Firm-to-Firm and Interpersonal Relationships: Perspectives from Advertising Agency Account Managers

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We do things for people we like, our friends. However, in firm-to-firm exchange relationships, boundary spanners are economic agents representing their firms contractually to achieve specific goals. Thus, questions arise as to whether close interpersonal relationships exist in business settings, how they are defined, and whether they influence the nature and functioning of interfirm exchange. A qualitative study with advertising agency account managers finds that analyzing interpersonal relationships across groups from both sides defines firm-to-firm relationships. Participants define these relationships based on the extent to which the agency is involved in the client's business across categories including vendor, partner, and surrogate manager. Interpersonal relationships exist across categories including strictly business, business friends, and highly personal. The relationships are distinguished based on the knowledge base developed about the brand manager. Overwhelmingly, the participants claim that developing close, interpersonal relationships is beneficial to both their professional and personal lives.

Keywords: relationship marketing; personal relationships; qualitative methods; business to business

The interest in "relationship marketing" in current marketing thought and practice suggests that establishing strong relationships with customers is a major goal of many firms (Zinkhan 2002). Relationship marketing can be studied from different perspectives. The services literature approaches relationship marketing from an individual-to-

individual perspective. For example, Price and Arnold (1999) studied commercial friendships between consumers and their service providers, while Crosby, Evans, and Cowles (1990) examined relational selling behaviors of individual representatives in a business-to-business context. In contrast, the majority of studies in interorganizational exchange have focused on a single dyadic relationship, that is, a firm-to-firm relationship (e.g., Morgan and Hunt 1994). Both perspectives are valuable; however, each has a different level of analysis.

Economic sociologists have also discovered the importance of interpersonal relationships between organizational boundary spanners. Granovetter (1985) argued that economic action is embedded in interpersonal social relationships, and Montgomery (1998) proposed that role theory rather than rational choice (game) theory is a better way of understanding this embeddedness. Frenzen and Davis (1990) used the concept of embeddedness to expand the notion of utility to include not just economic utility, but also social utility derived from personal relationships. In addition, management theorists interested in understanding industrial organization have asserted that the role of boundary-spanning individuals in business alliances and relationships is "virtually unexplored" (Osborn and Hagedoorn 1997:271). Hutt and Stafford (2000) claimed that

> many alliances fail to meet expectations because little attention is given to nurturing the close working relationships and interpersonal connections that unite the partnering organizations. While these personal relationships between "boundary-spanning" members, who work closely together, serve to shape and modify the evolving partnership, economic theories of exchange virtually ignore the role of people and their importance in the management of interorganizational relations. (P. 51)

Personal relationships do not always play a positive role in an organizational environment. For instance, personal relationships may be powerful enough to hold an interorganizational relationship together long after it should have been terminated. Moorman, Zaltman, and Deshpande (1992) found that familiarity fosters boredom and lack of new ideas. Companies with a firm-to-firm relationship strategy of playing hardball with suppliers or distributors may frequently move boundary spanners and in other ways discourage the development of personal relationships (Kumar 1996). The high levels of trust and commitment in personal relationships may also lead to increased vulnerability to opportunism in the relationship (Weiss and Anderson 1992; Williamson 1996). In sum, personal relationships have both beneficial and detrimental effects from an organizational perspective.

The goal of this study is to examine the interpersonal relationships that exist in a firm-to-firm exchange environment. The context for the study is the advertising agency–client relationship. This is a unique type of interorganizational exchange relationship in several respects. In "pure" service environments, there is not a tangible measure of performance (i.e., no physical product to evaluate); thus, the person-to-person interaction becomes increasingly important because by default it fills the evaluation void created by the absence of more objective management measures (Berry 1995; Bitner 1995). In the chosen research context (i.e., the advertising agency–client relationship), the "product" provided is a combination of an intangible entity (i.e., creativity) and a service (i.e., advertising strategy and implementation knowledge) that interacts in complex higher order ways to determine financial performance. The importance of the personal relationship for both advertiser and agency is heightened by the fact that the interactions between key personnel (very specific and nonimitable human capital) in each firm drive the processes and outcomes that result from the interfirm relationship. Despite the proliferation of total quality management principles (such as cross-functional teams) among manufacturers and retailers (clients of advertising agencies), the agencies themselves have yet to adopt them, and hence, the interorganizational relationship remains steadfastly in the hands of a few boundary-spanning account management personnel, primarily between the agency account executive and the client brand manager (Blair 1995).

The job of the account executive is even more critical, given that the majority of account executives manages more than one client brand and thus manages more than one brand–manager relationship. These dyadic relationships are dynamic and require the account executive to split time and effort among the various brand managers. This amounts to making resource allocation decisions (Anderson, Lodish, and Weitz 1987). Past research on boundary-spanning roles has found that these decisions are very difficult and cause a tremendous amount of stress based on role conflict and role ambiguity (e.g., Singh 1993; Singh, Goolsby, and Rhoads 1994). As a result, the individual boundary spanner must evaluate the nature of each individual relationship (most often through the use of mental models of the interaction guidelines and partner's anticipated response) and determine the appropriate strategies to employ to control and manage the relationships. In sum, the advertising agency–client relationship context provides a sample of individuals who are required to manage multiple dyadic relationships simultaneously and an industry in which personal relationships have been found to be very important to maintaining the firm-to-firm relationship.

The purpose of this article is to address the following questions:

1. How are personal relationships "experienced" within the firm-to-firm exchange environment? How do boundary spanners think about, feel about, and conceptualize their relationships?
2. What are the similarities and differences between the experienced relationships?
3. What is the association between individual and firm-to-firm relationships?

The answers to these questions are important for several reasons. From the firms' perspective, firms cannot create effective support or reward systems if they do not understand the very nature of personal relationships between their economic "agents." Also, the understanding of the influence of personal relationships on firm-to-firm exchange is critical, as the process of building long-term relationships is expensive, time-consuming, and complex. If the development of certain types of relationships fosters the interfirm exchange, then firms can focus on training their boundary spanners to use relationship-building strategies.

In the first section, the literature on relationships, both interorganizational and interpersonal, is reviewed, including a discussion about what constitutes a "personal" relationship. Next, the current study is presented including the methodology and findings regarding types of relationships and their interactions. Finally, study implications and suggestions for future research are provided.

Firm-to-Firm Relationships and Interpersonal Relationships

In the 1980s, academic researchers called for an expansion of the focus of buyer-seller exchanges to include relational properties (e.g., Dwyer, Schurr, and Oh 1987; Frazier 1983; Jackson 1985). The work by these researchers, particularly the Dwyer et al. piece, is cited in nearly every current article on buyer-seller interaction. In fact, the relationship marketing movement is founded on the

notion of building relationships with customers and has been applied to many different marketing contexts, from sales and services (e.g., Berry 1995; Bolton, Smith, and Wagner 2003), to consumer products (e.g., Sheth and Parvatiyar 1995; Webster 2000), and in particular, to interorga- nizational exchange relationships (e.g., Day 2000; Workman, Homburg, and Jensen 2003). A special issue of the *Journal of Market-Focused Management* (Zinkhan 2002) addressed the current state of relationship marketing and reconfirmed the need for close relationships with customers.

To date, little research has been published that studies, in depth, the nature and influence of personal relationships on interorganizational relationships. The studies that have been done have found personal relationships influence interorganizational relationships and outcomes (e.g., Larson 1992; Michell, Cataquet, and Hague 1992); however, these studies were focused on some other aspect of interorganizational exchange and incidentally "discovered" that personal relationships were important. As a result, the extant marketing literature does not have a lot to say about the relationships themselves, other than statements such as "personal relationships and reputations between boundary-spanning members play an important role in facilitating and enhancing inter-organizational exchange" (Weitz and Jap 1995:316). As Nicholson, Compeau, and Sethi (2001) stated, previous studies of interfirm relationships have focused on the "impersonal, detached, and dispassionate analytical antecedents [of trust] . . . less attention has been paid to the role played by the more personal and emotional factors [in the relationship]" (p. 3).

In the marketing literature, three studies have specifically examined interpersonal relationships in a business-to-business setting. Murry and Heide (1998) examined the personal relationships between boundary-spanning personnel (categorized in a self-reported two-category scale item as "new" or "close") and organizational-level factors (incentives and monitoring activities) on cooperation in interorganizational exchange. This study found that a close personal relationship and incentives had a positive influence on cooperation, whereas monitoring activities had a negative influence. Price and Arnold (1999) examined commercial friendships and found that individuals engaged in business-to-business relationships could easily distinguish business friendships from other types of marketing relationships. Finally, Bolton et al. (2003) examined how social resources and economic resources interact to effect interpersonal and interorganizational satisfaction and perceived value. They found that social bonds had a stronger influence than economic resources on customer satisfaction with company representatives and perceived value. In sum, researchers across disciplines feel interpersonal relationships and social bonds are important.

However, we have not yet studied what a "personal" relationship is.

METHOD

Textual data for the present study were collected through a series of depth interviews with advertising agency account management personnel at several levels. The interviews followed the phenomenological focus, that is, from the perspectives of the participants (Thompson, Locander, and Pollio 1989). The primary aim of this type of qualitative investigation is to understand experience as closely as possible as its participants feel or perceive it. The depth-interview method offered the opportunity to gain insight into the account managers' subjective experience of their personal relationships with their brand managers. As a result, the course of the interview dialogue was set largely by the participant, that is, the interviewer's questions were formulated in concert with the participant's reflections and were directed at bringing about more thorough descriptions of specific experiences. The primary objective was to allow the participants to articulate their own system of intentional relationships or "lived" meanings (Thompson et al. 1989); that is, the personalized meanings, meaning-based categories, and symbolic patterns that constitute the individual's abstracted understanding of their personal relationships with their brand managers.

Interviews were conducted with 20 account managers employed in three different advertising agencies (one large, one midsize, and one small in terms of billings) located in three different areas of the country (see Table 1 for a summary of the participants). The goal was not to compare between size of agency or geographic location but to provide a cross section of the industry by providing an agency at each level. The participants represented all levels of account managers (including management supervisors [senior executives], account supervisors [mid-level executives], and account executives [mid-level executives]) except the very lowest (assistant account executives and account assistants). These positions are not included, primarily because of significantly less client interaction. Presidents and CEOs were not interviewed. The main requirement for inclusion was that the individuals have extensive client contact and manage a number of relationships. The interviews were conducted on site at each of the three participating agencies. The researcher spent 1 to 2 weeks in each agency interviewing agency personnel. The account managers were not selected in advance but by availability and also sequential recommendation from those who participated. Thus, the sampling frame was purposive in that the sample was drawn on the basis of specific criteria so that participants share broad similarities (Lin-

TABLE 1
Participant Descriptions

Name	Age	Title	Education	Agency	Number of Clients	Number of Brands	Total Number of Brand Managers	Number of Brand Managers With Daily Contact	Years in Advertising
Carl	33	Partner, management director	BA, marketing MBA	Small	4	4	8	5	6.0
Carol	28	Account executive	BA, journalism	Small	3	5	15	6	5.5
John	30	Account executive	BA, art; MBA	Small	2	3	11	6	3.5
Dan	36	Account executive	BA, theater	Small	7	8	22	16	13.0
Chuck	51	Vice president, account leader	BA, political science	Midsize	3	3	7	4	2.0[a]
Dean	38	Senior account executive	BA, broadcasting	Midsize	1	3	3	3	1.0[a]
Gary	40	Vice president, account leader	BA, management	Midsize	4	4	10	4	3.0[a]
Janet	38	Vice president, account leader	BA, marketing	Midsize	5	5	11	6	13.5
Jeff	27	Account executive	BA, public relations	Midsize	4	4	16	7	5.0
Karen	30	Account executive	BA, marketing	Midsize	1	3	7	4	5.5
Linda	26	Account executive	BA, marketing	Midsize	1	3	5	3	2.5
Meg	41	Vice president, account leader	BA, English	Midsize	5	8	10	7	18.5
Ray	31	Vice president, account leader	BA, advertising	Midsize	4	6	13	9	9.0
Rick	32	Account supervisor	BA, marketing	Midsize	6	6	10	6	6.0
Barb	26	Account executive	BA, advertising	Large	1	6	9	3	4.5
Bob	29	Account supervisor	BA, business MA, advertising	Large	2	7	14	7	5.5
Doug	30	Account supervisor	BA, finance MBA	Large	1	6	5	2	5.0
Ellen	25	Account executive	BA, advertising MA, advertising	Large	1	5	10	3	2.5
Hal	52	Vice president, management supervisor	BA, English literature	Large	2	6	8	6	25.0
Kathy	27	Account executive	BA, fine arts	Large	1	1	5	2	5.5

a. Significant experience working on the client side of the advertising agency/client dyad prior to joining the agency.

coln and Guba 1985). In addition, other noninterview sources of data were gathered, such as interorganizational memorandum, contracts (although not released to be reported in this article), and evaluation forms that existed for managing the relationship. The agencies also provided supplemental materials, such as brochures for prospective clients. These data were used to help place relationships into firm-to-firm and interpersonal categories after these categories had been developed from the interview data.

Multiple interviews were conducted with each participant. Two, and sometimes three, interviews were completed with each participant on-site, and an additional follow-up interview was necessary by phone in several cases. Each on-site interview lasted between 60 and 90 minutes, resulting in an average of 2 to 3 hours with each participant. Prior to the initial interview, the participants completed a consent form, which assured them and their firm of confidentiality regarding the interview texts and

any other materials provided. In addition, the purpose of the study was described to each participant as an exploration of the nature of the advertising agency–client relationship.

The first interview began by obtaining general background information on the participant (e.g., age, employment history, length of time on account, nature of job, etc.) and the firm (e.g., background of the specific brands handled, and the account itself), then focused on "life-world" issues (see Thompson 1997; Thompson and Haytko 1997) such as what they want to accomplish in their careers, how they feel about their job and company, where they would like to be in 5 and 10 years, and so on. The second interview began with general questions about the firm-to-firm relationship, such as, "How would you characterize the relationship between your firm and the client's firm?" Following these "grand tour" questions (e.g., McCracken 1988), the interview shifted to the topic of relationships

using the following probe: "Tell me about your relationship with your brand manager." The logic of this two-interview strategy is straightforward: the first interview provides the broader life-world descriptions needed to contextualize the participant's everyday experiences discussed in the second interview. The interpretive understanding of either interview informs that of the other. In this sense, the thematic structure will reflect the interpretive interplay between the two interview texts.

Each participant was questioned about each individual relationship he or she manages. The participants reported having an average of three different clients, five different brands, and 10 different brand managers. Thus, the study included discussion of approximately 200 dyadic relationships. Each interview was recorded and transcribed verbatim. This procedure resulted in a total of 634 single-spaced pages of interview data. The shortest transcript was 17 pages, the longest 44, and the average 32.

Data analysis proceeded using an iterative procedure described by Thompson et al. (1989) and Thompson and Haytko (1997). The goal was to use a combination of discourse analysis and hermeneutic analysis to uncover the subjective personal meanings expressed in the transcripts that convey the individual's conceptualizations of, and experiences with, both interfirm and interpersonal relationships. Discourse analysis has emerged as the prime methodological approach to the study of cultural models, that is, the influence of environment on individuals (Edwards and Potter 1992; Thompson and Haytko 1997). This research has been conducted in many different areas and social settings and is primarily focused on verbal discourse as opposed to written discourse. This has been termed the "talk as text" approach (Potter 1996). The discourse analysis of the interview transcripts proceeded by using a hermeneutical procedure outlined by Thompson (1997). In practical terms, this logic entails a part-to-whole reading strategy. In the most direct methodological sense, the hermeneutical circle is implemented by continually modifying the initial understandings of the text, based on earlier passages with respect to later passages. This first step represents an intra-interview strategy, in which the researcher focuses on gaining an understanding of one participant's experiences. The second step requires part-to-whole readings as an interinterview strategy, in which the researcher focuses on patterns of similarities and differences across participants (see Thompson and Haytko 1997; Thompson et al. 1989). Across both steps, earlier readings of the text inform later readings, and reciprocally, later readings allow the researcher to recognize and explore patterns not noted in the initial analysis. As the analysis proceeds, the textual interpretations broaden, with the resultant thematic structure reflecting the understanding of the broadest text. As a trustworthiness check, a group of outside auditors reviewed the data set and found the interpretations to be credible and also concluded that the interviews had been conducted in a rigorous fashion. This represents a confirmability audit as suggested by Wallendorf and Belk (1989).

The final step involved creating individual case descriptions, or summaries of the researcher's understanding of the text. The case descriptions were sent to the participants for review and evaluation. This, in essence, serves as an additional interview with each participant. It provides direct feedback on the equality between the participant's own understanding and that deriving from the researcher's analysis of the transcript. This procedure is referred to as member checking (Lincoln and Guba 1985). In several cases, the researcher had to recontact the participants and confirm some information that was missing from the transcripts (such as age, past work experience, etc.) and request additional detail on certain comments. Sixteen of the participants reported no substantive changes to the interpretations, 2 asked for expansion of some of their comments, 1 asked the researcher to change two areas in his case description, and 1 was unable to be contacted.

As a final trustworthiness check, a second confirmability audit was completed (Wallendorf and Belk 1989). A sample of advertising agency executives was recruited to read the final analysis to see if the interpretations and conclusions resonated with their experiences. All 10 reported that they could relate specifically to each of the relationship categorizations based on their own experiences and years of working in the industry.

FINDINGS

The findings are structured around the research questions and themes emergent across the research that describes the "lived experience" of both interfirm and interpersonal relationships. The first section discusses the participants' understanding of interorganizational relationships. Then, the two relationship categorizations that emerged from the analysis are presented. Finally, a multiple relationship management matrix that cross-categorizes the findings and discusses how these different relationships are experienced is proposed. The participant quotations provided throughout this section are the most representative of the emergent theme. While 20 individuals were interviewed for the study, not all 20 will be quoted, although all 20 were included in the analysis leading to the emergent themes.

Defining Firm-to-Firm Relationships

The findings regarding how the boundary spanners define the firm-to-firm relationships vary from what was expected. Prior to the research, it was expected that the

interfirm relationship would be defined by its history (duration) and its outcomes (e.g., successful campaigns, new product introductions). This type of definition would reflect a form of "institutional memory." In fact, to address these specific issues, the opening question focusing on the research topic was, "How would you describe the relationship between your Agency and the Client [client name]?" In *every* instance, the participant turned immediately to an analysis of the relationship based on an analysis of the connections that existed across firms. Deliberate probes asking about the interorganizational relationship, such as the client history in terms of sales, advertising development and execution, and so on were met with a response based on the person or persons responsible. Several attempts were made with these participants to focus on a broad-based description of the relationship. While the participants were able to discuss and define firm-to-firm relationships, they did so based on a summary of a number of individual relationship connections across firms. However, this is not surprising given that "businesses" are made up of people. In sum, these participants' conceptualizations of firm-to-firm relationships defined them as some combination of the individual interpersonal relationships that exist across firms as Hal's passage below illustrates.

I: How would you describe—how would you characterize the interorganizational relationship with [Client]—[Large Agency and Client]?

Hal: Very good. Yeah, good client–agency relationship from top to bottom. Relationship with the president there, [name]. So, [boss] has a very good relationship with him as I do. Product people there—product people we deal with—again, good relationship, good professional relationship. One of the product people I have more than just a professional relationship; I kid around with him and so forth . . . even the junior guys, pretty good relationship.

Hal's comment is representative of many of these participants' comments related to the relationship between their agency and their clients in that he focused not on the macro (abstract) level of firm-to-firm relationships but on the micro (concrete) level of personal relationship-to-personal relationship between the actors involved in managing the interorganizational exchange. Hal's conceptualization focused immediately on an assessment of the number and nature of the individual relationships between firms, that is, he considered all of the relationships from "top to bottom" in defining the interorganizational relationship. In analyzing this statement, it seems there are three stages to Hal's mental calculus. First, he had to define each individual connection, then he had to evaluate each in terms of "good/bad," and finally he had to sum up each relationship and decide if the overall relationship was "good" from top to bottom. This was all accomplished in a split second. In sum, Hal's conceptualization of the firm-

to-firm relationship is that it is a compilation of the personal relationships that exist at each level and tie the two organizations together.

Bob and Barb agree with this, yet they believe that the ties at the top are the most important to maintaining the interorganizational relationship:

Bob: Yeah, I think it's like—I think it's the amalgamation of all the little personal relationships together—help to make that a stronger tie overall. Yeah. But I don't think—You know, a lot of it is [my Boss], who runs the thing.

Barb: The whole relationship very much rests on the relationship that [Boss] maintains with, like, [Director of Marketing] or [Owner]—are the top, you know, whoever the top people are out there. But we [the account supervisors] have good relationships with our product people too . . . I guess they all go together.

While Bob and Barb agree with Hal that the interorganizational relationship between their agency and their client includes each of the relationships between key contacts, they extend this idea beyond a mere sum of relationship evaluations. They each feel that the most important relationship is the one between their boss and the top executives at the client firm, suggesting not an additive model of the interfirm relationship but a weighted model, valuing the boss's relationships with key individuals higher than their relationships with their brand managers.

These participants did not "see" the interfirm relationship as a separate entity. Even the "history" of the interfirm relationship was defined based on the history of individuals servicing the account, not specific campaigns, as Dean's comment shows:

I: How would you characterize the relationship, the interorganizational relationship between [Midsize Agency] and [Client]?

Dean: You don't know any of the history, so it's tough. The history has been that all of us helped make them. They had absolutely no brand awareness in 1991, and now they're the market leader. They also had a lot of the same people. [Senior Manager], my old boss, Randy was there from the beginning, and Randy now is gone. And he had developed a lot of good relationships with those people up there . . . he was a comfort level that they knew that at least he'd always done his homework, which he did, and that the work that came out eventually was pretty decent. And so, now they look at—Linda and I have only been there a year. And we're the ones with the most experience. [New Supervisor] hasn't been there three months; Terry, our account coordinator, has only been through one year with us. The entire creative team is different. They barely met the media people. So this is the year of change and transition. They also were very comfortable with Randy be-

cause he was the main guy and knew more about their company than they did in a lot of cases, and admitted that. And so, now they're really—I wouldn't say tenuous as much as there is a lot of double-checking, rechecking that wasn't done in the past because they are making sure we know what we're doing.

In this passage, Dean talks about the history of the relationship between his agency and this client, that is, the interorganizational relationship. However, he focuses on the people involved. He claims the work by the agency (defined as "all of us") has helped make this client Number One (defined as they) in their industry during the course of the relationship. Immediately after citing that fact, he moves into a discussion of personal relationships, saying, "They also had a lot of the same people." The focus of the passage is on the perceived outcomes of the interpersonal relationship calculus engaged in by Dean. He analyzed the individual relationships between the firms and determined that there are not enough established connections between the firms to characterize the relationship as any more than cautious. He believes that establishing these connections, such as getting the client to "know" the creative and media teams, and the remaining account service support staff (like the account coordinator and supervisor) will help to secure the interfirm relationship. The goal for the agency in managing the relationship with this client is to eliminate the effects of personnel turnover.

Firm-to-Firm Relationships: The Categories

In the previous section, the findings suggest that any interfirm analysis by these participants involves an analysis and summary of the individual connections across the firms. Thus, firm-to-firm relationships are defined and categorized in this section based on a compilation of the relationships between a group of individuals working for a client and a group of individuals working for the agency. The emergent themes developed from the data analysis of the individual account manager's perceptions and evaluations of these interfirm connections led to the development of a hypothetical firm-to-firm relationship categorization scheme: "vendor," "partner," and "surrogate manager." These terms are most easily defined by the nature of the communications between the boundary spanners with respect to work activities. These communications were at the interpersonal level and not the firm level. The "firm" did not determine the classification; instead, the agency account managers define it by the way in which they communicate with the individual brand managers. While the first two (vendor and partner) are self-explanatory, the third was defined by the researcher on the basis of

discussions with the individuals involved in this type of relationship.

The following passage from Gary defines the differences between a "vendor" and a "partner":

Gary: The true definition of a partner is someone who you're joined at the hip with in either business or something else, in terms of one becomes indispensable to the other in accomplishing whatever task you have. A writer and an art director. They become indispensable on an account because they're partners in the creative aspect. We're partners on the service side of it. We have to all be talking the same language, doing the same thing. You have to be a partner with your agents, with your client. You have to be one with your client and have the same objective, the same outlook. And they have to be indispensable to you and you indispensable to them . . . that's partnership.

I: Have you had relationships that were not partnerships?

Gary: Yeah, I don't like 'em. I don't have a big ego . . . but I like to be told every once in a while, "Hey, you did a great job." You like to hear it. But I don't like someone to say, "OK, here it is, you do it. Here it is, you do it," and just give orders. I've never been an order taker; I've never been a yes-man. . . . That's turning me into a yes-person, to just go execute. And I think that I've got more value than that, so I wouldn't wanna be in that situation because I don't get my jollies if I'm just doing what you tell me to do.

There were many similarities in the responses of these managers across firms. None of these participants wanted to operate as a vendor or supplier, although several discussed current or past relationships in which they did so. The feelings of individual frustration with respect to being treated as a vendor were shared by all of the participants. They all have college degrees, most with advertising specialties. Thus, they feel they have the training to be advisors on any aspect of communication planning and resent being treated as an "order taker" and just implementing someone else's programs. Several of the participants mentioned being treated as a marketing partner as one of the best aspects of their jobs.

Doug: Another positive: working with a client such as [name]. They really rely on us to be a marketing partner, not a—basically a vendor. You know, "Here, I want this and I want this now." It's basically we—We write the marketing plans with them. I mean, especially this year, we basically have written all their communications plans for their communications managers. You know, we make recommendations on what they should be doing in the marketplace. You know, they accept some; they—But, I mean, we are considered a marketing partner,

which is a definite plus, not just someone carrying around—shuffling pieces of paper. We're involved in meetings.

Ellen: One thing I've noticed about our position here is that we're not just an advertising agency. We're more like a marketing partner in the sense that we do a lot of market analysis, and we provide them with the market analysis on a quarterly basis. And while they may have asked us for the sales data, they're not necessarily following all the trends and the new product introductions and all that. We're doing that. So I think we do a lot for 'em and that is one of the best parts of my job.

Both Doug's and Ellen's comments are interesting in light of the focus on being "included" in the planning for their clients, and thus, being empowered to act on behalf of their client with full knowledge of the goals. Thus, being a partner represents the true definition of being an "agent," that is, acting as the representative of the client with respect to advertising implementation. Both mention the fact that their clients share important aspects of the business with the agency, which keeps the agency informed and involved. They do admit that the open lines of communication do not necessarily mean all of the agency's advice and recommendations are accepted, just that the ability to present different ideas and viewpoints is allowed and encouraged. This differs dramatically from the idea of a vendor. Being treated like a vendor means being "excluded" from the planning and not understanding the goal for which the advertising is being created. This leads to serious frustration at the agency, not just from the account team but from the creative team as well, since they are charged with creating an ad or campaign with little or no strategic direction and no creative freedom.

Without exception, these participants expressed their desires to partner with their clients. This supports the other side of the Parasuraman, Berry, and Zeithaml (1991) finding; service providers also want to establish personalized relationships. Being treated as a marketing partner suggests that the client firm lets the agency account managers "in" to all aspects of their business. In a sense, Gary's presentation of a partnership as each side "being indispensable" to the other ties in well with the theoretical conceptualization of relationship-specific assets in firm-to-firm exchange relationships (Williamson 1975). The indispensability suggests that both sides have invested heavily in the relationship and that neither side could easily replace the other, and thus, the dependence is relatively equal and neither side has a power advantage. As Nicholson et al. (2001) asserted,

An affective attachment to a rep may help push switching costs high enough to discourage shifting to an alternative supplier . . . due not only to the comfort factor of the friendly working relationship but also due to the mental, emotional, and monetary costs associated with having to establish a new relationship. (P. 12)

The idea of becoming indispensable to a client is inherent in the third type of relationship, defined as *surrogate manager* and characterized as existing far beyond a partnership. In this type of relationship, the account manager becomes an extension of the client firm, as Ray explains:

Ray: [Client]—I've had for six years, been through three or four regimes of people. In fact, probably got in the last two regimes hired, so pretty connected to them.

I: OK. Well, you mentioned [Client]—you had the last two regimes hired. Explain that one to me.

Ray: When we got the account, about six years ago, there was a group of people—essentially three people—that we dealt with in the marketing group, and just time and other opportunities, and I guess just general attrition—some of those people have left, so they have been replaced by people from the outside. And my relationship with the company was such that the marketing people that were hired—essentially I interviewed them. I was part of the interview committee.

I: How did that happen?

Ray: Well, especially in the Manager of Advertising—that position which is really the direct daily management of agency link—that person deals with me much more than they—years ago, they dealt with me more than they dealt with their bosses, and they wanted to make sure that from our perspective, the person they put in place was advertising literate, was someone who could inspire us to work. Just wanted us to be part of the process, which I thought was a great thing. So we kind of got wrapped up in that, and then as those people left, we *recommended* replacements and we got a little bit more involved in things. So as it stands now, I've really been at [Client] *longer than essentially anyone who's in the* marketing group.

This is an example of an interorganizational relationship that has evolved beyond a partnership (defined by the participants as a group on both sides working together toward a common goal) to a firm-to-individual relationship between the client and Ray. Thus, Ray becomes a surrogate manager of the client firm, that is, he is both the brand manager and the account manager. The client does not hire him directly but they do "employ" him as the outside provider of agency services. Ray is a relationship-specific asset that is hard to replace given that he has more knowledge of the business and has been involved with the firm longer than any of the client's marketing managers. In addition, the firm's marketing managers were all hired with Ray's input and thus are loyal to him as an individual. This is a firm-to-firm relationship run entirely by a single

individual. This type of relationship was only encountered in the midsize agency and only with two account managers. Thus, the extent to which this type of relationship exists in the industry is unknown.

Interpersonal Relationships: The Categories

When asked about their relationships with client contacts, the participants tended to discuss each brand manager sequentially, as if they were thinking through a step-by-step analysis of the specific individuals that they worked with. This is a one-to-one analysis of each individual relationship they have. It is important to note that this procedure was used by the majority of the participants *prior* to any prompting by the researcher. Each of these participants reported having a myriad of different interpersonal relationships with their client contacts. The analysis that the participants went through in analyzing their relationships equates to a "network" analysis. They thought about their focal relationship first, then other relationships that made up the firm-to-firm interaction, as can be seen in the following examples:

Bob: I mean, there's just different degrees of friendship or whatever and maybe there is, like, a business friend, and then there is a personal friend. Sometimes they're the same and sometimes they're not. 'Cause I can see having a long-term relationship with business friends. Because in business it's all who you can trust and who's gonna make you the most money and who's, you know, that sort of thing. But it's not necessarily who's the most fun to go out with and who likes the music you like and that sort of thing 'cause that's completely divorced. So I think there is something there. You know, I think it's based on people you know and trust.

Janet: I find it more beneficial to be—to be personal with someone. And the degrees of personal obviously vary greatly, but my goal would be to have a personal relationship. I would like someone—my clients to call me a friend, not their business associate, which is very different. A business associate is someone that they are expecting to have contact with only in a business environment, only to talk about business issues. And that means that they are probably only sharing with me limited business needs. If they think of me as a vendor or just a business associate, they may not be asking me to help them solve many of their issues. They may be just thinking of me as a certain piece of their issues. Personal—they—I see them more as being comfortable to ask me, from their own personal relationships and what's going on with them, to more of what's happening to them in their careers or situations. Or, "I need help on this because—" So I see it as broader, that they would ask me to help them more.

In these two passages, several definitions of relationships are presented: business friend, personal friend, and business associate. All of these participants defined their relationships using similar terms and provided detailed explanations of how these relationships differ. Each of these is discussed below. However, it is important to mention that these results build on Price and Arnold (1999) by explaining the different types of commercial relationships that exist and the different types of friendships that are experienced in the business environment.

Everyone reported as least one relationship that they would characterize as "personal." Many of the participants speculated about what factors led to the development of close, personal relationships. While several mentioned having things in common with their brand managers, others claimed they had close relationships with people they had little in common with. Time and the willingness to "open" one's life to the other person seemed to be the key determining factors. This result provides insight into the function of communication in an interpersonal relationship. Communication is the key to building a knowledge base about the other person. As this knowledge base grows, the relationship matures. Previous research has shown that the communication mechanisms used to govern the interorganizational relationship are tied to long-term cooperation, trust, and commitment (Mohr and Nevin 1990). Based on the findings of this study, the same is true for interpersonal relationships. However, in this study, the development of open channels of communication led to even greater benefits.

In some cases, the relationships between the account manager and client brand manager could be described as intensely personal because the nature of self-disclosure was highly intimate, as Barb's example illustrates:

Barb: My personal relationships? Oh, gosh, very different. They know everything about me. Are you kidding? We know all the dirt on each other. I threw up in Melanie's car, as a matter of fact. See, we're tight.

I: So how do they know all this?

Barb: 'Cause I have a big mouth. I don't know. I guess it's because, when I first was pregnant I had a photo shoot in the Indiana Dunes in 95-degree weather. And I'd had horrible morning sickness. And poor Melanie, she lives out by me. I couldn't drive to the shoot. There was no way I could drive myself because I was getting sick to my stomach. So I had to ask her if she would drive me. And she was, like, "Oh, sure. No problem." So she came to my house that day and she wanted to see my house, and so we walked all through my house. I mean, these are, like, people, you know, that you kind of accept them into your life. Like I said, you realize that they're real people . . . and I took her on the tour and showed her my family and introduced her to my dog and my husband. But, of course, I kind of had to tell her, I

felt obligated to tell her that I was pregnant, you know. "I'm gonna throw up in your car. Just so you know I'm not diseased. This is why." So anyway, I think she probably knew I was pregnant before I even told my parents just because, you know, she's here. And it was fairly early on in my pregnancy; I don't even know if I told [my boss] yet. But, you know because, I don't know—They're just friends. And if I'm having a bad day, they'll ask me, "What's wrong with you?" And usually I tell 'em. I'm not shy about those sorts of things.

In this passage, the nature and extent of intimate self-disclosure is readily apparent. While Barb felt that there was no way she could hide her pregnancy from her client (because she would be carsick), she also felt close enough to Melanie (who is her closest relationship) to tell her the truth. As Barb says, Melanie knew about her condition even before her parents and her boss. Many of the participants discussed developing a level of "comfort" in their personal relationships that allowed for this kind of intimate self-disclosure. Feeling comfortable in the relationship leads individuals to let their guard down and be open to self-disclosure. These findings support social penetration theory in that these participants have developed "personal" relationships to the point of exchanging intimate, private aspects of themselves (Altman 1973). The personal relationships as described in this study are akin to the true friendships studied in other fields.

In discussing his closest client relationship, Jeff provides yet another example of the result of developing close personal relationships with his client:

Jeff: [Client 1], Denny, who is probably one of the nicest guys and most down-to-earth clients you'll ever meet. Very reasonable, willing to discuss issues, not necessarily dictate issues, and just someone that once you're out of the office place, the office stuff sort of goes away and you can have a social relationship with him and go out with his wife and, you know, do lots of social events with them. From a social, you know, standpoint, it's not unusual for me to give him a call and just say, "Hey, Denny, how's everything going? You know, no issues to discuss, but I just wanted to make sure your wife is doing well," you know, invite him out for a drink. That's not unusual. So, [senior executive] and I have a good relationship with him because it is not all business, and when it is business and when it is social, it's very open on both aspects of it. So whether it's good news or bad news, on business, as long as I can tell him why, how, and what, he can accept it. Same thing on social. He's very open to conversations about lots of different things. And he's very open and willing to listen to all of the input and advice and comments and suggestions that we give him. So I think that makes for a very good relationship.

Jeff's description of Denny as being "very reasonable" and not dictatorial is an example of the partner relationship that he has with Denny and this client. As with many of the other participants, he suggests that personal connections are developed outside of the workplace. Entertaining is a key aspect of the relationship between Jeff and Denny. They have spent large amounts of time engaging in social activities with their wives, and as he says, he can call Denny anytime for strictly personal reasons. While entertaining clients is a part of the job of an account executive, many of the participants who discussed personal relationships discussed spending time with these people because they wanted and/or consciously chose to. In many cases, the agency did not pay for these outings, and the individuals involved spent their own money on these activities (certainly not something one would do for someone one didn't feel close to). Jeff describes the relationship as very good because the client is "open" on both a professional and personal basis. This openness is an example of allowing the account executive "in" with respect to all aspects of the relationship, both interorganizational and interpersonal. This openness relates to previous comments about being yourself, that is, letting the guard down and allowing personal vulnerability in the relationship.

The second type of relationship, "business friends," represents a relatively new conceptualization of friendship. The majority of previous research on "friendship" has focused on "true" friends, that is, individuals who *choose* to develop a personal relationship. In the marketing literature, Price and Arnold (1999) studied this type of friendship in a business setting, between a consumer and a hairdresser. In this case, the consumer chooses to interact with the hairdresser and continue the interaction. To extend their results, Price and Arnold interviewed a few individuals in different business-to-business (B2B) contexts and found that individuals could differentiate a business friendship from other types. However, they did not examine what other types of relationships exist in the B2B context or if other types of friendships exist (such as the "personal" relationship above, which would likely continue even if the individuals no longer work together). As such, this study extends their work by looking more closely at business friendships that are developed based on work-related ties, that is, the individuals are forced to interact. Business friendships are kept together for business reasons. Unlike the "personal" relationships discussed above, if the work ties are severed, the relationship tends to die unless a potential for future business relationships exists as John's example shows:

I: So, what about your contact person that you just lost? What was the relationship like with him?

John: That was an interesting relationship. Extremely friendly. Not what you'd call personal. We never did

anything personal. I'm not sure we ever even went out to lunch together. Oftentimes when we had the opportunity to go to lunch, either I was too busy or he was. Not a big deal.

I: Well, you mentioned that your relationship with him was friendly but not personal. Explain to me what "friendly" means.

John: It means I could pick up the phone and call him and we'd start, you know, chewing the rag at any time. He'd tell me jokes, sometimes really rude jokes. It was very informal, you know, not—It's not like I had to call him "Mister" or anything like that. So it was a friendly relationship, you know, we could talk very informally and very bluntly with each other and straightforward about things including his wife and his separation, and did just great. But it wasn't personal in the sense that we never did anything beyond -outside of the working relationship.

In this passage, John distinguishes a "personal relationship" from a "business friendship." His conceptualization of a business friendship is that it includes the professional and personal self-disclosure but excludes any relationship outside of the work environment. Other participants agreed with this definition. In some cases, business friendships are defined by a reluctance on the part of the account executive to fully develop them into personal relationships. Doug provides an example of a business friendship that he isn't willing to take to the next level:

Doug: Sally, I've been over to her house for dinner, like with Jim and Anita, like, twice. But I would not, like, say, invite her to my wedding or say, "Hey, why don't you come over?" So, not friends, but say acquaintances.

I: So, what do you think she would say if we asked her how she felt about you?

Doug: Well, I think she would say she likes dealing with me, that I handle things on a timely basis. I give her strategic and marketing counsel. I think she really enjoys dealing with me, and she thinks we're friends. And I think that's probably what she would say.

I: Why do you think she would say that?

Doug: Well, Sally will volunteer personal information sometimes. But I'm not one to sit there and ask because, again, I don't think I need to know. I would prefer not to know. . . . She's a very blunt woman. One time she told me as we were driving back from [Client office] that—I think she's 52—52, 53, something in that range, and she's dated a guy for 20 years and broke up. And then she said, "Well, and then occasionally I'd go over to his house just for a good blank!" . . . And that's just her personality. She's very blunt; she's very outspoken, and you know, stuff that I would never say to anybody unless it was, say, my best friend or my fiancée or something—

She just kind of blurts out. And so that can be kind of uncomfortable, but that's just her. And you accept her personality as it is, and that's the way she does business and that's the way she's always done it.

Doug perceives that Sally would call him a "friend," yet he doesn't feel that way about her. In addition, he must tolerate and accept that being her friend gains him entry into very intimate, personal details about her life, things he "would rather not know." This is an example of a relationship that is characterized by high self-disclosure on one side leading to the perception of personal friendship. Yet, while the account executive is not pleased with the results of being called a "friend," he knows that he cannot change the relationship to a less personal one. The relationship between Doug and Sally has developed to the point that Doug is comfortable enough in his working relationship with her to acquiesce to her somewhat unique requests, such as having meetings in her garden. This type of business friendship developed over time and through the work relationship, and it is characterized by both professional and personal components.

The third type of relationship, "strictly business," is defined by a complete focus on business-related issues. The knowledge base present in both "personal" and "business friends" relationships is entirely absent in strictly business relationships, as Barb's passage shows:

I: You mentioned that you are close to all of your brand managers except one. Can you tell me about the one you are not close to?

Barb: The only person that still intimidates me or makes me a little bit nervous is Cecilia, and I think it's just because—[My boss] tells me not to worry about her. He's like, "Oh, just ignore her; don't worry about her." But I guess she's the one person out there that I don't know anything about, and maybe that's why— You need a couch in here to try and analyze this. I guess she's the one person that I really don't—The only information I know about Cecilia's life is information that other people have told me. She's the one person that you don't, you know, that I haven't shared with or talked to or whatever.

This example differs a great deal from the examples Barb provided of her "personal" relationships. Barb mentions sharing absolutely everything with Melanie and absolutely nothing with Cecilia. The development of a knowledge base both professionally and personally does not exist with this brand manager. As a result of knowing nothing about Cecilia (beyond what others have shared), Barb is intimidated and nervous around her. Close personal relationships are characterized by high degrees of "comfort." In this relationship, Barb is experiencing high degrees of "discomfort," leading to the classification of the

relationship as "strictly business." In addition, Barb is reluctant to attempt to move the relationship toward a more personal interaction. She says she attempted to establish contact in the beginning by asking Cecilia out to lunch (which Cecilia declined). Now, Barb doesn't try.

Differences in the levels of key personal relationship characteristics. These participants described their relationships across categories by discussing the levels of several key personal relationship characteristics. Each participant discussed many levels of self-disclosure, trust, and intimacy. They also discussed the extent to which they were willing to do "favors" for these individuals and the expected reciprocity. However, these personal relationship characteristics were discussed at a level lower than expected. As can be seen in many of the passages in the previous sections, the prime determinant of how a relationship would be categorized was the amount of knowledge the account manager had about the brand manager. This knowledge base included both professional and personal components. The extent to which the knowledge base was developed between individuals appears to be correlated with the reported levels of the key personal relationship characteristics, that is, higher knowledge levels were associated with relationships termed *friends* and were described as having higher reciprocity (in self-disclosure and action), higher trust and commitment, and higher levels of intimacy in the relationship. The opposite was true with lower levels of knowledge, which were associated with relationships termed *strictly business.*

"Personal" relationships were characterized by extensive reciprocity in self-disclosure. These participants discussed knowing "everything" about the other person, both professionally and personally. Reciprocity of action was common in these relationships and is summed up by many of the participants as "you do things for people you like." In personal relationships, both the account manager and brand manager would go out of their way to help the other with requests. Interpersonal trust is also quite high and as a result, performance monitoring is quite low. This finding supports Montgomery's (1998) idea that unconditional trust comes to the forefront in a relationship as it develops, and the friendship role takes over from the economic-agent role. The opposite is true for "strictly business" relationships. These participants did not mention the term *commitment,* yet evidence of interpersonal commitment is found throughout many of the transcripts. The example most often discussed relates to the maintenance of interpersonal relationships long after the interfirm ties are broken, that is, there is a long-term perspective to the personal relationships. Eighteen of the 20 participants discussed maintaining relationships with individuals they no longer worked with.

Outcomes of Interpersonal Relationships

Categorizing the lived relationships of the participants represents an initial understanding of their day-to-day lives. However, delving deeper points to the benefits that these participants sought from their personal relationships. Ellen describes this below:

I: Thinking about—that you have the personal relationship with Lilly, how do you think that helps your day-to-day work relationship or hurts it?

Ellen: I don't think it hurts it at all. I think it helps in the sense that I don't feel like I'm a gopher for her, and it's not her calling and saying, "I need this, this, this, and this." And I can call her and I feel, because we have that relationship—that I can call her 20 times in one day and she's not gonna care. So I'm not thinking, "Oh, gosh, I already called her four times. She's gonna think I'm an idiot because I forgot to ask her this question." So it makes it easier, I think, to get through your list of things to do. And because of that relationship, I think—I hope—She goes out of her way to get my requests taken care of too.

I: And you think that's a result of being close to her?

Ellen: You do things for people you like. And if it was somebody—If she didn't like me, then she just may think, even subconsciously, "I don't have time for this; I'll take care of it later." Or, "She doesn't know what she's doing; she'll never even know that I never got this to her." So I think it helps. I think it helps a lot.

Ellen mentions several aspects of her close relationship with Lilly in this passage. First, her comment that she is not a "gopher" for Lilly suggests that they are friends and not in a "strictly business" relationship. Ellen also doesn't have to monitor her communication with Lilly, meaning that she can call her as much as needed without worrying that she will cause problems in the relationship. This relates to the idea that "openness" characterizes close personal relationships and that individuals can let their guard down and expose vulnerabilities to each other. Ellen claims that her personal relationship makes it easier to get through her assignments because of the ability to follow up as often as necessary. This benefit of personal relationships was mentioned by many of the participants.

I: What do you see as the differences between how you interact with your close brand managers . . . versus Cecilia, who you're not?

Barb: Differences, though, where it helps to have a little bit more of a personal relationship with them is when things get a little sticky or you need to kinda ask 'em for something that maybe you shouldn't be asking. You know, more time on something or—

You know what I mean? It's easier to ask somebody if they know you and trust you and like you and, "You know, what we need is an extra day,"—than it is to go back to somebody who your relationship is a little bit more business 'cause, of course, they're thinking that you're bumping 'em or whatever. So it helps a little bit, you know, when times are a little bit sticky . . . like I could easily ask Melanie for help if I need extra time, whereas I could never, never ask Cecilia. I couldn't even call her, with Cecilia, I would have absolutely no idea what to expect from her, so I would call her and I would probably sit on my hands or bite my nails the whole time. 'Cause you just never know what kind of a mood she's gonna be in.

Barb talks about how having a personal relationship with a brand manager is valuable when problems arise in the working relationship, such as missed deadlines, overages on estimates, and so on. Barb feels that it is much easier to ask a favor from somebody "if they know you and trust you and like you." In this one line, she addresses all of the key characteristics of personal relationships: knowledge of the individual, interpersonal trust, and liking. She contrasts this with a "strictly business" relationship, in which she feels she cannot even attempt to ask for a favor.

While many of the participants felt that having personal relationships with clients made their work lives easier, Pat explained that these relationships made both her personal and professional life easier:

Pat: I try to foster closer relationships because you are dealing with people, even in a business environment—you can better understand their issues. You can better understand their pressures. You can better understand their long-term goals, which helps you understand how to support them in their business. Personal relationships tend to get you oftentimes more honest and truthful in your relationships. And in business, honesty's great—you combine it with a real personal side of it, it forces you, I think, to maintain honesty and truthfulness a little bit more. Also, we spend so much of our lives at work, I just find it helps me to talk about my husband, my kids, my life to my friends, who also happen to be my clients. I think understanding that I'm a married woman, I have two children or two sons begins to tell you more about me and what my interests are both from a world standpoint . . . and it helps knowing these things. It takes the pressure off for a while to just relate as friends.

These participants were clear in their desires to develop firm-to-firm relationships that were characterized as partnerships because they felt involved in the business. The same can be said for personal relationships. These account managers reported working more than 60 hours a week in

FIGURE 1
The Multiple-Relationship Matrix

NOTE: [ ] = observed; ( ) = expected
$\chi^2 = 25.4, p < .05$

a high-pressure, high-stress, pure service field. Anything they can do to release this tension is welcomed. For these participants, personal relationships had many beneficial effects.

The Multiple-Relationship Matrix

The 20 participants in this study discussed a total of 55 interorganizational relationships, 109 day-to-day brand manager relationships, and an additional 98 occasional brand manager relationships during the course of their interviews. In a second data analysis procedure (after the categories were identified and defined), each firm-to-firm relationship was defined based on the categories developed as a result of the interviewing. In addition, each of the day-to-day brand manager relationships was defined based on the interpersonal relationship categories. These analyses and subsequent categorizations of relationships were conducted independently by two researchers, then sent back to each participant to confirm that the classification was appropriate. The results of this analysis and categorization are presented in Figure 1.

In this figure, the 109 day-to-day brand manager relationships are placed into the appropriate cross-categorization cell (the 98 occasional relationships were not used because the client contact is intermittent). The numbers in parentheses below the actual relationship numbers are what would be expected under the null hypotheses of no relationship between the interfirm categorization and the interpersonal categorization. A chi-square analysis of these relationship categorizations is significant ($\chi^2_4 = 25.4, p < .05$), thus leading to rejection of the null hypothesis (no relationship between categorizations) and the conclusion that there is a statistically significant relationship

TABLE 2
Relationship Categories

Firm-to-firm (brand group to account group)

Vendor
- Project focused
- "Gopher," "yes man"
- Dictatorial

Partner
- Strategy focused
- Lets the agency "in" to all aspects of the business
- Cooperative

Surrogate manager
- One person controls both sides of the interorganizational exchange

Interpersonal (brand manager to account manager)

Strictly business
- Project focused
- No personal interaction or communication
- No self-disclosure
- No knowledge base

Business friends
- Some self-disclosure
- Little outside of work interaction
- Limited knowledge base

Personal
- Highly intimate self-disclosure
- Significant outside of work interaction
- Fully developed knowledge base

between the interorganizational relationship and the interpersonal categorization. Table 2 provides a summary of the key relationship categorizations and the defin- ing features of each, based on the results from the previous section.

Two relationship combinations were mentioned most often: "partner" / "business friends" and "partner" / "personal." However, these combinations were much more likely to occur in firm-to-firm relationships that were not new, that is, the client had been with the agency for at least 2 years, some much longer. This fact suggests both the interfirm and interpersonal relationships had developed through the stages of relationships (see Dwyer et al. 1987). Second, the participants who reported these relationships claimed they made efforts to develop more personal contacts with their clients. The agencies provided funds for client entertaining and supported these efforts. Senior managers and other account personnel were focused on maintaining good relationships with client contacts and went out of their way to help when a client moved to another firm. In fact, one senior manager at the large agency provided office space to client brand managers who had been fired or laid off while they seek new positions. Such assistance provides a great foot in the door with the new companies once these brand managers settle into new positions.

The two other relationship combinations mentioned most often were "vendor" / "strictly business" and "vendor /

"business friends." In analyzing these specific relationships, it was found that the brand managers involved made little or no attempt to develop these relationships. This suggests the interfirm relationship may drive the ability to form closer interpersonal relationships, that is, being treated like a vendor does not provide an atmosphere conducive to engaging in self-disclosure or the development of a knowledge base about the individual. However, seven personal relationships formed with clients characterized as vendors. Upon reviewing these seven relationships, it was found that the account manager and brand manager involved had become close by using the same strategies as others in "partner" interfirm relationships, that is, they used reciprocal self-disclosure, found common interests, and spent time together outside of the workplace. This suggests that the interpersonal relationship may supersede the interorganizational relationship in the day-to-day working environment in some cases.

Of the nine possible relationship combinations in Figure 1, only the upper right corner relationship (i.e., "surrogate manager" / "strictly business") was not reported in this study. This pattern is to be expected, given the definition of a surrogate manager as being integrated into the client firm without relocating. This requires a high knowledge base, which can only be developed through significant interpersonal interaction. Each of the other eight combinations was experienced by at least one participant with respect to at least one relationship.

DISCUSSION

In sum, both firm-to-firm and interpersonal relationships are described by a categorization scheme by these participants. These categories interact, and in some cases, the relationship development is the same for both categorization schemes, while at others, the interpersonal transcends the interorganizational and vice versa. From a theoretical perspective, customer relationship management strategies and tactics can be studied based on the cross-categorization of the relationships. From a managerial perspective, this relationship matrix represents a way that the senior management can evaluate the state of the agency's customer relationships and plan strategies to build individual relationships while avoiding surrogate manager situations. A logical next step for future research is to further define each of the conceptual categories in the matrix and develop scales to measure each. In this way, relationships could be categorized and propositions about the nature/ function of communication, knowledge development, and relationship management strategies and tactics could be developed to study how relationships progress through the categories over time.

This study represents an initial attempt to understand individual's lived experiences of interpersonal relation-

ships in firm-to-firm exchange environments. Much work remains to be completed. However, the results provide some answers to the three research questions. Participants do *think* about their interpersonal relationships. In fact, it is difficult for them to think about interfirm relationships because their focus as day-to-day boundary spanners is on the individuals they work with, which could be a type of myopia based on their roles. These participants placed their interpersonal relationships into three categories. They also placed their interfirm relationships into three categories, although this was done on the basis of the nature of communication with the client and the extent to which agency personnel were included in key decisions. Thus, the firm-to-firm relationship categories were essentially defined based on interpersonal measures that were summarized across a number of participants working on both sides. However, the categories were supported when the noninterview data were analyzed. This finding leads to the question of whether a firm-to-firm relationship exists on a day-to-day basis separate from the individual relationships that make up the transactions. The participants' lack of ability to "see" the interfirm relationship may be due to the fact that they are not "key informants," which are usually CEOs. These individuals operate at lower levels in the firm and thus experience the firm-to-firm relationship not in the abstract but as a reality based on the processes and outcomes of the exchange. However, given that these executives are responsible for implementing the interorganizational relationship, which most likely leads to CEO perceptions, their conceptualizations are probably more valid than those at the highest level. Future research on interorganizational relationships should sample not just key informants (usually top executives) but also lower-level executives to see whether these conceptualizations hold and/or how they change based on the chosen sample.

As this study shows, the job of the account manager is critical, given that most account executives manage more than one client brand and thus manage more than one brand manager relationship. Account managers work long hours and are often pulled in several different directions. Decisions on which project to tackle first are very difficult and cause a tremendous amount of stress based on role conflict and role ambiguity (e.g., Singh 1993; Singh et al. 1994). Both of these concepts have been shown to have detrimental effects on boundary spanners' performance, such as performance and satisfaction (Singh 1993; Singh et al. 1994). In this study, closer relationships were found to facilitate the work relationship in that these participants reported many benefits to having personal relationships, such as faster approvals, more flexibility in scheduling, and the ability to request help from brand managers in solving conflicts. All of the participants discussed the fact that personal relationships made their lives (both work and personal) easier and happier. This suggests that developing personal relationships in a business context may increase job satisfaction and thus reduce turnover. In addition, personal relationships between boundary spanners may decrease role conflict and role ambiguity for these individuals, leading to higher job satisfaction and higher satisfaction with the relationship. Whether personal relationships increase the efficiency and effectiveness of the relationship (and whether the effect is monotonic) seems to be an excellent topic for future research.

Many of the interpersonal relationships do develop and evolve from one category to the next, becoming intensely personal with time and the building of a knowledge base about the client through reciprocal self-disclosure and relationship-building strategies. With respect to interpersonal fit, personal relationships formed between individuals who had "commonalities." However, they also formed between individuals who had little in common. The opportunity for frequent contact was more important to relationship development than interpersonal similarities in the initial development from strictly business to business friends. However, interpersonal similarities were a key factor in moving relationships from "business friends" to "personal." The development of a knowledge base, most often developed through reciprocal self-disclosure, was the main difference between the relationship categorizations. Key interpersonal relationship constructs, such as trust, reciprocity, intimacy, and commitment were important but were subsumed under the higher-level knowledge concept. Future research can examine whether the knowledge construct overrides the traditional relationship constructs in other industries or nonservice contexts.

Limitations

Two key limitations deserve mention. First, this research specifically addresses only the relationship between advertising agencies and their clients. While this context provides one example of a supplier-customer relationship, this relationship may be quite different from other business relationships. Thus, generalization of the *specific* findings to other contexts may be inappropriate.

Second, this study examined only one side of the agency-client relationship dyad. All of the findings are based on the perceptions of the account managers. In an ideal study, the clients would have been questioned, and their perceptions would have been evaluated to determine how well they matched the account managers. However, given the extent to which advertising agencies are private and very protective of these relationships, interviewing clients was not an option. In fact, several participants said they did not want their clients to be analyzing the relationship, even when they felt the relationship was great. One senior executive said, "We certainly don't want them thinking about putting us up for review." Future research may be able to overcome this limitation by choosing an industry that is less proprietary with information or one in

which tangible products exist, limiting to some extent the degree to which personal relationships define the success or failure of the interfirm exchange.

Implications for Managers

A managerial implication of this study relates to the outcomes of personal relationships. While the majority of the participant's comments suggest that developing close, personal relationships with brand managers is desired and good, there was a downside reflected in the transcripts. The development of a "surrogate manager" interfirm relationship is bad for both the agency and the individual. From the agency's perspective, this individual is accorded a high level of control of the interorganizational relationship. If that person should leave, they will most likely take the client with them. Thus, the agency should take precautions against letting the relationship develop to this extreme by closely monitoring the development of interpersonal relationships. From the individual's perspective, he or she is likely to be held personally responsible for the outcomes of the exchange. As a result, if something goes wrong, he or she is the one blamed. Another concern is that it is very difficult, if not impossible, to delegate work to other account managers as they are not afforded the same level of trust and respect as the individual who manages the relationship. This creates additional stress on the individual employee, as he or she has nowhere to turn for help. This suggests that the individual should also take safeguards to avoid allowing the interfirm relationship to develop into a "surrogate manager" situation.

The results of this study show that few, if any, efforts are made to train account personnel in the management of interpersonal relationships. While previous research has shown that good personal relationships with account people are one of the main influences on client satisfaction, only one agency in this study made an attempt to monitor the status of the relationships between people. A study by Keep, Hollander, and Dickinson (1998) claims that because advertisers face a high level of uncertainty, a new low level of commitment has developed. This is evidenced by an increase in agency switching and a shift to pay-for-performance systems. However, the results from this study suggest that the low level of commitment is not evidenced at the level of interpersonal relationships when they become personal. As Yamagishi and Yamagishi (1994) claimed, "The simplest and most readily available solution posed by the problem of social uncertainty would be to form committed relations with specific partners" (p. 134). Thus, the development of strong personal relationships between boundary spanners can be seen as a way of reducing both social and economic uncertainty for the individual and the firm. In addition, personnel turnover on accounts represents one of the main reasons that clients change agencies. So, keeping key personnel in their

positions for as long as possible should be a goal of the agency, as long as the relationship is not allowed to develop into a "surrogate manager" situation.

ACKNOWLEDGMENTS

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