# HAAGA-HELIA
## University of Applied Sciences

# The impact of advertising creativity on customer loyalty: Case Agency X

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**Abstract**

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Service quality and customer loyalty in business to business setting are vital in achieving business success. Moreover, advertising creativity and customer loyalty in B2B field have evoked a lot of debates. Yet, a lot of issues are still unclear and have not been explored by researchers to a sufficient degree.

The main scope of the thesis is to give an insight on advertising creativity as well as service quality and its impact on customer loyalty from the agency perspective. For this purpose, one of the most important advertising agencies in Finland was chosen as a case study. Recently, the agency has won several awards; it is ranked as number one in Finland and it is among the top ten worldwide.

Clarifying the subject in an objective manner was challenging. Therefore, it was important first to understand the nature of the dichotomy: advertising creativity/customer loyalty. Then, it was central to present insights on disruption, the advertising process and customer loyalty in B2B.

The findings show that, indeed, advertising creativity has a huge impact on customer loyalty. However, other factors together with creativity issues have an impact on customer loyalty such as marketing strategy, resources management and customer relationship management. One of the most important results was the value of disruption as philosophy, and value added, which reveals much interest from the agency. A surprising result is that disruption is not known by most loyal clients, although it does have a relative impact on them. Finally, the last finding shows that the agency-client relationship has a direct impact on customer loyalty.

| Key words |
| Advertising creativity, disruption, customer loyalty. |

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# 1  Introduction

This thesis research is about the impact of advertising creativity on customer loyalty, for one of the most important advertising agencies in Finland. The value and the mechanism of creativity services in advertising industry seem to be different than the ones in other B2B professional services. Thus, the research was limited to find out and explain the mechanism of the dichotomy creativity/customer loyalty in such industry.

The agency, the subject of the actual research is under the authority of a mother company which is international. For that reason, it is necessary to deal with the subject with care and limitations, and this explains some changes that have been done a long the research. First the author, because of confidentiality issues, should keep most of information confidential. To give more insight on customer loyalty, it is vital for the author to interview as priority the agency's client. The choice of three clients (loyal, non- loyal and new client) was very significant to the nature of the study, and is relevant to the results. Having said that, only one client (loyal) responded to the interview, which did not provide enough reliable data for the conclusion. Thus, the non-availability of client was a disadvantage for the study. As a result the author had to find another alternative in order to answer research problem and explain the real relationship between customer loyalty and creativity. That was achieved by switching two missing clients with their representatives: client service directors who know better their clients more than anyone else in the agency. The other problem was related to confidentiality issues; the author refrained from releasing any data or information about the agency or the mother company, in order not offer an advantage to the competitors.

## 1.1 Background of the study

This topic was chosen for several reasons; first because of a personal interest in the advertising industry in general, and creativity related issues. The author is curious to know to at what extent the creativity is essential to maintain loyal clients, criteria that are needed for any business success. Furthermore, the author's interest in agency X is motivated by her curiosity to understand the nature of relationship between the agency and its client, and how does that affect the customer loyalty.

Dealing with the subject was challenging, on one hand, only little literature about creativity and advertising exists. On the other hand, interviewing the clients was interrupted several times due to their unavailability.

Initially, it was planned at the beginning of the research to focus the customer's perspective, however and due to their unavailability, it was necessary to interview their representatives within the agency: Client Service Directors.

## 1.2 Thesis structure

The thesis is composed of two main parts: theoretical and empirical. In the theoretical part, the author focuses mainly on defining advertising creativity, customer loyalty and disruption and its role in retaining the clients. It was fundamental to clarify the relationship agency-client since it is relevant to the topic. The author reserves a chapter for service quality and its impact on customer loyalty. In the empirical part, the qualitative research was done by interviewing different groups. To answer the research question stated in the beginning was a big challenge, because of the ambiguity of such subject, and lack of literature on creativity issues and its impact on customer loyalty. The main challenge was to create homogeneity between the main parts: theory and research.

## 1.3    Benefits of the research

Agency X will benefit from this study since no research was done before about the creativity and its impact on customer loyalty. The author also realized that there were some issues related to the client-agency relationship that needed to be clarified and resolved.

Through the interview process, Client Service Directors became aware of the importance of the relationship between the agency and the client, and how to deliver high quality service to their clients.

As a student, the author will benefit from the research as well, by learning more about the agency processes, and the industry of advertising in general.

And last but not least, a student could benefit from the research by learning about the creative advertising process, and give her a broader idea about the marketing industry.

## 1.4    Research problem

The Research Problem (RP) and Investigative Questions (IQs) are formulated as follow(s):

RP: How advertising creativity affects customer loyalty?

IQ1. How does the agency evaluate the effectiveness of an ad?

IQ2. How do clients evaluate the effectiveness of an ad?

The objective of these two questions is, to know how agency and client are evaluating the effectiveness, and how does the agency decide that an ad is creative enough to be launched into the market. Moreover, the answer to those questions will allow a comparison of creativity as seen from the customer's and the agency's perspective, and figure if both parties communicate with each other efficiently or not.

IQ3. What are the factors influencing creative advertising development process?

The aim of this question is to know factors which affect creative advertising development process, while involving both the agency and the customer.

IQ4. How does implementation of the disruption strategy add value to customers to be more loyal?

The purpose of this question is to explain how implementing disruption could add value to a customer's loyalty.

IQ5. What is the impact of creativity on customer loyalty from agency's perspective?
IQ6. What is the impact of creativity on customer loyalty from client's perspective?
The author aims through these two questions to find out, and explain clearly the impact of creativity on customer loyalty from client and agency's point of view. Thus, to identify similarities and divergences between both parties: agency and client

## 1.5   Definition of key concepts

According to thesis topic some key concepts should be defined.
**Creativity** is defined in most literature as problem solving, where solution to the problem involve insight and clarity (El-Murad &West 2004, 188).
Creativity as a tool is important in advertising, and brand cannot exist without creativity. Creativity is the core of branding and advertising (Allen, O'Guinn & Semenik 2006, 343).

**Advertising creativity** is the artistic way to combine new and meaningful relationship, between unrelated things in a manner that is relevant, believable, and present the product in a fresh way (Burnett 1968 in El- Murad & West 2004, 188).

**Disruption**: According to Dru (2006, 15) disruption is a way of thinking, it is a process which can be used in advertising and marketing. Disruption means the idea of rupture, non-respect of convention and rules in the way of being creative.

**Customer loyalty** occurs when a customer purchase repeatedly a product or service for long term, and has an emotional attitude towards the  product/service or towards the  company which provides that good/service(Wong &Sohal 2003, 2).

# 2   Theoretical framework

In this chapter, the focus will be more on creativity issues and their relation to the customer loyalty. Because of the broad nature of the subject, and in order to understand it better, it is necessary to introduce briefly other concepts, such as service quality and disruption for two reasons: first, creativity is a part of service quality and secondly, disruption is directly linked to creativity

## 2.1   Definition of creativity

Creativity is the ability to produce work that is novel, original and unexpected. But originality is not enough for a work to be creative. The work should be appropriate and useful (Stenberg & Lubart 1991 in El-Murad &West 2004, 189).
Creativity comes mainly in order to solve a given problem. Media planners, market researchers, copywriters, and art directors are all looking for new idea (Moriarty, Mitchell & Wells 2006, 257). Therefore, creativity is a problem solving, a way of thinking of generating new ideas with the respect of originality, uniqueness and relevance.

## 2.2   Advertising creativity: meaning and role

Advertising creativity or "big idea" as it is called in advertising field has many definitions. But the most simple and comprehensible one is that creativity is only there when there is originality, novelty and appropriateness (Ang & Low 2000, 174).While, Reid, King & Delorme (998, 1) reveal that the most important characteristic of creativity is its non- scientific aspect.

Another point of view which seems to be very relevant to this subject is El Murad and West's (2004, 189) point of view. They have stated that creativity must have an impact, quality, style and relevance. To be useful as solutions to marketing problems, ideas must be new, unique, and relevant to product and to the target audience. In order to

have impact creativity should embraces three qualifications: newness, uniqueness, relevance. Thus, creativity is present only when an ad is new, unique and relevant.

Creativity in advertising industry is different from creativity in other service businesses. It is considered as a core business whose objective is not to generate solutions, but to fulfill the customer's needs and expectations.

## 2.3   Advertising creativity from the point of view of practitioner

Only few literature mention**s** how both practitioners and public viewers define advertising creativity. Most practitioners view advertising creativity, as advertising which is awarded as creative by specialists in advertising industry people who are well skilled in business and advertising. West, Kover and Caruana (2008, 12) have conducted a research by comparing practitioner and consumers definition of creativity. They found out that the definitions given by practitioner are related to relevance, appropriateness, and originality. The results pointed out that practitioner view creativity as a core of the business. Thus, the objective is make business more profitable through affective advertising in an effective manner.

## 2.4   Advertising creativity from the point of view of public viewers

West et al. (2008, 12) mentioned in the same study that public viewers definition of creativity, is too simple and does not response to criteria of appropriateness, and originality; while they are looking for relevance.

Friestad and Wright(1994, 31) found out that consumers perceive  advertising according to their needs; they can evaluate an ad as creative when creative person do not see it so. From these two views, it is clear that that both practitioners and public viewers adopt a pragmatic approach. Practitioners view creativity when clients can reach their objectives; while the public consider advertising as creative only if it responds to their own needs. Therefore, there are two types of creativity: ''little c'' creativity and ''big c'' Creativity. ''Little c'' comes when public view consider creativity

as solution to ever day problem. But "big C" Creativity is about how practitioners view creativity which has a strong impact on customers and how they think and feel. Therefore what is creative for consumers is not creative for practitioners and vice versa (West et al. 2008, 13).

## 2.5   Measurement of advertising creativity

It is indeed very challenging task to measure creativity for many reasons. First because there is a lack of research in the field of advertising creativity and in advertiser satisfaction, secondly because the final result of creative advertising is done through a complex process, finally because of the non- scientific aspect of the creativity process.

Considering the non- scientific aspect of creativity, from the point of view of some specialists in general and advertising creativity specially, it is not logical to measure advertising creativity. However, Hocevar (1981, 450) who has different view, classified main criteria of advertising creativity in two categories: psychometric tests which included four methods: tests of divergent thinking, attitude and interest inventories, personality inventories, and biographical inventories. Second category expert opinion included teacher nominations, peer nominations, supervisor ratings, judgments of products, eminence, and self-reported creative activities and achievements.

Guilford, Merrifield & Wilson (1958 ) stated that psychometric tests referred to as divergent thinking tests, they included "Unusual Uses Test", Torrance 's test "Tests of Creative Thinking"(TTCT),  and Meeker 's test "Structure of the Intellect-learning Abilities Test" SOI-LA . Specialists used so often the TTCT 'Tests of Creative Thinking". It is known by its fluency (the total number of relevant responses), flexibility (the number of different categories of relevant responses), originality (the rarity of the responses), and elaboration (the amount of details in the responses)(Stemberg & Lubart 1999, 1).
However, Expert Opinion has shown that the only way to identify creativity is by evaluating the creative output. On one hand, Reid and Rotfeld (1976, 28) assumed that a person's attitude toward the act of creating a commercial is a function of the act's

perceived consequences and its value to the person. But, El Murad and Douglas (2004, 188) found out that the only relevant way to measure an ad as creative or not is to focus on audience reaction. Thus, the expert opinion is excluded since he is not from the target audience. On the other hand Kover, Gldberg and Jamed 1995 in El Murad and Douglas (2004, 200) used advertising that had been judged creative by the conventional standards of the industry: creative advertising was the advertising that had won creative awards.

Measurement and evaluation of creativity lead to mention about what is effective ad and how agency and client can be able to identify ad as so.

## 2.6   The creative advertising development process

Every agency around the world follows the same process only management differs. However, it is difficult to explain for advertising agencies their own working process. Even though, good experience and high skill advertising professionals do not know how to explain their own work (Hackley 2010, 108).

Creative advertising development process is conducted through many meetings from discussion of the creative brief until ad evaluation. The process is characterized by a lot of debates, long discussions and arguments (Hackley 2010, 120).

The main steps in advertising development process are: first, the creative brief:  the document prepared by the account planner to summarize the basic marketing and advertising strategy. It gives direction to the creative team as they search for a creative concept. But, still, account planners should before preparing creative brief, work hard on client brief and communicates it to the agency .The formats of creative briefs vary, but most combine the basic advertising strategy decisions: the problem to be solved, the objectives, the target market, the positioning strategy, the type of creative strategy, the selling premise, and suggestions about the ad's execution.

Second step is message execution: Execution is the form in which the ad's message is presented. Therefore, creative teams will spend a lot of time to compare and test different options before to reach the final version. The execution details are the

specific about how the message will look in its final form. At the end comes managing the global creative strategy when most agencies focus on tracking and evaluating ad effectiveness (Wells et al. 2006, 345-346).

## 2.7   Evaluating ad effectiveness

Evaluating ad effectiveness is usually done after ad execution. To track or evaluate ad effectiveness was always a subject of debate in advertising industry. The reason is that it is difficult to show or to prove that the ad is noticed because of its effectiveness; other factors can be the causes as seasonality, changes in income or inflation. Not all agencies agree when advertisers should evaluate the effectiveness of an ad. As Schultz D., E. and Beth E. Barnes (1999, 218) stated some agencies are very demanding to evaluate the ad at the early stage of creating an ad (pretesting). Some other agencies limited the evaluation only at the end. The evaluation is done by testing and conducting a survey (Hackley 2010, 121).

## 2.8   Factors influencing advertising process

When working on an ad, many factors can influence advertising process. If agency's managers are aware about these factors and try to take them into consideration, the big part of the work is already done. Therefore to achieve client's and agency's objectives would be easy. Factors which influence advertising process are as follows: working environment, role of creative team, role of Client Service Directors, client-agency's relationship and resources.

### 2.8.1   Work environment

Work environment is the atmosphere in which the whole work is done from the first meeting with client until the execution of the ad. The work environment is created by the agency's manager (vision, policy and culture). The relationship between directors, seniors, creative team members has an impact on creating working environment. Some characteristics of working environment have been shown to evolve employee's creativity. Those characteristics are sense of control, viewing the work as important,

challenging, urgent, and receiving encouragement from supervisors. However, characteristics that have been shown to reduce employee's creativity are: existence of rigid procedures, use of surveillance, lack of resources, and restricted control (Shalley, Gilson and Blum 2000, 216).

Agency is supposed to provide the suitable work environment which enable people to create especially when creativity is considered as a core in a business (Shalley et.al, 2000, 217).

### 2.8.2   Creative team's role

In any advertising agency creative team plays a crucial role in delivering good quality service to the client. The creative team is responsible for the quality of their creative output which guaranties success and continuity of the agency. So often and in many agencies creative team is organized of two people first one dealing with words (copywriting, script writing) second one deals with images, visualization of story boards. These two people of creative team might work together or alone. But in most agencies each group prefer working alone. After working on client brief communicated by account manager, creative teams work hardly sometimes for many days on the creative brief (Hackley 2010, 118). Creative teams should be very good in generating new and original idea to a given deadline, should be able to work under pressure. When creative team is ready with the brief, they present it to account manager who present it to customer.

### 2.8.3   The Client Service Director's role

The Client Service Director called also in some agencies account manager is a person who presents client in the agency, communicates the client's needs and objectives to the agency. Client Service Director is supposed to know a lot about the client, and he is directing and managing creative team during the creative development process. Then, Client Service Director has to work on client and agency sides. Thus, the selection of adequate Client Service Director during recruitment process is important to an agency. The Client Service Director should be keen in managing the creative team, ensuring effective communication and building a good relationship between them. The key

success of any Client Service Director is to be aware about his role and responsibilities in the agency in order to guaranty a good work environment for everyone. Therefore, he is supposed to manage the agency-client relationship with a lot of professionalism and high level of expertise.

### 2.8.4   Client – agency relationship

Client-agency relationship could be divided into two parts attracting customer and building long term relationship with customer (customer loyalty) so that agency can achieve its objectives for long term. Customer relationship is based on some principles: commitment and trust. More the level of customer satisfaction is important the more customers will be loyal (Payne et al.1995 in Chumpitaz and Paparoidamis 2007, 1).
In advertising industry, so often, relationship client- agency is very challenging since client brief requires a lot of work. Most of agencies agree that the achievement of real success is longevity and mutual trust in client relationships. Continuity is very important way to achieve this mutual trust since it enables both sides to understand each other: Agencies that succeed to retain clients for long term have much chance to deliver high quality service which enables them to have a position in the market and then compete with other agencies (Hackley 2010, 110).

In advertising industry, client is more than an asset since he is involved in developing creativity process whatever the degree of his involvement, how or in which stage of creativity process he is involved.
It is obvious that relationship client agency is challenging to manage because Client's expectations for the service quality are hard to judge objectively and reflects so often conflicts. Unsolved conflicts are another challenge for the agency. Account manager who is in direct connection with the client should be able to manage all unsolved conflicts because they can affect customer satisfaction and then customer loyalty.

### 2.8.5  Resources

As mentioned by Amabile (1988, 76) time and money are among factors which have an impact on creativity process. Time is very important factor which play a crucial role in creativity process for any agency in the world. Time is also challenging issue from the psychological aspect in generating new and original idea. Unfortunately, there is a lack of literature about the impact of time and money on creativity process.

### 2.9  Disruption: definition and goals

Disruption is too much related to creativity and to big idea concept. The concept is therefore related directly to advertising. Moreover, it is essential, according to agency's philosophy to give some insight on this concept.

### 2.9.1  Definition

Disruption began in 1990, the method was developed by the advertising agency (mother company of company x subject of this thesis)"it was designed to help produce more intrusive advertising strategies and to give brands more substance and weight, by making a clean break with the status, by creating a disruption" .(Dru 2002,19)

As it is illustrated in the (figure 1) disruption was built on three step process: convention, disruption, and vision. Convention presents restricts believes. Disruption serves to disrupt or break down conventions in order to generate new and original idea. At the end comes the vision of the idea in the future (Dru 2006, 20).

Figure1. Road Map

### 2.9.2 Goals

Disruption goals could be identified as: to bring a genuinely new perspective to the way business is conducted, which is often disturbing for competitors. To create new vision about customer relationship management so that customers get involved in creativity process from the early stage until the end. In addition, disruption strategy is used to build and ensure a strong brand for both agency and client.

Disruption enables agencies to create a ''great client'' as Dru's expression and to evolve creativity inside creative team. According to Dru (2002, 104) disruption allows agency and client to be in the same side, to talk the same language. New ideas emerged between two sides belong to both sides and became then ''Our idea'. With the disruption process client changes from defensive client to receptive client.
Dru stated also (2002, 105) that to disrupt ideas inside agency, directors can involve other person from different areas: comedians, theater director, engineers.

## 2.10 The role of disruption in customer loyalty

As disruption plays a crucial role in evolving agency-client relationship it also plays a role to maintain loyal customer. Disruption leads clients to be involved in creating new idea for the effectiveness of the ad. To implement disruption process by managers requires a lot of works, time, brave, flexibility and patience. As Dru (2002, 84) expressed disruption enables agency to disrupt the client-agency relationship itself. Therefore, disruption comes to break down with rules and conventions. As results, disruption eliminates barriers between clients and agency and involves clients in creative process. Indeed this new vision of relationship client-agency gives to both sides the opportunity to work together and come up with new ideas.

## 2.11 Service quality and customer loyalty in advertising industry

Nowadays the market becomes more competitive and consumers are more and more demanding. In advertising industry, as the quality of service improves, customer's expectations increase continuously. Obviously, in advertising industry agencies managers consider creativity advertising as service quality since it is the core of the whole industry. Thus, it is necessary to define service quality and customer loyalty as they are interacted to each other in this study.

### 2.11.1 Service quality

Service quality and customer satisfaction/customer loyalty prove overtime the importance of relationship in any business. Service quality is a huge field which can be explored by managers in order to reach customer loyalty.

Grönroos (1984, in Wong & Sohal 2003, 2) points out that service quality is a perceived judgment as result of evaluation process where customers compare their expectations with the service perception.

The most scale used to express service quality by specialists is SERVIQUAL (SERVI refers to service, QUAL refers to quality). Chumpitaz and Paproidamis (2007, 4) confirms that SERVIQUAL is the instrument developed by Parasuraman, Zeithaml and Berry (1988, 12). The main idea behind this concept is to focus on ten general dimension of service named as tangible, reliability, responsiveness, competence, courtesy, credibility, security, access, communications and understanding. Theses ten dimensions of service are resumed on five which include reliability, responsiveness, assurance, empathy, and tangibles. According to the same authors, a perception of service quality is a result of a comparison between what consumers consider the service should be and their perceptions about the actual performance offered by the service provider (Chumpitaz& Paproidamis (2007, 4). However, Grönroos in his service quality model emphasized more on the issue of quality. He came up with the idea that relationship quality and its determinants (satisfaction, trust and commitment) plays crucial role to achieve competitive advantage. He has introduced two different levels of quality: functional (the way the service quality process functions) and technical (results of the service as it is). The model illustrates that customer is not interested only on service received but he is interested also on the process itself (how things are done). The functional side is subjective while technical side is objective. In addition, Grönroos argued how is crucial relationship quality (satisfaction, trust and commitment) in achieving customer loyalty (Grönroos 1984 in Chumpitaz &Paproidamis 2007, 5).

### 2.11.2  Relationship quality

Relationship quality is relation outcome which assesses the strength of a relationship between two companies (Gabarino &Johnson 1999). Relationship quality has three core variables: satisfaction, trust and commitment.
Chumptaz and Paparoidamis  (2007, 5) conducted a research study about service quality and relationship quality and its impact on customer loyalty in B2B field . Authors has used Grönroos model as framework for their research. They considered satisfaction as total appraisal, trust as the client confidence in company's integrity and commitment as customer wiliness. The results of the study showed that trust and commitment are crucial components of long term loyalty and therefore to ensure long

term orientation towards business relationship. Obviously, it was strongly demonstrated that high relationship quality influences directly behavioral intentions. Therefore managers should focus more on managing relationship quality because of its direct impact on loyalty.

The (figure 2) illustrates the dynamic nature of both service quality and relationship quality and how well they are interacted. Service quality embodies both technical quality (advertising campaign or message executive), and functional quality (communication, delivery, administration and commercial). These two components of service quality are interacted with relationship quality (satisfaction, trust and commitment) which lead automatically to loyalty.

**Service Quality**                                    **Relationship quality**

**Technical quality**
Advertising
Campaign

**Functional Quality**
Communication
Delivery
Administration
Commercial

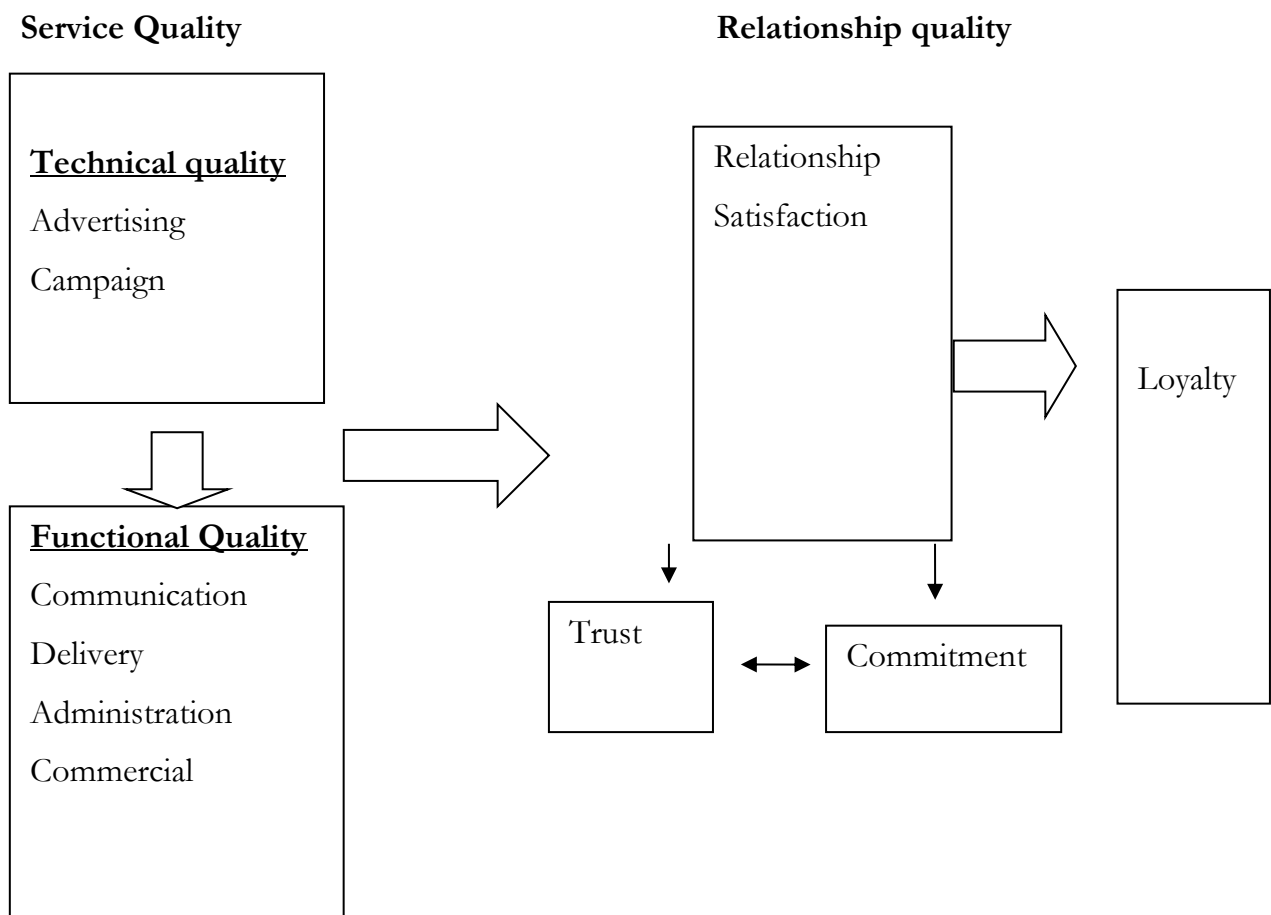Relationship
Satisfaction

Trust

Commitment

Loyalty

Figure2. Service Quality (Grönroos 1984 in Chumptaz & Paparoidamis 2007, 12)

### 2.11.3 Customer loyalty: definition

"Loyalty embodies a willingness to support the objects of one's loyalty and to continue that support over the long term, thus forming an attachment and commitment on the part of the customer to a supplier's offering."(Shaar 1967, 486). While Dick and Basu (1994, 99) defined loyalty as relationship between relative attitude towards an entity and repeat patronage behavior.

Many authors in this sense have recognized that segmenting loyal can assist in developing an understanding of the nature of loyalty orientation and can inform appropriate marketing actions. A model of loyalty segmentation is proposed by Dick and Basu (1994): they argue that loyalty is determined by the strength of the relationship between relative attitude and repeat patronage, and that it has both attitudinal and behavioral elements. Customer loyalty is described as occurring when customers repeatedly purchased a good or service over time; and has positive attitudes towards a good or service, or towards the company delivering the good or service (Wong& Sohal 2003, 2).

The benefits of customer loyalty are shown in all businesses because it is considered as a core business asset. Customer loyalty has always been critical to business success and profitability. Customer loyalty enables lower customer price sensitivity; reduces expenditure on attracting new customers; and improves organizational profitability.

### 2.12 The four Cs of customer loyalty

Dick and Basu (1994, 99) proposed four categories of loyalty: loyalty, latent loyalty, spurious loyalty and no loyalty.

Loyalty signifies a favorable correspondence between relative attitude and repeat patronage. Latent loyalty is associated with high relative attitude, but low repeat patronage. Spurious loyalty represents a low relative attitude, with repeat patronage. No loyalty is associated with low relative attitude, combined with low repeat patronage Those four categories of loyalty correspond to four categories of loyal customers: captive, convenience- seeker, contented and committed.

Captive are customers who continue to patronize a brand or service, because they have no real choice. Customer is captive to the brand with limited experience of any other brand. Convenience- seeker is customer who is just satisfied by the brand, they do not have either positive or negative view about the brand with low involvement with. Contented are customers who have a positive attitude to the brand, but not interested to additional purchasing. Committed are satisfied and happy customers with the brand, and cannot be attracted by competitors. In this research we are interested into loyal committed customer who are happy with the service even the existence of strong competitors.

## 2.13  The impact of creativity advertising on customer loyalty

Advertising creativity is crucial for any advertising agency since it has an enormous impact on sales and on hiring and firing of advertising agencies and affects their remuneration. Advertising creative services are relatively intangible, very high on experience and low in search characteristics; they are high involvement and high risk (Hill & Johnson 2004, 285).

Comparing advertising creative services with other B2B (business to business) professional services, there are a lot of similarities. But, how advertising organization perceive creativity is different than how other organization from other industries do since in advertising industry, managers focus on  and centralize creativity issues more than managers from other industries do (Hill and Johnson 2003, 221).

Michell, Cataque and Mandry (1996, 38)  found out through a research conducted in United Kingdom that there is a big effect of creativity on customer loyalty since creativity is linked strongly to billing size, to client variables as the amount spent on advertising and its portfolio size. The authors found out that an agency's reputation for creativity affects client agency relations therefore increasing their market share. Creativity enables then agencies to increase its business.

However, Railton M. Hill, through a research conducted in UK, stated that creativity has a positive impact on customer satisfaction and then customer loyalty; but it is only one factor among others that has also an impact on customer loyalty. They come up with the idea that performance should exceed client's expectation. They found out that

in order to maintain client, managers should more focus on the concept of improving the client –agency relationship. Early in 1992 Michel and other authors had defended the same idea but differently and explained that it is evident that creativity plays a pivotal role in maintaining clients but the way the service is provided affects strongly customer loyalty (Michell et al. 1992, 41).

# 3 Empirical research

This chapter explains the method of research used to achieve objective setting early: explain the impact of advertising creativity on customer loyalty. Then, chapter describes primary data used. Finally the analysis of data collected.

## 3.1 Research methodology

The research is based on qualitative method. As Kmund, Barin, Carr and Griffin(2010, 133) mentioned, the qualitative method is very useful to a research when the objective is to seek for a very precise explanation to a given concept or a specific phenomenon. Therefore, since the aim of this study is to clarify deeply the impact of creativity on customer loyalty, the use of qualitative method is more appropriate than quantitative method.

The qualitative method is adequate in the study which the objective is to put more insight on the subject which has not been explored enough before (Ghauri& Gronhaug 2010, 196). In the actual study, some issues related to creativity and relationship with customer loyalty in B2B environment should be clarified and understandable. Thus, the qualitative method was a priority in this study. In addition, qualitative method is appropriate for small number of research cases when seeking for more and deep details is needed (Silverman 2005, 10).

## 3.2 Primary data

The main objective of the thesis is to find out the key issues which determine and explain the impact of advertising creativity on customer loyalty. To achieve this objective it is important to concentrate on creativity issues as values and as process. This will be possible only by conducting in- depth face to face interview and interview by e- mail. Interviewees are divided into four groups: creative team, Client Service Directors representing agency, Client Service Directors representing clients, and client

(Loyal client). The first group contains three members from three different creative teams who are responsible about creating ads and they are working for three different clients. Second group is about one loyal client whose relationship lasted for more than ten years. From the company side two Client Service Directors are selected because they present the company's value and strategy. The last group is about two Client Service Directors presenting two different Clients since it was not possible to interview them directly.

Some of the interviews are in-depth interview presented as open question in order to encourage interviewees to provide answers in more details. All answers were recorded and the interview lasted for thirty minutes. Some of interviews are done by e-mail since it was difficult to arrange meeting with creative team, and some of company's clients as it is illustrated in figure3

| Interview : description | Interviewees : Title | Interviewees: Role | Date and time |
|---|---|---|---|
| - Face to face, depth interview with discussion.<br><br>- emails interview | Two Client Service Directors from the side of agency | communicate client's needs and objectives to the agency, discussing creative brief with client, communicate it to creative team, ensure creative development process, ensure good relationship with Client | 2.6.2010, at 14.47(30min)<br><br>09.03.2012 |
| Face to face, depth interview and email interview | Two Client Service Directors from the side of Client | communicate client's needs and objectives to the agency, discussing creative brief with client, communicates it to creative team, ensure creative development process, and ensure good relationship with Client. | 13.12. 2012 at 15:00(30min)<br><br>13.12.2012 |
| emails interview | Three different creative teams: Two copywriters, One Executive Creative Director | They are working directly with client service director on creating a specific ad for a specific client. They can work together or alone depending of the ad ,on the situation | 29.11.2010<br><br>9.2.2012<br><br>29.3.2012 |
| Face to face, depth interview | One Client | loyal client with ten years of relationship | 2.6.2010, at 14.30(45min) |

Figure3.Interview structure (the author 2012)

## 3.3   Data collection

The actual research is conducted using both in- deep face to face interview using tape recorder and e- mail interviews. Semi –structured interview is adopted in this research for many reasons. First, because in semi-structured interview, the interviewer does not do the research to test a given hypothesis (David& Sutton 2004, 87). Secondly, because the researcher has beforehand set up some key themes, issues to be covered. In this case the order of questions can be changed depending on interviewee and his role in providing answers which can give an insight on the research problem. In addition, in semi-structured interview, the researcher, feel free to conduct conversation as he thinks that it is appropriate to the research objective. Thus, the interviewer will be able to give more explanations and ask for more clarification. Kajornboon points out that the advantage of this kind of interview is that interviewer might ask questions that are not planed early in order to give opportunities to probe for views of the interviewees (Gray 2004, 217).

 Four groups are selected:  first group is composed by three copywriters from creative teams (all of them have answered questions by e- mail). Sometimes, more explanations or more details are provided by many e- mails in order to get more relevant and clear information. The second group is formulated by two Client Service Directors. One interview was face to face, in- deep interview, the other one was by e- mail. The third group is about one client. Last group is about four Client Service Directors representing clients and the interview was by e- mail. Therefore, data collection will be based on face to face and e-mail interviews with open-ended questions of the groups of interviewees selected depending on their post and their direct relationship to the subject of this study. Open ended questions are chosen for this research because of the small group of interviewees and they enable the author to have more understanding on the subject (Sliverman 2005, 110-111).

### 3.4 Analysis of interview

This part of the research is very challenging first because of the nature of the subject and second because questions for all four groups of interviewees are not the same. The characteristic of qualitative research requires from the researcher to interpret data, seek for a meaning and put the data trough analysis as information (Kmund, Barin, Carr & Griffin 2010, 133). Therefore, the author is following the same process in this study.

It is vital for this kind of research to organize the analysis according to the informants first, and to themes or concepts which are related to the research problem and investigative questions. To obtain a coherence in the analysis of different data, it is vital to analyze data directly after been collected by each interviewee (Silverman 2005, 152).

In addition, after all data has been collected, it is necessary to organize the analysis depending on the key question. Then, the author in this step should take into consideration all data from all interviewees in order to maintain a coherent analysis (Silverman 2005, 153).

### 3.4.1 Creative team

According to interview questions, creative team provides a lot of valuable information which are very useful the final results. In this subchapter, the analysis will be done according to theme which occurrences as: advertising creativity, factors influencing advertising  process, client involvement in the creativity process, ideas already tried by creative team to get client involved, the impact of disruption strategy on customer loyalty.

*Advertising creativity*: from three definitions of creativity in advertising from the point of view of creative team, it is very clear that they focused on four main concepts related to creativity. First, the ability to look for insightful solutions: this definition is somehow the same found in most literature mentioned in theoretical part. Second

concept related to the ability to find surprising connections between a product and the audience which is possible only when new ways are found to see the world, which means that creativity is newness and originality. Third concept shows the difference between advertising and art. Advertising is when we use creativity with strategy. Art is creativity without strategy ( Jef Richards from the University of Texas, Interviewee 2 2011,3).Finally, the objective of creativity is to find smooth way to fulfill or exceed clients objective in order to achieve financial profit and to evolve   the agency 's image.

*Factors influencing advertising process*: Creative team has given different factors influencing advertising process but all factors complement each other. On one hand comes client's knowledge and experience since client is a key role, and he is the one who makes the final decision. Client brief from the point of view of the three interviewees is very crucial to the advertising process because, through client brief, client has already set up objectives of the ad that should be achieved. On the other hand, creative team (account executive, strategist, designers, and finishers) has a direct impact on the process. One copywriter from creative team focused more on the way managers and teams are working together. The relationship agency- client is on key issue which influences advertising process. Creative team has focus as main factors on agency's expertise; experience, history and its previous success have indeed an impact on creativity process.

Time (deadline) is another factor which should be taken with a lot of care from both parties' client and agency since time is money. Time is in this context used with both its means (less time and more time). Creative team needs more time to be more creative, but at the same time if they do not have deadline they cannot achieve their objective. Time in this context is a very challenging factor. Finally, comes creative brief which influences the creativity process because the whole process depends on how is set up the brief .If the brief is clear enough and understandable, advertising process will be easy to realize.

*Client involvement in the creativity process*: when analyzing creative team's answers, it is clear that all of them agree that involving client in creativity process has both negative and positive impact on the final results. It has a negative impact when client does not know what he wants or when he wants to be more involved although his lack of experience.

Therefore, this could lead to conflict between client and agency and then could have negative impact on the success of the ad. It is obvious then that client involvement is necessary most often in the beginning of the process especially when both sides are discussing the brief. Client should be involved in this stage in order to present a clear image about the brief message and objectives.

*Ideas already tried by creative team to get client involved*: Two of the creative team members (Executive Creative Director, Copywriter) have almost the same idea of how should client be involved. They both suggested that client should be involved in the brief and in the middle of the process to try out some idea before the final presentation. Depending on his previous experience, one copywriter recognized that the result of involving client in the creativity process can works depending on the situation. However, it was very surprising answer got from last copywriter who has almost suggested a brave idea that client should be involved and even engaged in the whole process and make him a part of the client brand story.

*The impact of disruption strategy on customer loyalty*: Disruption is a tool used to help agency with multitude of relationship that brand has. Its main role is to break agency conventions to react in the world where everyone need 365 days of interaction more than interruption (Interviewee 3 2011, 4). The disruption in itself does not have any value. It is only when implementing it that has value on customer loyalty. All interviewees agree that the implementation of disruption has a big effect on customer loyalty because it enables agency to know more about client, and to convince him that agency knows him more than he knows himself. Thus, client can trust agency and be more loyal. Furthermore, interviewees agree that the implementation of disruption is all about focusing on the relationship agency-client this means that agency should evaluate constantly its relationship with client and find out new ways that enable clients to know new things about them self and their business.

*Creativity/customer loyalty*: Two of copywriters agree that creativity is an important asset to achieve customer loyalty. If an agency is truly creative and continue to be so, there is no need that customer go elsewhere. Creativity has a huge impact on customer loyalty

since creativity itself brings money to the agency and to their clients. However, one of the three copywriters disagree about the impact that creativity has on customer loyalty. From his point of view, creativity is not the only factor which leads to customer loyalty. Creativity in itself is not enough to achieve customer loyalty; but other factor such as hard work could have an impact instead of creativity itself.

### 3.4.2   Client Service Director presenting agency point of view

*Advertising creativity*: definitions of advertising creativity given by both of Client Service Director are not different from those given from creative teams, neither different than the literature mentioned in theoretical part. Advertising creativity has as core meaning: relevance, originality, and uniqueness. First, the ad should be relevant because it should tell the truth about the product or service. Secondly, the ad should be original and focus more on the way the message is told, it has to be out of ordinary. In addition, the originality in term of awareness: how message is said. Finally, the ad should be unique because it has to tell a big story (big idea or selling idea), to fulfill commercial objectives and to create high quality.

*Evaluation of advertising creativity*: both of managers have given the same answer in different way. As it is mentioned in theoretical part, only results show how creativity is evaluated. If consumers sympathize with the ad and fill full their needs and expectations then the ad is creative. The same argument is presented by Client Service Director: there are three ways to evaluate advertising creativity first  to achieve economic goals(financial) , second to develop strength of the brand and finally, to emphasize quality issues. In this sense, one of the Client Service Director  focus more on the relationship industry's opinion and client and recognize that the client is the first part which can evaluate the advertising creativity  and then come industry's opinion.

*Client's involvement in creating an efficient advertising:* both Client Service Directors defend the idea that client involvement is necessary to create an efficient advertising creativity especially when client is very good in understanding how advertising, client brief work and to be able to manage well the relationship agency-client. Agency cannot achieve better results without client involvement but this is not the rule since there are exceptions. While the other Client Service Director, according to his own experience with his own client for about 10 years, client involvement is very strong, and is considered as value added. Other Client service Director added that the customer involvement is the key to achieve success; but without agency's help, client's involvement is not enough.

*The impact of advertising creativity on customer loyalty:* according to one of the Client Service Director's own experience in the advertising industry in general and his long experience with his client (ten years), he confirmed strongly that, indeed, creativity has an impact on customer loyalty, since creativity has to meet economical goals. Thus, the Client Service Director matches creativity to clients profitability and then to customer loyalty. In addition, it is vital to mention that not only profitability has to be achieved using creativity but also some other specific advertising goals. It is important also that Client should view creativity, as agency do, as important factor to achieve specific goals unless, creativity would not have any value. However, Client Service Director affirmed that still successful advertising depends on effective advertising. From his point of view and according to agency's vision, the only product they own is the ability to generate new idea which brook down rules and makes customer at the end satisfied. The other Client Service Director has the same point of view. Creativity has a huge impact on customer loyalty since it affects directly sales, profitability, and brand development. '' we can replace CRM system (customer relationship management), project manager, office space but we cannot on any way replace creativity" (interviewee: Service Client Director"2" 2011, 6). Therefore, creativity has a big value for the agency: it is the core business. Yet, this is true only when client does understand the value of creativity and recognizes its impact on profitability. Another issue which is very relevant is that when agency achieves success with its client this leads to build long-term client-agency relationship.

*The impact of disruption strategy on customer loyalty: d*isruption is a shared philosophy some years before, anyone used disruption (kind of fashionable idea) but not anymore. Here is the paradox : the manager recognize disruption' s importance in customer loyalty, and then argue that the use of disruption is not that important , since that what should be taken into account are results, rather than the way it should be done.

After a deep discussion with the Client Director"1" about this issue, it is clear that not everyone is using disruption and knows its importance or knows its role in customer loyalty but ignores it for some reasons. However, at the end, the Client Director recognized that disruption could make results more constants and could have an effect on creativity, which has an effect on customer loyalty. The other Client Director seems to use disruption because according to him disruption is a way to make agency different than other. Again agency should seek for uniqueness and innovation and without adopting disruption it is not possible to achieve the goals.

*Client Service Director's influence to enhance creative team's creativity:* Creativity is a very complex process because it is related directly to psychological mechanism: a person from creative team can be creative today but not tomorrow, can take time to create or can come up with creative idea quickly. To influence creative team's creativity, Client Service Director is very present; spend more time with the team. But still, both Client Service Director recognized that there are very good team which does not need much time to come up with creative idea. Another way to enhance creativity among the creative team is to remind them from the beginning, about the importance of creativity for example arranging trainings, lectures, internal workshops and brainstorms. Again Client Service Director emphasized on the importance of the uniqueness and innovation to achieve the advertising creativity.

During the interview one of Client Service Director and the interviewer have discussed deeply on how to enhance creative team creativity. The interviewer suggested the implication of students from Business school and art school into the agency's work shop in order to come up with fresh, new, and original ideas, since the agency core business is to seek for the uniqueness of idea. Putting together students and creative

team with their Director, might emerge something new, and inspire the creative team to do the same.

At the end of the interview, Client Service Director seems to be very enthusiastic about this suggestion and promise to take it into consideration in the future, and try to implement it; even though he knows that he will face challenges. For example time, deadline and schedule. But Director confirmed it is all worth it, because it gives value to creative issues.

### 3.4.3  Client

*Customer satisfaction/Customer loyalty:* the most important client for the agency proves that he is a satisfied and a loyal client. Client is Satisfied, because client's needs are not only fulfilled but also exceeded. Once Client's objectives are understood and respected, the client is satisfied with the service. Client recognized that he is a loyal client because he found creativity with the agency" we find creativity here" (Client x 2010, 2). Client confirmed that creativity is the key issues for been loyal to the agency, because he perceived creativity as core for their business: creativity enables client to achieve their financial goals" money game". Loyalty here is related to good communication, trust and commitment. Firstly, good communication: because of the long- term relationship with the agency (ten years), client has been well connected to the agency. Good communication facilitates generation big ideas and achieving ad effectiveness. Secondly, trust: it was clear that through discussion with Director Service Client and his Client there is a mutual trust between both sides. Thus, trust factor play a crucial role in achieving customer satisfaction, and customer loyalty. " (…) agency has been one of the best agencies for creativity" (Client x 2010, 3). Finally, commitment: Client is well committed with the agency because after this long relationship, client trust on the agency's competencies in delivering good services. Client is sure that agency understands his needs and knows how to satisfy him.

From the agency side, Client Director Service confirmed many times that Client experience and expertise in advertising explains very well the achievement of customer loyalty. Client who proves overtime that he shared same vision and objective is client who facilitates creativity process. Sometimes, client could think differently or vice versa

this could enrich client- agency relationship. Client Director Service explained some issues about satisfaction. The explanation of how customer is satisfied depends mainly on the project itself, and on creative brief. Client does not have the same degree of reaction about service in all projects realized during this long term relationship. When client confirmed that he is well satisfied and loyal, meaning that he has a positive attitude towards the agency. In addition to that, client matches customer satisfaction/ loyalty with financial achievement and agency's success. ''we have to create new concepts all the time, to create very good ads and our business is growth this is the main thing is that our business is increased. We have been lucky'' (Client x 2010, 4).

*Creativity evaluation*: to evaluate the effectiveness of an ad is possible only with three ways; first during the creative brief. The creative brief is important step in the whole process; client usually makes sure that their objectives and needs are well understood by the agency. The work on creative brief is done permanently. Client and agency meet so often during the advertising process, to see if goals are achieved or if there are any problems or mistakes. There is a continuing learning process for both sides. Second and the most important is the target group: when a target group understood, appreciated, and had a positive reaction toward an ad, only then the ad might be effective. Client focuses a lot on analyzing target group, spends a lot of money for that, because client is aware on the role of the target group. Finally, testing new ideas are among the evaluation process.

*The impact of disruption on customer loyalty*: Client is not familiar and does not use the disruption process, simply because the agency did not take the initiative to show it to the client. Still, client confirmed that he heard about the disruption but did know what is about. This question has urged client service director to introduce this notion to the client in the future. Disruption subject has raised a lot of questions. Since the client has proved and expressed overtime his satisfaction and loyalty to the agency, it is surprising what would be the value added of disruption to customer loyalty in this case.

*Client's involvement in advertising process*: Client's involvement is expressed by good cooperation, open discussion, and time management.

First, good cooperation is a way to express client involvement because it enables to achieve good results. Secondly, open discussion permits both parties to clarify issues which are still unclears in the creative brief, and also give opportunity to both parties to come up with new ideas. Finally, time is an important issues which explain customer involvement, to build a long-term relationship needs time. Also to achieve efficiency client and agency should meet so often.

*The impact of creativity on customer loyalty*: Client admits the existence of creativity impact on customer loyalty. The reason is that the client' core business is too much related to creativity's issue. Client found what they are looking for in this agency.

Along the ten years of cooperation and experience, agency has a big role in providing the good service quality in building and developing client's brand.

Agency was very cleaver in managing the relationship with client. Director Service client know very well client's needs and adopt adequate strategy in order to achieve that. Furth more, Director knows a lot about target group, and how this target group is important to the client in protecting their image and improving their business in Finland.

### 3.4.4  Client Service Directors presenting client point of view

In order to maintain coherent analysis structure, it is vital to analysis the data according to the theme of the interview questions. They are organized as follows:

*Customer satisfaction/Customer loyalty:* both client service directors presenting client point of view, have given relatively the same answer. First client service director confirms that a client would give depending to grading scale (4-10) an eight which means that the Client is very satisfied. But the client Service Director did not mention the concept of loyalty instead he explains that client satisfaction is due to long and good relationship between client and agency. Key issues of this high quality relationship are agency's flexibility to deal with changes and the similarities in the way of thinking.

While the second client service director explains client satisfaction by the high quality service with the respect of time and client's transparency in delivering such service.

*Client's evaluation of ad effectiveness*: first client service director gave a very deep and well explained answer about this issue. The client is very aware about the importance of the evaluation of ad effectiveness. Thus, client works in this sense very closed with media agency, and uses very exact measuring systems to track the effectiveness such as CTR which has to do with display banners. The effectiveness of TV commercials in terms of the ration of viewers and sales is measured. SEM (search engine marketing) is another area in which the effectiveness is monitored. The second client service director did not explain the way his client is evaluating ad effectiveness, he just mentioned that the ad should be evaluated according to the brand guidelines and visual identity.

*Client involvement in advertising process:* for both Client Service Directors client is involved in the process. The involvement is clear in all stages in form of regular meetings from the creative brief until the entrance of the ad in the market and the follow-up stage. The participation of the client is done by giving comments, deciding between concepts. The client involvement is based on a clear brief in the beginning of the creative advertising process in order to create together value for the service provided.

*Client-agency relationship*: both interviewees agree that the relationship client-agency is very strong and intensive since that the members of the agency are physically situated to the client's premises in order to be closed to the client and understand his needs and answer his questions. The relationship is based on two keys issues: the cooperation and communication. The cooperation between two sides is important to make the process easy as planned. The communication facilitates the flow information between agency and client. It is obvious that agency and client follow a certain strategy to provide and evolve good communication during the creative process. Client satisfaction/loyalty is built on having good relation with client but still delivering a high quality service is also affect client satisfaction/loyalty

*The role of disruption on customer loyalty*: from the point of view of client service directors clients admit that disruption has a value added on customer loyalty. Clients know from the beginning of the process, from the first meeting about disruption.

Disruption is considered as strategy and a way of thinking and working. Thus, disruption is used when client and agency are working together on the ad.

The impact of creativity in customer loyalty: both interviewees confirm that their client view creativity as important tool to ensure customer loyalty. Clients before selecting an agency they are looking for creative partner. The value of creativity is crucial in this case since the client consider agency as not only advertising agency but as creative agency. The focus on creativity as achieving customer loyalty explains better agency's successful campaigns and the number of prizes won in Finland. Both interviewees emphasized on the importance of other factors in achieving customer loyalty such as delivering service on time and budget.

## 3.5   Validity of the research

As this study is based on qualitative research, it is wise to measure the validity of the collected data.

"Validity is the degree to which the measure reflects what is supposed to measure rather than something else" (Rond and Revick 2005, 32).

The validity of this research depends mainly on the accuracy of the data being collected. Therefore, if the agency finds the data and the results useful and can take profit from it then the research results are valid (Silverman 2005, 210). The researcher aims to obtain valid results and wants it to be true. Validity could refer in this case to internal validity and external validity. Internal validity question about if the results obtained within the study are true. While external validity questions about if the results can be generalized for other case companies (Ghauri and Gronhaug 2010, 63).

The actual research respects both internal and external validity. Internal validity because the interviewees are from different categories and each group represents agency's side or client side. The differences sometimes in the answers give richness to the study, thus its usefulness and validity. In addition the nature of the subject: creativity/customer loyalty is not yet well explored by researchers and there is little literature about it. Therefore, the external validity could be general and then findings could be explored by agencies in the same industry.

### 3.5.1 Results and discussion

The actual research has revealed some important issues that clarify relatively the ambiguous nature of the dichotomy creativity/customer loyalty. Thus, to answer the research question mentioned earlier how advertising creativity has an impact on customer loyalty; it is obvious to answer investigative questions:

IQ1. How agency evaluates creativity?

IQ2. How clients evaluate creativity?

IQ3. What are factors influencing creativity process?

IQ4. How does implementation of the disruption strategy add value to customers and turn them into loyal clients?

IQ5. What is the impact of creativity on customer loyalty from agency's perspective?

IQ6. What is the impact of creativity on customer loyalty from client's perspective?

### 3.5.2 Evaluation of creativity

The results indicate that creativity in advertising industry is an important asset because it is considered as a core business. Creativity seems to be very complex process that creative people cannot control or manage. To come up with big idea, managers should work hardly, with a lot of innovation, on two fronts: art which is related to psychological, and business which is related to learning process, experience and expertise. The big challenge is that managers should be aware that both art and business are crucial to achieve their objectives.

Another challenge was that it is still unclear for both agency and client how to evaluate and test objectively their ad before it comes into the market. There are a lot of debates

and divergence about this issue. The case agency is evaluating the effectiveness of an ad depending on the product, target audience and on the client. In some situation, agency found it necessary to pretest the ad; sometimes they post-test the product when the ad is at the hand of the end user. From the point of view of client, the evaluation of an ad is tracked depending also on the product, target audience and on the client vision and objective. Thus, ad evaluation is very important step in the advertising process: agency can gain or lost a lot of money.

### 3.5.3 Factors influencing creativity process

As it is mentioned in the theoretical part, factors which influence creativity process are relationship client –agency, client experience, agency experience, creative brief and time. Most of interviewees mention, client experience, creative brief and time as factor that influences the creativity process. The findings go pretty much in correlation with theoretical framework. However, no one mentioned the importance of the work environment as the relationship between managers and the creative team.
Most studies show clearly that it is very wise to help creativity competencies of creative team evolve. Managers should adopt strategy to   create a very pertinent working environment, so that the creative team is able to come up with great ideas.

### 3.5.4 Client's involvement in the advertising process

To involve client in creative process is not working in all situations with all clients. Some clients need to be involved from the early stage of the process until the end. Those clients know what they want and how to get it, they are clients who have good experience in both quality service and quality relationship. They know about advertising industry, how to manage their relationship with the agency.
In this study , the clients are  divided into two categories;  first category is about  the loyal client who has more than ten years of  relationship, ten years of continuous learning, sharing good ideas which became "Our ideas". Therefore, the client involvement is a way to build a brand image and contribute to the success of both agency and client. The second category is about satisfied client who hasn't reached the status of "loyal customer" yet.

According to this category of client, the involvement is also necessary to deliver a high service quality. The involvement as explained by Client Service Director is done in all stages from the beginning of the process until the entrance of the ad in the market. Still, the degree of involvement differs from loyal client to satisfied client or new client. Loyal client is highly involved and in all stages. While, satisfied client is relatively involved as expressed by one of client service director, is "actively participated". But, participation does not mean involvement.

The analysis of interview shows clearly the awareness of all interviewees, and the importance of client involvement in creating high quality service thus, achieving customer loyalty.

### 3.5.5   The impact of relationship client-agency on customer loyalty

The research reveals the big impact of client-agency relationship on customer loyalty. With some client (loyal client) agency has realized big success in this sense. Both agency and client made profit form this good and long term relationship. It enables agency and client to achieve their financial goals and build a brand reputation. With other clients, the agency has to improve its strategy in order to evolve its strategy and find out new solutions for their conflicts. Therefore, results of the research have shown that the awareness of the agency's Client Service Directors about the impact of relationship client-agency is one of the most important issues that might evolve customer loyalty.

### 3.5.6   The positive impact of creativity on customer loyalty

Creativity is crucial in retaining the client for a long period. Especially in advertising industry where creativity is considered as core business. This research shows that creativity has an impact on customer loyalty. All interviewees have confirmed that; some of them explained it very clearly especially interviewees presenting agency's vision like creative team and Client Service Directors. While Client Service Directors representing client admit that there is a relationship between creativity and customer loyalty but they did not explain the nature of this relationship. Nevertheless, it is not possible to ignore the role of other factors including marketing issues, agency's size,

agency's reputation, and agency's brand. The functional quality including communication, delivery and administrative activities has a direct effect on customer loyalty. As a key result, the creativity has a prior role in retaining the customer. Creativity here is the pivotal tool in making client staying with the same agency. Other factors as marketing and administrative activities play an additional role. It is an ideal achievement when agency succeeds in integrating creativity issues with functional quality.

### 3.5.7   The role of disruption in customer loyalty

The research leads to surprising results about disruption. Five years earlier, the agency spoke a lot about disruption philosophy and its role in generating new ideas and achieving customer loyalty. Two satisfied clients are very familiar with the concept of disruption, and confirmed according to their client service directors that disruption as a strategy has a value added to customer loyalty. While Service Client Director of one of the most important and loyal client, never mentioned the disruption concept to his client. But, the client admits that he is very satisfied with both quality service and quality relationship. Service Client Director recognizes the importance of disruption in delivering good quality, service and achieving customer loyalty. He even promised that he will share the disruption philosophy with his client. This surprising result about disruption role explains that creativity as a service quality is high, because of other factors such as agency's experience, creative team competencies, and efficient marketing strategy. Thus customer loyalty is achieved.

### 3.6 Personal learning

During the whole process of this research which lasted almost two years, I certainly learned a lot. I realized that I am able to build a connection with Finnish agency; something that was hard to do before. My communication skills have developed as I learned how to convince the concerned people at the agency about the importance of the subject. Thus, I learned overtime how to reach my objective smoothly without being too pushy towards the concerned people at the agency. During the entire process of planning and writing my thesis, I realized that my writing skills have improved.

Interviewing different groups from the agency was in itself a very good learning process for me. I was enjoying asking questions, observing my interviewees reactions and expressions. The most memorable experience was when I came up with questions that were not planned beforehand, they enabled me to clarify other points, which helped me clarity the research problem even better Moreover, I learned a lot while preparing theoretical part about the issues involved in creativity as well as the advertising industry. Thus, my knowledge about the case company and its advertising processes has increased. Despite the fact that the research was interrupted several times due to the unavailability of the interviewees, I remained convinced and determined to pursue the research until the end.

I also learned from the research results about the importance of creativity advertising in improving the relationship with the customer, and persuade him to become loyal clients.

# 4 Conclusions and recommendations

The determining factors of customer loyalty are still unclear and not enough explored by researchers. In addition, the complex nature of creativity especially when it is related to a service business makes the subject more challenging. Explaining the impact of advertising creativity on customer loyalty, from the agency's perspective is only a small part of the unexplored of the subject matter.

On one hand, the research shows clearly that advertising creativity has a huge impact on customer loyalty. Creativity is considered in advertising industry as core business, this explains the impact which could be positive, in the case of loyal customer, or could be negative in the case of client with whom agency has conflicts. On the other hand, the research shows that creativity is only one factor among others that has an effect on customer's loyalty. The other factors consist of marketing strategy, creative team competencies and customer relationship management. The effect of these factors might vary, relatively depending on the situation, on the product/service provided and on the client knowledge and experience.

The study provides a strong evidence that service quality "creativity" is an important tool in achieving customer loyalty and it has a direct effect on customer loyalty. Thus the dichotomy creativity/customer loyalty demonstrates a causality relationship. This study shows also that the creativity in itself does not give the value needed to achieve customer loyalty. Creativity should be combined with other factors such as good relationship (high quality relationship), time management, clear creative brief and good (internal and external) communication skills. Managers should be aware of the importance of creative team, as they represent an asset for the agency and can help the agency to achieve further success. Managers should inspire the creativity team, and help them to find better solutions.

The research was a big opportunity for the agency to review the implementation of disruption, and its role in customer loyalty since one of the most important clients does not know about disruption. Some of client service director used as tool, and as way of thinking, some of clients know pretty much about it because it presents the agency's philosophy. Creative teams as they are presenting agency vision are proud of this philosophy which became a kind of fashionable. Disruption is used so often in order to come up with big idea. However, as one of client service director (of the most loyal client) indicated during the interview that only results are taken into consideration, it does not matter the way things are done instead the value of results matters.

Some recommendations could be taken into consideration, such as improving the internal relationship between managers and creative team. In addition, it is wise to evolve creativity competencies for creative team, by organizing work shop where student from other business fields, art and economy are involved in the creative development process. The management policies should be adapted according to client needs, in order to achieve success for both client and agency. Finally, it is crucial to consider creative team members as an asset, and work hardly to find pertinent person who are able to generate all the time great ideas.

It is vital for the management of the agency to implement quick and efficient strategy for further researches. It is recommended to focus in the future studies on client side and understand well their needs and how they see the whole process of creativity issues in more details.

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# Attachments

## Attachment 1, interview questions

### Creative team

1. How do you define advertising creativity?

2. What are factors influencing creativity process?

3. What do you think about involving customers in the creativity process?

4. How do you like customers to be involved in the process?(idea you have or you have already tried)

5. How implementation of disruption strategy does have value added to customers to be more loyal?

6. How do you see the relationship: creativity & customer loyalty?

### Client

1. How well are you satisfied with the service offered explain why

2. How well are you satisfied with the creativity of concepts offered? Explain why ?

3. How do you evaluate advertising creativity?

4. How disruption strategy does have a value added to customer loyalty?

5. Explain how are you involved in creativity process?

6. Do you think that the value of creativity in this company could ensure customer satisfaction and then customer loyalty? Explain why?

**Client Service Director from company side**

1. How do you define advertising creativity?
2. Explain how do you evaluate an advertising creativity?
3. Do you think that customer involvement is necessary to create an efficient advertising creativity?
4. How managers and company strategy influence employee's creativity?
5. Explain how advertising creativity has an impact on customer loyalty?
6. Do you think that disruption strategy has some benefits on customer loyalty? Explain how?

**Client Service Director from client side**

1. How well you think your Client is satisfied /loyal explain why?
2. How does your Client evaluate the effectiveness of an ad?
3. How do you see relationship Client-agency?
4. Does disruption strategy has a value added to customer loyalty from the view of your client
5. Do you think that the value of creativity in your agency could ensure customer loyalty?

**Attachment 2, the overlay matrix**

| Investigative Questions (IQs) | Theoretical Framework | Interview analysis | Results |
|---|---|---|---|
| 1. How agency evaluates the effectiveness of an ad? | 2.7 | 3.4.1 (pp.24, 25, 26) 3.4.2 page 27 | 3.6.1 |
| 2. How clients evaluates the effectiveness of an ad? | 2.7 | 3.4.3 page 31 3.4.4 page 33 | 3.6.1 |
| 3. What are factors influencing creative advertising development process? | 2.8.1, 2.8.2, 2.8.3, 2.8.4, 2.8.5 | 3.4.1 page 25 | 3.6.2 |
| 4. How does implementation of the disruption strategy add value to customers to be more loyal? | 2.10 | 3.4.1 page 26 3.4.2 page 29 3.4.4 page 34 | 3.6.6 |
| 5. What is the impact of creativity on customer loyalty from agency's perspective? | 2.13 | 3.4.1 page 26,27 3.4.3 page 31 3.4.4 page 32 | 3.6.5 |
| 6. What is the impact of creativity on customer loyalty from client's perspective? | 2.13 | 3.4.1 page 26,27 3.4.2 page 28 | 3.6.5 |