

Buying marketing services:

Illustrative cases

ABSTRACT

This paper analyzes the marketing service business and the interactions involved in some marketing services that firms are buying. First we review the literature on the purchase of services and various types of marketing services: advertising, direct marketing, market research, public relations, web marketing, print and others. Then, we present and analyze an exploratory select group of cases to discuss how and why firms are buying marketing services. The selected cases correspond to the purchasing of marketing services for the three biggest Portuguese firms. Top marketing managers of the buying firms were interviewed in-depth in November 2010. The results from these cases show that the marketing services bought are increasing in number, diversity and size, are simple or complex, standardized or non-standardized. Most business firms studied buy and contract marketing services on annual terms. The marketing services were bought from a diversified group of suppliers with whom they had dealt with for two or more years. Buyers and sellers share vast and important information, and most of them are aware of specific knowledge. This study helps to understand the dynamics of the business services market and how buying a marketing service is handled. The study highlights the growth of marketing services and the opportunity to adapt and explore better ways of interaction from both parties. The results ask for further research about doing deals in service markets and about the interaction between the sellers and buyers in the marketing service business.

Keywords: marketing services, business services, buying, Portugal

INTRODUCTION

Industrial society has become a service based society services company (Axelsson and Wynstra, 2002). The relevance of services in the economy is growing, and this occurs both in the generation of wealth and job creation. Services in many countries account for more than 70% of gross domestic product (GDP) and employment (World Bank, 2010). The growth of business services is considered by many authors (Wynstra et al. 2006) as the main growth factor of the service sector. In 2005, 3.2 million enterprises in the European Union were principally engaged in the sales of services to other businesses (Alajääsko, 2008). They employed 14.2 million people and generated turnover of €1 292 billion. The purchase of services represents a substantial amount of total purchases in companies (Fearon and Bales, 1995). However, existing studies focus mainly on product purchase and attach less importance to services purchase. When they focus on services purchase, they do so particularly from the perspective of the end consumer. Since the 1960's, authors such as Wittreich (1960) warned that the rules applied to product purchases do not hold when applied to the purchase of the professional services. Firms view a services purchase differently. (Jackson et al., 1995). It is considered more complex (Fitzsimmons et al., 1998), requires greater collaboration between the parties (Jackson et al., 1995), is more difficult to specify and evaluate (Fitzsimmons et al., 1998) and the level of knowledge and customer participation may affect the buying process (Day and Barksdale, 1994). Much of this complexity results from the diversity of specific services characteristics. In 2005, legal services, accounting, auditing and management services accounted for nearly 48% of all total

business services (BS) firms in the European Union (EU) and approximately 35% of total turnover; computer services contributed fewer enterprises (15%) and 25% of BS turnover; architectural services, engineering and consulting, contributed 28% of firms and 20% of BS turnover; advertising, with approximately 7% of firms represented over 10% of turnover, finally labour recruitment and provision of personnel, representing a less percentage of the total number of firms (2%) and less than 10% of total turnover (Alajääsko, 2008). Included in the set of services that firms are buying are services related to marketing activities. Whether for costs or strategic reasons, marketing services represent a high value for business and the marketing services that firms choose to buy are growing. (Maddox, 2003; McGovern and Quelch, 2005; Bals et al., 2009). Although marketing services and their purchase are critical for firms, the literature on business services and business relationships has devoted little attention to them. This study aims to fill a gap related to marketing services and customer-provider interaction. It will seek to answer questions such as: What are the major marketing services purchased by firms? How can these marketing services, providers and those involved in the buying process be characterized?

This work is organized into sections. The first three sections are a literature review in the field of business services (BS), which include marketing services (MS) and the interaction between firms. The last sections present the study and discuss the results.

BUYING BUSINESS SERVICES AND THEIR CHARACTERISTICS

Buying business services

The literature devoted to business services purchase is less relevant when compared with the literature about product purchases, despite the fact that services purchase represents a high share of total purchases (Fearon and Bales, 1995). In the '60s, writers like Wittreich (1966) alerted us to the fact that the rules applied to product purchases do not work in the same way when applied to the purchase of the professional services. Similarly, other studies argued that the organizational buyers see the buying of services as substantially different from the buying of products (Jackson et al., 1995). Rules that are applied to product purchases cannot be directly applied to services purchase (Valk and Rozemeijer, 2009). These differences are driven by the specific services characteristics, which make the buying process more difficult, more important, or simply different compared to product purchases (Axelsson and Wynstra, 2002). The service purchasing process is considered to be more complex because of the risks that the buyer bears (Fitzsimmons et al., 1998). Determining quality in a service purchase is more difficult and requires greater collaboration between buyer and seller (Jackson et al., 1995). The more intangible the service the more difficult is the evaluation of the seller and the set of specifications of the desired service (Fitzsimmons et al., 1998). It is also more difficult to verify if the service that will be provided meets buyer's expectations (Fitzsimmons et al., 1998). No opportunity exists to inspect the product before delivery, such as occurs with products e.g. how do you know that a security service is effective? (Fitzsimmons et al., 1998). The customer participation and their level of knowledge may affect the buying process (Day and Barksdale, 1994).

Business services' characteristics

The literature in the field of business services (BS) presents many characteristics for these services. Some of them are based on the type of service providers and others in their own internal service characteristics, as described below.

The BS characteristics based on provider type start from the observation of different firms that sell services. These firms are classified in dichotomous forms; routine service providers or professional service providers (or knowledge service providers) (Axelsson and Wynstra, 2002). The routine service providers are characterized by their ability to solve simple problems of the customers, i.e. each transaction is independent and simple. They require the involvement of only a few people in each transaction and the provider has well-developed systems for personnel treatment, information and other support functions. Routine services are often purchased to perform a particular function during a specific time period. In most cases the buyer knows what their needs are and the type of service needed. The buyer has the capacity to perform these services, but for some reason prefers to buy it (Axelsson and Wynstra, 2002). Examples: cleaning services, travel, security, mail, transport, insurance and simple banking services. Professional service providers are characterized by their high ability to solve complex problems. Every transaction is important and the contact moments are considered creative. This requires the involvement of many people from both parties who engage in the problem solving or in the specific project. Professional services providers have a non-standard production process, such as engineering companies, architects, universities and consulting firms. In this business, specific skills are considered to be very important for certain individuals in resolving problems such as engineers, architects, creative people, etc. Equally important to the success of these firms are the administrative routines, the network of customers and other stakeholders, systems, work procedures, and image management capability for the firms' development. Many of these services are difficult to understand. Customers have a vague definition of their needs and the solution is developed in a joint process of interaction between the customer and service provider that captures the real need and provides the best solution (Axelsson and Wynstra, 2002). Examples: temporary employment agencies focused on specific skills, advocacy services, advertising services, engineering, architecture, media companies that provide creative services, content providers, management consulting, headhunters, special banking services such as financing, services related to specialty insurance such as professional liability insurance, stock trading, etc. A dichotomous classification is not always possible, i.e. there are service providers that operate either as routine service providers or as professional service providers. However, it is most important to characterize each situation.

The relative importance of different business service categories may differ across sectors, industries and individual companies (Axelsson and Wynstra, 2002). Table 1 shows the relative quantitative importance of those services respectively, for manufacturing companies, service companies and public authorities. Facility services, insurance and marketing/public relations (PR) services are the top three services in terms of volume. This table gives us an idea of the different types of business services being bought and which types of services are generally important, but should be interpreted with care. There may be differences between similar sectors, organizations across different countries and between individual companies in each of these types of sector (Axelsson and Wynstra, 2002).

Table 1 – Most important service spend categories for various sectors

<i>Rank</i>	Manufacturing companies	Service companies	Public authorities	Weighted average
1	Marketing/RP	Insurance	Insurance	Facility services
2	Transportation	Facility services	Banking	Insurance
3	Banking	Air travel	Construction services	Marketing/RP
4	Facility services	Healthcare	Personnel insurance	Healthcare
5	Construction services	Consultancy	Cleaning	Travel
6	Healthcare	Hotels	Facility services	Construction services
7	Advertising	Copying	Garbage collection	Consultancy
8	Personnel insurances	Telecommunication	Consultancy	Transportation
9	Cleaning	Banking	Architect services	Banking
10	Consultancy	Car rental	Auditing services	Copying

Source: Fearon and Bales, 1995.

The BS classifications based on their internal characteristics, consider five dichotomous options (see Table 2).

Table 2 – Business services classifications in terms of their internal characteristics

Business services	Short-term vs long-term business services
	Standardized vs non-standardized business services
	Simple vs complex business services
	Fluctuating vs non-fluctuating business services
	Targeted at individuals vs targeted at organization business services

Source: adapted from Axelsson and Wynstra, 2002.

The long-term BS include services that are based on an annual supply contract, and an annual payment for a fixed price within certain performance limits (Axelsson and Wynstra, 2002). For example, reception and security services, park maintenance service and garbage collection. Short-term BS includes services that are provided in a given period of time (Axelsson and Wynstra, 2002). Short-term BS include services that are provided in a given period of time (Axelsson and Wynstra, 2002). For example, courier/transport and recruitment services. Standardized BS include, for example, cleaning services (which specifies the areas to clean, precision and frequency) and school transport services (setting up detailed routes and times). A closely related distinction that can be made is between services that have

substantial creative elements and those that are mainly identical from one occasion to the other. (Axelsson and Wynstra, 2002). Examples of non-standardized and creative services are those for financial advice and those related to communication campaigns. The services modules can also be considered as non-standard services. BS can be classified into simple or complex (Axelsson and Wynstra, 2002). This classification does not coincide with the previous classification, ie, simple services are not the same thing as standardized services, nor are complex services the same as non-standardized (Axelsson and Wynstra, 2002). For example, a cleaning service at a given time can lead to a complex service, such as cleaning up a lab with many dangerous products that require professionals with high experience levels. BS may have fluctuating or non-fluctuating demand (Axelsson and Wynstra, 2002). Some services are characterized by regular fluctuation (week, month, season, etc.), such as exterior painting services, tourist information centers and auditing services. For others, the fluctuations are irregular. For a third group there are no fluctuations at all (Axelsson and Wynstra, 2002). Finally, the BS may be directed toward an individual or an organizational target (Axelsson and Wynstra, 2002). This feature allows distinguishing the services oriented to an organization's employees and services oriented to the organization as a whole. Examples of these are medical services for employees, company auditing and advertising services.

Another BS classification from studies in the field of industrial marketing, by Hakansson (1982) and Axelsson and Wynstra (2002), and Wynstra *et al.* (2006) is rooted in the buyer's service use. It's based on the idea that a service purchase depends on the service application from the buyer. It identifies four services types: component services, semi-manufactured services, instrumental services and consumption services (Wynstra *et al.*, 2006). Component services are provided to the customer without being processed by the purchasing company (Wynstra *et al.*, 2006). Semi-manufactured services include services that are processed by the buying firm prior to being provided to their customers (Wynstra *et al.*, 2006). Instrumental services are used in the purchasing company and change their work processes (Wynstra *et al.*, 2006). Consumption services are used in the purchasing firm, but do not alter the work processes (Wynstra *et al.*, 2006).

The different classifications of the BS show a wide variety of existing services. Among these are marketing services.

BUYING MARKETING SERVICES

A considerable part of marketing services (MS) are acquired externally (Bals *et al.*, 2009). However, studies about purchase services or business services (BS) (Axelsson and Wynstra, 2002, Valk *et al.*, 2008) are limited and not dedicated particularly to the study of MS purchase. The purchase of these services is addressed superficially in the literature, targeted mainly at outsourcing and its benefits (ABA Bank Marketing, 2005; Duffy, 2005; Maddox, 2003; McGovern and Quelch, 2005; McHale, 2005; Mitzen, 1999; Morrall, 1995 and Sharma *et al.*, 2009).

In firms from large to small, the MS that companies buy rather than produce in-house are increasing in number and value. A 2004 study of 650 marketing executives from US firms related to technology, health and industry revealed that 53% of respondents intended to buy more than half of their marketing activities (McGovern and Quelch, 2005; Maddox, 2003). In relation to the strategic nature of MS, the study reported that 77% of enterprises preferred

to strategically manage the brand internally, but buy strategic validation services (64%), market research (58%) and competition studies (42%) (Maddox, 2003). Regarding MS which are tactical in nature, the study indicates that companies mainly buy planning services and media buying (39%), email marketing (35%) and online and offline advertising (32%) (Maddox, 2003). A 2003 study conducted with executives of technological firms showed that the MS most purchased by firms are advertising and direct marketing services (Maddox, 2003). MS that firms buy are very diverse and include services such as market studies, strategic services, planning, advertising, public relations, direct marketing, internal communications, web marketing, media buying services and printing services. The MS purchase by firms is not new. What is new and considered a strategic innovation is the complete outsourcing of marketing activities, including tactical services and strategic services. To increase MS value marketing managers have to become experts in attracting, developing and monitoring an integrated network of MS suppliers that bring new contributions to the firm's marketing effort (McGovern and Quelch, 2005). From this perspective, managers come to see MS providers not just as subcontractors that need to be controlled, but as partners that can add value to business in a long-term relationship. In this new context the marketing manager has to play a new and very important role in managing the relationship with their MS providers. Over time and as relationships develop, MS purchase increases (Morrall, 1995).

The trend to increased MS purchase is justified for several reasons. The literature highlights two key reasons: cost savings and increasing quality, and access to specialized marketing knowledge (ABA Bank Marketing, 2005; Maddox, 2003; McGovern and Quelch, 2005; Morrall, 1995).

- **Cost savings and quality improvement.** Firms that buy MS can save technology and staff costs and have more time for business and strategic planning (Morrall, 2005). Many MS are contracted on a pre-set annual fee, which limits a firm's expenses. Studies show that costs are an important factor in the decision to buy MS (Maddox, 2003). For example American Express realized a saving of between 20 to 30% of customer service costs (Call Center), while gaining improved response time and increased customer satisfaction through buying MS (McGovern and Quelch, 2005). In the banking sector, medium and large banks allocate over 40% of their marketing budget to MS purchase (Morrall, 2005) and show time and cost savings on the order of 15% to 20% (ABA Bank Marketing , 2005).

- **Marketing expertise access.** Many firms have limited internal marketing resources, because they have insufficient size to attract top experts and / or because their budget is too small to afford a multidisciplinary marketing team. The option of buying MS enables firms to overcome this obstacle and have access to specialized and more efficient knowledge (Morrall, 2005). For example, when Sony wanted to develop a customer database and sell their products in an online store, it opted to buy the MS because it didn't have the internal knowledge or capacity to develop these projects (McGovern and Quelch, 2005).

Most MS require high levels of involvement in the relationship between parties and specialized knowledge from service provider. The decision to buy MS is more frequent and involves a large number of activities and a large budget. Buyer and seller firms can fit their positions according to the type and characteristics of the buying services and to either the type of seller or buyer services with whom have to interact. The type service and its characterization affects the nature of the relationship established between parties (Walk et al.,

2009). The customer-provider relationship is especially relevant because services are typically produced in an interaction process between buyer-seller (Grönroos, 2000) and specifically because MS services can take on different characteristics and lead to different relationships between the parties. The type of service has an influence on the nature of the exchange. For example, in a personalized service provided over a long period of time there is greater emphasis on supplier stability, service quality, the service delivery process, collaboration aspects and alignment between customer demand and provider offer. In contrast, in a standardized service purchased once or infrequently the emphasis is mainly on issues of efficiency and price (Lehtonen and Salonen, 2005). The purchase of that service is much more transactional, while the other has a larger relational character (Radkevitch and Valk, 2005).

THE INTERACTIONS BETWEEN CUSTOMER AND SELLERS OF SERVICES

In the view of IMP (Industrial Marketing Purchasing) group, the relationship between parties should be seen less from a "transaction" perspective of the buying process and more in terms of a continuous interaction between customer and supplier (Anderson et al. 1994; Araújo et al. 1999; Hakansson, 1982, Hakansson and Snehota, 1995;). The purchase is an interactive process that cannot be studied in isolation from the sale.

In the IMP group interaction model outline developed in the context of industrial goods, there are four key aspects (Häkansson, 1982). First, both buyer and seller are active participants in the market. Each seeks the ideal partner to build a relationship with and each expects to manipulate or attempt to control the interaction. Second, the buyer-seller relationship is often close and long-term and involves a pattern of interaction between and within each party. Third, the buyer-seller connections often become institutionalized into a set of roles that each party expects the other to play. This process requires significant adjustments in the organization or operations of each party. Thus, this relationship may simultaneously involve conflict and cooperation. The fourth point states that close relationships are often associated with a context of continuous supply of raw materials or components. Nevertheless, the relationship between two parties can be built during a temporary high transaction period.

The interaction model represents a broad conceptualization of the variables that affect the form and content of the buyer-seller relationship. The interactive approach involves the analysis of four groups of variables and the connection between them. One set of variables describes the parties involved, i.e. both organizations and individuals. Another group describes the elements and interaction process. Another describes the atmosphere variables that affect and are affected by interaction. The final group describes the environment in which the interaction occurs. Each group of variables that make up the interaction model, i.e. the interaction process, the interaction parties, the interaction general environment and the atmosphere of interaction are detailed by Häkansson, H. (1982).

While relationship analysis emerged in an industrial context with the IMP group, the reality is that the diversity and importance of organizational services has led some authors, including the IMP group, to examine the relationship in a service context. One study (Wynstra et al., 2006, Walk et al., 2009) of the services typology is based on the purchasing service firms' application (component service, semi-manufactured services, instrumental services and consumption services) and investigates various dimensions of the interaction model. The

authors identify patterns of buyer-seller interaction for each service type. Although this study is focused on the buyer's position, this characterization has important implications for both sides of the interaction. Buying firms may adopt different stances depending on the service provider type. Sellers can also fit their approach to clients and according to the use of the purchased service by the customer. According to this classification, the service application will determine the structural aspects of buyer-seller interaction in terms of the objectives and customers/suppliers representatives (Wynstra et al., 2006). Because the interaction process is dynamic, it is enough to observe the structural dimensions of interaction. Valk et al. (2008) incorporated two dimensions in the process analysis of buyer-seller interaction related to the adaptation and communication processes. Adaptation refers to the changes or investments from the parties to facilitate collaboration between buyer-seller (Valk et al, 2008). Communication refers to the main topics of discussion between buyer-seller. This dialogue particularly reflects the key objectives of the interaction between both (Valk et al., 2008). The table below gives a characterization of each service type.

Table 3 – Interaction patterns

Type of service/ Objectives	Customer representatives	Supplier representatives	Critical customer capabilities	Critical supplier capabilities	Communication	Adaptation
Component services. The service should fit with the customer's final offering.	Buyer specialists regarding the service bought, and marketing representatives knowing the needs of the buyer's customer.	Marketing representatives in regard supplier's own service. 'Downstream' specialists (knowledgeable of the customer's final offering).	Translating/communicating final customer demands (on ongoing basis). Synchronizing the supply of various service components.	Production capacity and Quality. Development capabilities (in case of specialized services).	Exchange of information on customer requirements. Fit service with the rest of the offering. Customers' evaluation of service.	Service specification. Service design. Capacity and demand management.
Semi-manufactured services. The buying company should be able to transform the service in the desired way.	Production and quality representatives.	'Production planning' and marketing representatives.	Translating final customer demands. Optimizing fit between internal and supplier's operations. Synchronizing suitable contact interfaces between internal and the supplier's operations.	Production capacity and capability to maintain a stable quality. Innovative capabilities (when used as an external expert and for strategic services).	Exchange of information on customer requirements. Service transformation possibilities.	Service specification. Service design. Service delivery. Capacity and demand management.
Instrumental services. The service should affect the customer's primary processes in the desired way.	Business development representatives and affected internal customers.	Product representatives, often including a team of consultants or process engineers	'Implementation' skills: understanding what fits when, how and for whom.	Business development and innovation. Business and service production design services.	Exchange of sensitive information about the buying company's primary processes. Effect of service on primary processes.	Organizational structure. Financial procedures. Administrative procedures. Exchange of sensitive information..
Consumption services. The service should support various core processes.	Buyers and internal customers.	Marketing representatives.	Translating/communicating internal customer demands (on an ongoing basis). Follow up on performance and user satisfaction.	Ability to supply the desired service and (if needed) adapt it to the specific situation of customer.	Service performance. Reducing administrative workload.	Administrative procedures. Financial procedures

Source: Wynstra *et al.* (2006), p. 811

THE RESEARCH

The literature review provides a framework for this study, whose main purpose is to understand how firms purchase marketing services. We also want know what the main marketing services purchased by targeted firms in the study are and how we can characterize these marketing services. This study also shows how to characterize the supply of marketing services and others involved in the buying interaction of these services.

We considered case study research as the most appropriate method for this investigation, because we were dealing with exploratory research which looks into a complex social phenomenon (Yin, 2003). We selected three illustrative cases from the purchase of marketing services that involve Portuguese firms in three activity sectors (see Table I). These three cases led to a differentiation in terms of marketing services purchased, and involved in-depth study of how the services are purchased from these marketing firms. Interviews were conducted with marketing leaders. Data were collected and triangulated. The results are presented in this section. Table 4 presents the case studies, firm characteristics and identifies key marketing services purchased by these companies. Table 5 reviews the key marketing services considering: (i) the parties in the buying interaction, (ii) the internal characteristics of services and (iii) the characterization of supply.

Table 4: The cases studies

	Activity Sector	Turnover (in thousands of euros)	Marketing services
Firm A	Agro-industrial sector firm. Produces and sells beverages for domestic and international mass market.	451 092 (Exame, 2010)	Firm A allots 65%-70% of their marketing budget to the purchase of marketing services. Services most purchased are: advertising space in the media, by creative agencies, services related to new media and printing services.
Firm B	Commercial sector firm. Represents the largest chain of sports shops in Portugal.	208 209 (Exame, 2010)	Firm B allots 80%-85% of their marketing budget to the purchase of marketing services. Services most purchased are: printing (brochures) and large formats, buying space in the media, materials production services and logistics of events services.
Firm C	Industrial sector firm. Produces and sells industrial products in domestic and international markets.	40 000 (from the firm)	Firm C allots approximately 60% of their marketing budget to the purchase of marketing services. The main services purchased are: printing (brochures, leaflets) and trade fair logistics services.

The main marketing services bought by the firms studied can be grouped into seven categories: (1) buying media space services, especially TV and newspapers, (2) advertising, which includes the creative plan, media plan, spot production, etc., (3) new media services, related to online media, (4) printing services on paper and large formats, such as brochures, catalogs, posters, etc., (5) material production services, such as canvas, vinyl, etc., (6)

logistics of events services relating to the assembly/disassembly and maintenance of supporting materials for events organized or sponsored by the firm, and finally (7) trade fair logistics, which support the company's presence at national and international trade shows, such as assembly, disassembly, maintenance and decoration of spaces at trade fairs.

Table 5: The interaction in the buying of marketing services

Marketing Services	The parties in the buying interaction (buyer-seller)	The internal characteristics of services	The characterization of supply
Media space buying services	The interaction process involves a small number of players (1-2 people). The buying firms recognize the need for specific skills of both parties in the interaction. Players in the purchasing firms believe that the supplier can easily understand their needs. The information exchange between the parts is fluidity developed.	These services are simple, standardized and non-creative.	These services are related to the purchase of media space. Cases studies involved a single supplier and an individual agreement or annual supply contract. Purchases of this service are performed at high frequency.
Adverstising services	The purchase of these services involves a higher number of players (2 or more). The buying firms recognize the need for specific skills of both parties in the interaction. Customer needs are not always easily perceived by the service provider.	Advertising services are complex, non-standardized and highly creative.	The advertising services purchase involves the firms in relationships with one or multiple suppliers and an annual supply contract. Purchases are made daily or weekly.
New media services	The purchase of these services involves a small number of players (1-2 people). The buying firm acknowledges the need for specific skills on both parties in the interaction. Customer needs are not always easily understood by the service provider.	New media services are complex, creative and less standardized, when compared with other services.	The purchase of new media services involves multiple service providers, however, one of them is considered as the principal. Purchases of this service are considered frequent.
Printing and large format services	The purchase of these services involves a small number of players (1-2 people). High exchange of information. Customer needs are easily understood. The buying firms recognize the need for specific skills on both parts of the interaction.	These services can be creative as well as standardized.	The purchase of printing services involves a small number of suppliers, usually only one, and an individual supply agreement. Purchases of this service are made each month.
Production of material services	The purchase of these services involves a small number of players (1-2 people). High exchange of information and sometimes difficulties in understanding of customer needs. The buying firms recognize the need for specific skills by both parties in the relationship.	These services are simple, standardized and non-creative.	The purchase of these services by firm B involves only a single supplier and a supply agreement. Purchases of this service are held often weekly or more.
Event logistics services	The purchase of these services involves a small number of players (1-2 people). High exchange of information, but easily understood	These services are simple, standardized and	The purchase of these services involves only a single supplier and a supply agreement. Purchases of these

	by the parties. It is recognized that the service provider must have the skills to deliver the service.	non-creative.	services are made weekly.
Trade fair logistics services	The purchase of these services involves a reduced number of players (1-2 people). High exchange of information, but easily understood by the parties. It is recognized that the buyer and the service provider must have the skills to deliver the service.	These services are complex, Creative and non-standardized.	The purchase these services involves one or two suppliers and an agreement/contract for each fair. Purchases of this service are made when the firm participates in trade fairs, three to four times in the year.

DISCUSSION

We analyzed several types and characteristics of marketing services that selected firms are buying and the interactions between the buyer and seller of these services. The interactions between buyer and seller of marketing services were analyzed in terms of the actors and supply characteristics.

The marketing services that firms are buying

The literature shows a growing trend towards the purchase of marketing services by firms and identifies the main reasons: lower cost, increased quality and access to specialized knowledge (ABA Bank Marketing, 2005; Maddox, 2003; McGovern and Quelch, 2005; Morrall, 1995). This trend is noticeable in the firms studied. Whether they are industrial firms that produce consumer goods or industrial goods, or a distribution company associated with the marketing of fast moving consumer goods, they choose to buy a set of marketing services. Firm studies allocate from 60% to 85% of their marketing budgets to the purchase of marketing services, and all firms indicate an intention to increase this value, i.e. buying more services than they normally already purchase. This is supported by existing literature (Morrall, 1995). This shows a significant opportunity for MS providers, who can expect sales growth.

There is a large diversity of services purchased by the firms under review, although there is greater concurrence in the type of services purchased by firms that produce and/or sell mass consumption products (A and B). Clearly the services that enable companies to communicate with the masses have a greater demand, especially advertising services, buying media space, production and printing services. A firm that sells industrial goods (C), naturally has a different relationship with its market, and above all seeks services related to trade fair logistics and installations, and catalog printing services delivered by hand to customers or prospects by the sales force. Naturally, the variety of marketing services bought by a firm can be linked to the nature and type of product that a firm sells. The most common in the marketing services business is to have service providers specialized by type of service, e.g. advertising agencies, media agencies, fair organization, etc. As we note in the final remarks, it would be interesting to consider the specialization by customer type from the perspective of service provider.

The supply, the parties and the marketing services characteristics

Similar to what the literature suggests about BS characterization and their influences on the relationship between the parties (Axelsson and Wynstra, 2002; Walk et al., 2009), we found considerable diversity in the marketing services characteristics. We find points of similarity and difference between various marketing services, in terms of supply characteristics, party interactions and marketing characteristics. These dimensions are discussed below. For the supply characteristics we analyze the number of service providers which each company has, the type of agreement/contract between the parties and the frequency of purchase. For the parties in interaction purchase we analyze the number of players, their skills, the amount of information exchange between the parties and the ease of understanding customer needs from the service provider. Regarding the marketing services characteristics we analyze the perception that the buyer of the service has of the creativity, complexity/simplicity, non-standardization/standardization of service.

The relationships involved in buying marketing services are preferably developed with a restricted number of suppliers for each type of service, in most cases only one. When there are multiple suppliers, as a way of balancing the relationship there is one preferred supplier. This loyalty is reinforced by the history with the suppliers. In most services a relationship over 2 years-old is considered important. Expressions such as "I take my suppliers where I go" or "new firms do not match our level of requirement in terms of quality and price" or "history helps us understand each other better" illustrate the need for buyers to maintain the relationship for a long period of time. The good actions and good performance shown by a supplier's track record reassures customers (Ford *et al.*, 2003). General marketing and purchasing services require specific skills from the players. On the client side there are usually marketing specialists or product/brand managers, on the supply side there are usually experts in the field of the provided service. These features guide marketing services to a professional services standard, which is indeed how some authors classify them (Valk *et al.*, 2009), however, this classification is very loose. The marketing services share characteristics of both standards (professional and routine). If a continuum is established between routine services and professional services, the location of buying media services, materials production services and event logistics services are closer to the routine services end and are considered standardized, simple and uncreative. Advertising services and services related to new media are closer to the standard of professional services and are customized, complex and creative. Of all the marketing services these are the ones which are most intangible. According to the literature, the most intangible services are the most difficult to define in terms of specifications of the desired service (Fitzsimmons *et al.*, 1998). This difficulty is addressed by the amount of information exchanged between the parties and in the difficulty recognized by the client in making their needs understood. Particularly in these services, solutions are developed through a process of joint interactions between the client and service provider (Axelsson and Wynstra, 2002). The assembly services and trade show logistics services occupy the middle space on this continuum, although they are considered complex, creative and have a highly engaging exchange of information between the parties. In summary, marketing services can take on different characteristics and are not directed by their classification in one or another pattern. If we consider the interaction patterns model developed by Wynstra *et al.* (2006), Walk *et al.* (2009) we reach a similar conclusion. That is, although the authors consider marketing services as an instrumental service (Valk *et al.*, 2009), marketing services share characteristics of both instrumental and component services. This trait interferes in the interaction between the parties in a customer-provider marketing service. According to the previous theoretical framework, the services related to event logistics, trade fair assembly and logistics and the purchase of media space can be considered as instrumental services. Instrumental services remain in the buying firm and are characterized as being essential for the development of client operations, however, they are not integrated into the final product as the main objective of the customer-supplier relationship is to integrate the acquired service into the customer production process, so that its influence is positive in the long run. Such services require a good understanding of the customer's production process from the supplier, as well as stability and business credibility to ensure the service provision over the long term. Advertising, new media services, materials production services, paper and large format printing services (eg, brochures and catalogs and

posters) are unchanged and included in the customers' product. Therefore, they can be considered as component services.

These services require a high degree of customization, which occurs in advertising and new media services, requiring the supplier to be knowledgeable not only about the service provider but also about the customer's final product where the service will be embedded.

In this situation it is the customer's responsibility to collect information which will be transmitted to the seller so he can make the necessary adjustments. Here, in-depth relationships present the need for the involvement of production representatives and marketing representatives from both firms. In practice we found that the purchase of any of these services always involves marketing people from the buying firm side.

The diversity of characteristics in supply and marketing services as well as the parties in customer-provider MS interactions should be regarded as opportunities to explore ways of developing the relationship.

CONCLUSIONS AND MANAGERIAL IMPLICATIONS

Services have become an important activity in the economy. Business services particularly represent an important share of the gross domestic product (GDP). In these are included the services related to the marketing activities which firms choose to buy. The literature on business services, buying interactions and customer service providers (such as the work of Axelsson, Wynstra and Valk) is recent. This study examines marketing services that up till now have been neglected or seen as a whole. The marketing service purchase takes place in the interactive process of a medium/long term buyer-seller relationship where processes can be influenced by the characteristics of the services themselves, as is the case with other business services. This study sought to answer several questions through three case studies: What are the main marketing services purchased in such firms? How can we characterize the key marketing services and how should the providers and parties in a marketing services purchase be characterized? To respond to these questions we studied three firms that allot most of their marketing budget for marketing services purchases. To the first question it was found that firms bought many marketing services. From the firms surveyed, those related to consumer goods especially buy advertising services, media space services and printing services. Firms related to industrial goods especially buy services related to trade fair assembly and logistics and printing services. The marketing services studied have different characteristics which make their inclusion in one or another existing standard of business service difficult. It was found, however, that some of these services share a greater number of characteristics with professional services such as advertising services and new media services, other routine services such as media space purchase services, materials production services, among others. Some may be regarded as instrumental services, such as services related to event logistics, trade show assembly and logistics and media buying services, others as component services such as advertising services, printing services, etc.

It can also be concluded that in the cases studied, marketing services purchase involves a limited number of players with specific skills in an iterative process of medium and long term frequency variables of purchase. The marketing services purchase involves parties in sharing a lot of information. In some services such as advertising services and new media services, despite intensive information exchanged between the parties it is not easy for the provider to understand the real needs of the customer.

There was no intention in this exploratory work to create patterns or types of marketing services and interactions. On the contrary, the diversity of characteristics reveals an opportunity for the buyer and seller to better adapt and explore new ways of interaction.

In conclusion, the contribution of this work applies to two areas. On the one hand it intends to contribute to a broader knowledge about business marketing services. On the other hand it aims to contribute to the understanding of business interactions in the specific context of marketing services

LIMITATIONS AND FURTHER RESEARCH

This study has limitations that can be overcome in the future. Since only three selected cases were used to study the reality of buying marketing services in a particular context it is important that a larger study be conducted to comprehend the reality of other firms and other business sectors, particularly for large firms who are the most active investors in the purchase of marketing services. Another limitation of the study is in regard to the perspective analyzed. Marketing services characteristics and provider party characteristics in a marketing services purchase interaction were only investigated from the side of customers. It would be interesting to study the supplier's perspective and compare both perspectives. At the level of marketing services customer-provider interactions some dimensions were analyzed, but it would be relevant to do this in greater depth to identify the routines institutionalized by the parties over the years, the adaptations that client-services make, the balance of power in the relationship, the moments of conflict and cooperation between the parties, the level of dependency between the parties, etc.. According to the literature service characteristics influence the interaction between the parties, and therefore it is important to more thoroughly understand the relationship traits in various marketing services.

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