser interviewees. As this situation came with digital advertising, most of the advertisers viewed this change as a new challenge for advertising agencies to adopt in digital advertising, whereas they see this situation as an advantage for advertisers in order to see the reactions to the advertising campaign in details.

Advertiser interviewees stated that on traditional advertising channels; especially via television advertising, the target audience can be exposed to the advertising message contents directly. In contrary, they commented that on digital advertising tools

advertisers expect the targeted audience to be attracted with the advertising content and take an action to reach all contents of the advertising message. Some interviewees gave example to this view with banner advertising with the explanation that the advertiser needs the customer to click the banner and view more detailed contents of the advertising message on the website in banner advertising. Other interviews mentioned a similar situation with another example that if customers do not find the content of an advertising campaign interesting and attractive in digital advertising, they can ignore the advertising message on online advertising channels easier compared to traditional advertising channels. For this reason, interviewees believe that advertising agencies need to be more creative and innovative, and they should develop more attractive and interesting advertising campaigns for online advertising channels.

Quality of the contents of advertising campaign also becomes more significant in online advertising campaigns according to views of advertiser interviewees, as customers should be attracted with the messages in the online advertisement. Moreover, some interviewees pointed out that customers always expect to see fresh, updated and regularly changing contents on digital advertising channels such as brand websites and social media pages. For this reason, advertising agencies are expected to adopt themselves to online advertising necessities and they should update contents and advertising campaigns on online communication channels regularly according to advertiser interviewees' point of views. They mentioned this situation also as a challenge for both advertisers and advertising agencies in digital advertising. Some advertiser interviewees also indicated that regular update of digital advertising channels may be expensive for the advertiser if the price level of the advertising agency is high; therefore this occasion also can be a challenge for both parties according to their responds.

All of the advertising agency interviewees also pointed out the importance of following-up latest digital advertising trends and stated that advertisers and advertising agencies are in a very tough competition with their competitors in today's digital advertising world. They indicated that advertising agencies give regular updates to advertisers about the latest development in digital advertising industry. Some interviewees also stated that advertising agency should train the advertiser related with latest digital advertising

technologies and trends if necessary. Advertising agency interviewees mentioned that advertisers' resisting to new trends and technologies in advertising can be a challenge for advertising agencies in digital advertising. They stated it can be very difficult to convince some advertisers in benefits of the new and trending digital advertising solutions they are not open to new technologies and trends. Most of the interviewees from advertising agencies indicated that the difference between adoption levels of advertiser and advertising agency to new advertising trends in digital advertising may arouse problems in relationships between parties.

Some of the interviewees from advertisers and advertising agencies also mentioned that as digital advertising is not a mature concept in Turkey, marketers in advertiser companies may not have enough knowledge level on digital advertising technologies and solutions. This situation may result in inefficient management of advertising campaigns by advertisers and ineffective communication between advertisers and advertising agencies due to language differences related with digital advertising according to their responds. Some of the advertising agency interviewees stated that they work easier with the advertisers which have dedicated teams for digital marketing activities in their organizations.

Some advertiser interviewees mentioned about the changes coming with digital advertising which makes the lives of advertising agencies and advertisers easier compared to traditional advertising. One of these changes is that the contents of an advertising campaign can be modified in digital advertising easily and fast in digital advertising in a very short time period. It is found to be more difficult to make changes on advertising campaign contents in traditional advertising channels by the respondents. In addition, some advertiser interviewees mentioned that advertisers are more flexible in using digital advertising channels as they can publish an advertising campaign online later than the previously planned date, if it takes longer time than expected to develop the campaign. However, it could be more difficult to postpone publishing date of an advertising campaign in traditional advertising channels according to their views.

Another advantage of digital advertising which is mentioned by most of the advertiser interviewees is the lower price levels of developing and publishing an advertising

campaign on digital advertising channels compared to traditional advertising channels. Interviewees stated that they can reach more people with digital advertising with less budget compared to traditional advertising.

To summarize the views of interviewees from advertisers and advertising agencies, digital advertising has some challenges for both advertisers and advertising agencies. However, if an advertising agency is equipped in terms of digital advertising necessities and capable of developing creative digital advertising campaigns by following-up the latest digital advertising trends and technologies; digital advertising becomes advantage for the advertising agency. In contrary; if an advertising agency has difficulties in following-up latest digital advertising trends and in using the latest digital advertising technologies in their campaigns, digital advertising may be disadvantageous for the advertising agency.

According to common views of the interviewees, advertisers also need to be open to applying new technologies and trends in digital advertising improving their know-how on digital advertising in order to conduct creative and successful advertising campaigns in digital advertising. If both advertiser and advertising agency take their responsibility in adopting new digital advertising technologies, the advantages of digital advertising mentioned by interviewees can be utilized for successful campaigns according to the responds of interviewees.

5. DISCUSSION & CONCLUSION

After relevant literature related with advertising agency-advertiser relationship in digital advertising is reviewed, in-depth interviews were conducted with professionals from advertising agencies and advertiser companies in order to shed light on the point of views of both parties. Analysis of these structured interviews revealed valuable information on the factors impacting the advertising agency-advertiser relationship in different stages of the relationship in digital advertising and the challenges in advertising agency-advertiser relations with rapidly changing digital advertising technologies compared to traditional advertising. This study also aims to provide insights for advertisers and advertising agencies on how the relationship between advertising agency and advertiser can be improved in digital advertising according to the point of views of interviewees from both advertisers and advertising agencies. This chapter provides the interpretations of the findings from analysis of in-depth interviews with the purpose of providing a brief understanding of the conclusions related to this research.

In regards to the first sub question, various factors impacting advertisers' decisions on selection of advertising agencies in digital advertising are identified by the interviewees. Creativity level of the advertising agency, price levels of the advertising agency services and references about the advertising agency are found to be significant factors impacting agency selection. Previous awards of advertising agencies are also evaluated as precious for advertising agencies to be selected by advertisers, which also is evaluated as a good resource of reference for advertising agency.

In agency selection phase, advertising agencies aim to persuade advertisers with presenting creative campaign proposals and their previous successful and creative campaigns. Advertising agency's understanding the advertiser's strategy and creating campaign proposals in line with this strategy is also crucial for advertisers, therefore advertising agency's convincing the advertisers presenting campaign proposals which are both creative and in line with the strategies of the advertising agency is also found to be crucial in agency selection for advertisers. As motivation of the advertising agency to

work with the advertiser is also another factor which is valued by advertisers, advertising agencies are expected to show their motivation to the advertisers during agency selection process. As expectations from the advertising agency's presentations of campaign proposals depend on the advertising campaign objectives; whereas in some conditions advertising agency's strategic point of view is given importance, in other conditions advertisers expect creative and innovative campaign proposals from the advertiser. In both conditions, presentation of advertising agency is found to be convincing in agency selection decision.

Price level of the advertising agency services is significant for agency selection decision due to budget restrictions of advertisers. Nevertheless, price is not found to be the primary factor in agency selection decision if the prices of the agency are in the budget limitations of the advertiser. Advertisers can select advertising agencies with higher price levels if they are convinced in the quality of the advertising products and services of the agencies. Importance level of price depends on the expectations of the advertiser from the campaign and budget limits planned for the campaign.

Advertising agency's flexibility to meet different expectations of advertisers and offering a rich portfolio of advertising services is favored by advertisers, as most of the advertisers prefer to work with one agency for all advertising services or at least most of the advertising services. Advertising agencies which provide both traditional and digital advertising services are also preferred more for the same reason by advertisers. Experience of advertising agency in digital advertising and especially with similar brands/companies in the industry of the advertiser is also valuable for advertisers. Experience level of advertising agency staff is also significant in agency selection decision.

Advertising agency's following-up latest trends and technologies in digital advertising is found indispensable. However, only following up the trends is not enough for advertiser, as advertising agency is expected to adopt these new trends and technologies in their advertising proposals at the same time by developing the campaigns in line with the strategy of advertiser. Advertising agencies should train advertisers in terms of new technologies and trends in digital advertising industry, and share newsletters on latest

best-practices in advertising industry in order to minimize the gap between knowledge levels of advertising agency and advertiser.

With the answers of interviewees to the second sub question, crucial factors that affect maintenance of advertising agency-advertiser relationship are identified. Good and open communication between advertising agency and advertiser which is based on trust is found to be the most significant factor. Regular contacts between parties in different forms of communication, such as face-to-face meetings, emailing, phone conversations, are regularly used by advertisers and advertising agencies to maintain the good relationships between parties. Whereas, advertisers are expected to give detailed briefs to advertising agencies explaining their strategies, objectives and budget limitations openly, advertising agencies are expected to ask any questions needed to clarify open points to the advertisers on time in order to avoid time losses in preparation and development of campaigns. Advertisers' and advertising agencies' being honest in their feedbacks about each other is critical for improvement of the relationships and agency satisfaction of advertisers as a result.

Advertising agency's meeting the expectations of advertiser, in regards to quality of advertising products and services, creativity level of advertising agency, timing of advertising projects and budget limitations of the campaigns, is critical in maintenance of good relationships between advertising agency and advertiser. Advertising agency's meeting expectations of advertiser is found to be significant in building trust in advertiser which is believed to be crucial in advertising agency-advertiser relationships. While advertising agency's following-up their tasks on time is found important to conduct advertising campaigns on time and meet expectations of advertisers, advertisers also are suggested to regularly confirm with advertising agencies to ensure that they are on track in development of advertising campaign according to the planned timelines.

Advertisers' giving adequate time to advertising agencies for development of advertising products and services is crucial for good timing of advertising agency. Besides, advertising agency's proposing reasonable time plan for advertising project honestly is also very significant to complete the projects on time and meet expectations of advertiser. Motivation of advertising agency to work with advertiser and its being

flexible during conduction of advertising projects in regards to changing requests of advertiser is also valued by advertisers. Advertising agencies and advertisers should work in team spirit with common objectives and strategies in order to maintain good advertising agency-advertiser relationships and develop successful advertising campaigns in line with the strategies of advertisers.

In regards to the third sub question, important factors impacting the decisions of advertisers to leave advertising agencies by terminating their relationships in digital advertising are identified. Poor relationship management, issues in communication between advertiser and advertising agency, and advertising agency's not meeting expectations of advertiser are found to be primary reasons of agency dissatisfaction and agency termination. Advertising agencies should ensure good communication with their account managers, take into account the feedbacks of advertisers about their performance on time and improve their services accordingly in order to avoid agency termination decisions.

As some factors are crucial for good maintenance of advertising agency-advertiser relationships, lack of these elements are important reasons of agency dissatisfaction and agency termination as expected. Decrease in creativity level of the advertising campaigns, low quality products or services, delays in delivery of advertising products or services, insufficient follow-up skills of the advertising agency, lack of motivation in advertising agency staff, campaigns which are not in line with the strategy of advertiser and advertising agency's not following up latest trends/technologies in digital advertising are other commonly mentioned factors as reason of agency termination.

Price level of advertising agency can also be reason of agency termination and advertiser's switching to another agency. While according to advertisers advertising agency's increasing its price level unfairly can be a reason for agency termination, advertising agencies believe agency termination due to price level arises if advertiser prefers to try another alternative advertising agency with lower prices due to budget restrictions. Changes in advertiser's organization, like new brand manager or new marketing manager for the brand that advertising agency works for, is a common reason

for agency termination according to advertising agencies due to different preferences of the new brand/marketing in advertiser.

As the impact of creativity, communication and prices in advertising agency-advertiser relationship in digital advertising is compared according to the responds of the interviewees to the fourth sub question, it is concluded that all of the three factors are crucial in advertising agency-advertiser relationships whereas the prioritization of these factors may change according to the changing expectations of advertisers from advertising campaigns. Customer relationship management is the primary factor affecting advertising agency-advertiser relationships, as it is found to be also effective in improvement of creativity and price levels of advertising agency if there is a strong communication between parties. Significance of creativity is believed to increase with digital advertising, as customers are expected to be attracted with the creative ideas and advertising messages for interactivity. However, importance of creativity level depends on the expectation of the advertiser from specific advertising product or service according to advertisers and advertising agencies. Strategic point of view may become more important than creativity level in some cases accordingly. Price level of the advertising agency services is the least significant factors among these three factors, although it is also critical in agency selection and termination decisions. Sensitivity to price levels of advertising agency rises if advertiser has a very restricted budget for the advertising campaign which leads to elimination of advertising agencies with higher price levels, or if advertising agency does not meet the expectations of advertiser with its' products and services.

Due to the rapid changes in digital marketing and advertising technologies as a result of technological advances in Today's advertising world, observed changes in advertising agency-advertiser relationship are identified in response to the fifth sub question. Advertising agencies should follow-up new trends and technologies closely in digital advertising, and they should internalize this information by developing creative and innovative advertising campaigns to meet changing expectations of advertisers today.

Advertising agency's insisting on outdated and old advertising methods and technologies is not tolerated by advertisers in digital advertising. Speed of the

advertising agency in development of advertising campaigns is also found to be more important in digital advertising compared to traditional advertising.

Interesting and attractive advertising campaign ideas and messages are also found more significant in digital advertising. As a result, creativity level of advertising campaigns and quality level of advertising contents are believed to be more significant in digital advertising. Changes in performance measurement of advertising campaigns' effectiveness may also be a challenge for advertising agencies, whereas it is seen as an advantage of digital advertising for advertisers.

Whereas the interviewees view these changes as challenging for advertising agencies and advertisers, they also pointed out that this situation can also be advantage for the advertising agencies which can follow-up latest digital advertising trends closely and propose creative advertising solutions in line with the advertisers' strategies to differentiate themselves from other advertising agencies. Advertising agencies which develop themselves rapidly in the speed of digital advertising technologies are expected to be more successful in Today's digital advertising world in order to utilize the advantages of digital advertising technologies for advertisers. Advertiser's openness to changes and new technologies in digital advertising is also essential for development of successful and trending digital advertising campaigns.

This study offered exploratory findings related with advertising agency-advertiser relationships in digital advertising from perspectives of advertisers and advertising agencies. Factors impacting the relationship in different stages of advertising agency-advertiser relationship are identified according to views of advertisers and advertising agencies. Changes in the relationships between advertisers and advertising agencies are examined with the point of views from both parties of the relationship. Future studies on the research topic are valuable, as numerous areas are worth exploring further. In order to generalize the findings, as the sample size is insufficient, future research with a larger sample size might contribute to researches in this field.

REFERENCES

Books

- Altstiel, T & Grow, J., 2013. *Advertising creative: strategy, copy and design*. Issue no: 3. Canada: Sage Publications.
- Barfoot, C., Burtenshaw, K. & Mahon, N., 2006. *The fundamentals of creative advertising*. London: Ava Publishing SA.
- Darren, B., 2011. *Mobile marketing and advertising 2012: challenges and opportunities*. Mind Commerce.
- Dickey, I. & Lewis, W., 2012. *An overview of digital media and advertising. Emarketing: concepts, methodologies, tools and applications*. IGI Global.
- Hanafizadeh, P. & Behboudi, M., 2012. Internet advertising. *Online advertising and promotion: Modern technologies for marketing*. IGI Global.
- Ivanovic, A. & Collin, P. H., 2003. *Dictionary of marketing*. Issue no: 3. London: A & C Black Publishers Limited.
- McStay, A., 2010. *Digital advertising*. New York: Palgrave Macmillan.
- Miller, R. & Washington, K. D., 2013. *The 2013 entertainment, media and advertising market research handbook*. Issue no: 13. Loganville, GA: Richard K. Miller & Associates.
- Mind Commerce, 2012. Google in mobile and online video advertising: YouTube, Android, and more. *Mobile video advertising*. Mind Commerce.
- Neslin, S. & Winer, R., 2014. The history of marketing science. *Digital and internet marketing*. Hackensack, NJ: World Scientific Publishing Company.
- Powell, H., Hardy, J., Hawkin, S. & MacRury, I, 2009. *The advertising handbook*. Issue no: 3. New York: Routledge.
- Semenik, R. J., Allen, C. T., O' Guinn, T. C. & Kaufmann, H. R., 2012. *Advertising and promotions: an integrated brand approach*. Issue no: 6. Cengage Learning.
- Weilbacher, W.M., 1984. *Advertising*. Issue no: 2. New York: Macmillan Publishing Company.

Xu, Jun & Quaddus, M., 2010. E-business in the 21st Century: realities, challenges and outlook. *B2C, B2B and other types of e-business*. Hackensack, NJ: World Scientific Publishing Company.



Periodicals

- Ammani, P., 2012. Friend or a foe-understanding the client agency relationships in advertising industry. *Romanian Journal of Advertising*.
- Arul, P. G., 2011. An evaluation of client turnover impact on ad-agency-client relationship. *Amity Global Business Review*. **6**.
- Barnes, S. & Hair, N., 2009. From banners to YouTube: using the rear-view mirror to look at the future of internet advertising. *Journal of Internet Marketing and Advertising*. **5** (3).
- Barnham, C., 2015. Quantitative and qualitative research: perceptual foundations. *International Journal of Market Research*. **57** (6).
- Bendixen, M., 1993. Advertising effects and effectiveness. *European Journal of Marketing*. **27** (10).
- Beverland, M., Farrelly, F. & Woodhatch, Z., 2007. Exploring the dimensions of proactivity within advertising agency–client relationships. *Journal of Advertising*. **36** (4).
- Chen, J. & Stallaert, J., 2014. An economic analysis of online advertising using behavioral targeting. *MIS Quarterly*. **38** (2).
- Danaher, P., Lee, J. & Kerbache, L., 2010. Optimal internet media selection. *Marketing Science*. **29** (2).
- Davies, M., 2006. Developing a model of tolerance in client-agency relationships in advertising. *International Journal of Advertising*. **25** (3).
- Davies, M. & Prince, M., 2005. Dynamics of trust between clients and their advertising agencies: Advances in performance theory. *Academy of Marketing Science Review*. **11**.
- Durkin, M & Lawlor, M., 2001. The implications of the internet on the advertising agency-client relationship. *The Service Industries Journal*. **21** (2).
- Fam, K. & Waller, D., 2008. Agency client relationship factors across life-cycle stages. *Journal of Relationship Marketing*. **7** (2).
- Galmes, M., Berlanga, I. & Victoria, J. S., 2016. Advertising from the perspective of festivals: the present and future of commercial communication in the categories of awards (2013-2014). *Communication & Society*. **29** (2).

- Helgesen, T., 1994. Advertising awards and advertising agency performance criteria. *Journal of Advertising Research*. **34** (4).
- Hotz, M., Ryans, J. & Shanklin, W., 1982. Agency / client relationships as seen by influentials on both sides. *Journal of Advertising*. **11**.
- Kassaye, W., 1997. The effect of the World Wide Web on agency - advertiser relationships: towards a strategic framework. *International Journal of Advertising*. **16**.
- Lim, W. M., 2015. The influence of internet advertising and electronic word of mouth on consumer perceptions and intention: some evidence from online group buying. *Journal of Computer Information Systems*. **55** (4).
- Norris, V.P., 1980. Advertising history according to the text books. *Journal of Advertising*. **9** (3).
- Salleh, A. & Rahim, M., 1995. From transaction marketing to relationship marketing: profiling activities throughout the customer relationship life cycle of top advertising agencies. *Journal Komunikasi*. **11**.
- Suh, T., Jung, J. C., Smith, B. L., 2012. Learning creativity in the client-agency relationship. *The Learning Organization*. **19** (5).
- Wackman, D., Salmon, C. & Salmon, C. C., 1987. Developing an advertising agency-client relationship. *Journal of Advertising Research*. **26** (6).
- Waller, D., 2004. Developing an account-management lifecycle for advertising agency-client relationships. *Marketing Intelligence & Planning*. **22**.

Other Publications

- Chief Marketing Officer, 2015, Big shift to digital and data marketing is shaking up client relationships with ad/media agency partners [online], <http://www.cmocouncil.org/press-detail.php?id=5078>. [accessed 25.03.2016].
- HIS Technology, 2015, Paving the way: how online advertising enables the digital economy of the future [online], http://www.iabeurope.eu/files/9614/4844/3542/IAB_IHS_Euro_Ad_Macro_FINALpdf.pdf. [accessed 10.01.2016].
- Marketing Week, 2014, What brands want from their agencies-in association with Weber Shandwick [online], <http://www.marketingweek.com/2014/07/23/what-brands-want-from-their-agencies-in-association-with-weber-shandwick/>. [accessed 25.03.2016].
- Marketing Week, 2010, Remodelling the agency relationship for the 3.0. age [online], <https://www.marketingweek.com/2010/08/03/remodelling-the-agency-relationship-for-the-3-0-age/>. [accessed 28.03.2016].
- Marketline, 2015a. Advertising in Turkey. Marketline Industry Profile. London: Marketline.
- Marketline, 2015b. Global advertising. Marketline Industry Profile. London: Marketline.
- Turkish Association of Advertising Agencies, 2015a, Türk medya yatırımları [online], http://rd.org.tr/doc/RD_TABLO_2015_EKIM.pdf. [accessed 10.01.2016].
- Turkish Association of Advertising Agencies, 2015b, Türk medya yatırımları [online], <http://rd.org.tr/doc/RD-MEDYA-YATIRIMLARI-2014-NISAN-2015.pdf>. [accessed 10.01.2016].
- ZenithOptimedia, 2015, Executive Summary: Advertising Expenditure Forecasts June 2015, <http://www.zenithoptimedia.com/wp-content/uploads/2015/06/Adspend-forecasts-June-2015-executive-summary.pdf>. [accessed 10.01.2016].

APPENDICES



APPENDIX 1 - In-depth Interview Questions for Advertising Agencies in Turkish

1. Hangi ajansta çalışmaktasınız? Ajansta hangi pozisyonda çalışıyorsunuz?
2. Kaç senedir reklam sektöründe çalışıyorsunuz?
3. Geleneksel ve/ve ya dijital reklam servisleri veriyor musunuz?
4. Dijital reklam verecek yeni müşterileri nasıl buluyorsunuz? Ajansınızda bulunan hangi özelliklerin reklam verenler tarafından dijital reklam ajansı olarak sizin seçilmenize yardımcı olduğunu düşünüyorsunuz?
5. Dijital reklamcılıkta reklam verenlerle ilişkinizi hangi düzeyde sürdürüyorsunuz? İlişkilerin düzgün yürütülmesinde nelerin önemli olduğunu düşünüyorsunuz?
6. Dijital reklamcılıkta, reklam verenlerin reklam ajansları ile ilişkilerini sonlandırarak, yollarını ayırmalarına sizce ne gibi sebepler yol açıyor?
7. Dijital reklamcılıkta, reklam verenlerin birlikte çalışacakları reklam ajansına karar vermelerinde ve çalıştıkları reklam ajansları ile yollarını ayırma kararlarında yaratıcılık, ücretlendirme ve müşteri ilişkilerindeki özenin rolü nedir?
8. Dijital pazarlamadaki hızlı değişimler reklam ajansı - reklam veren ilişkilerinin yönetilmesini zorlaştırmakta mıdır?

APPENDIX 2 - In-depth Interview Questions for Advertisers in Turkish

1. Hangi firmada çalışmaktasınız? Çalıştığınız firmada hangi pozisyonda çalışıyorsunuz?
2. Kaç senedir marka yönetiminde ve ya pazarlama yönetiminde çalışıyorsunuz?
3. Reklam ajanslarından geleneksel ve/ve ya dijital reklam servisleri alıyor musunuz?
4. Reklam ajansınızı nasıl buluyorsunuz? Yeni bir reklam ajansı seçerken ajansın hangi özellikleri kararınızda etkili oluyor?
5. Reklam ajansınızla ilişkinizi hangi düzeyde sürdürüyorsunuz? İlişkilerin düzgün yürütülmesinde nelerin önemli olduğunu düşünüyorsunuz?
6. Reklam verenlerin reklam ajansları ile ilişkilerini sonlandırarak yollarını ayırmalarına sizce ne gibi sebepler yol açıyor?
7. Reklam verenlerin birlikte çalışacakları reklam ajansına karar vermelerinde ve çalıştıkları reklam ajansları ile yollarını ayırma kararlarında yaratıcılık, ücretlendirme ve müşteri ilişkilerindeki özenin rolü nedir?
8. Dijital pazarlamadaki hızlı değişimler reklam ajansı - reklam veren ilişkilerinin yönetilmesini zorlaştırmakta mıdır?