

Assessing and Managing the Costs of Satisfaction in B2B Services

Antonella Cugini
University of Padua Via

Antonella Carù
Università Bocconi and SDA

Fabrizio Zerbini
Università Bocconi and SDA

Customer satisfaction has been shown to be key in pursuing firm profitability, both in consumer and business markets. However, the relationship between customer satisfaction and the costs that a company incurs to obtain satisfaction has been less widely investigated. The present study seeks to fill in this gap, by identifying the levers controlling the relationship between value-for-customer and costs in B2B service industries. By exploring those characteristics of B2B services that make it difficult to correlate costs and income, the article proposes a model to link the service component to satisfaction, on the one hand, and to activity costs, on the other. The model is tested on a set of business customers of an advertising agency.

INTRODUCTION

Customer satisfaction has long been considered top priority in B2B markets: it is widely accepted, indeed, that business suppliers' success in the marketplace is deeply intertwined with their ability to look beyond the discrete transaction, and to establish long-standing relationships with customers (e.g. Cannon and Homburg, 2001; Dwyer, Schurr, and Oh, 1987).

Customer satisfaction is however costly (Anderson, Fornell, and Rust, 1997). While buyers pay growing attention to suppliers' ability of adding value to the business offering from the very beginning until the very end of the supplying process (Ulaga and Egget, 2006; Tuli, Kohli, and Bharadwaj, 2007), competition facilitates switching behaviors, and makes customers more reluctant to pay premium prices to suppliers that are excellent in managing their satisfaction.

It turns out that satisfied customers can sometimes result in dissatisfaction of their suppliers, until extreme cases where customer relationships turn from assets to liabilities (Gargiulo and Benassi, 2000; Pillai and Sharma, 2003). Although such an issue has been discussed thus far mostly in consumer markets, there are hints from recent studies about the relevance of controlling for the efficiency of business customer relationships over time (Kamp, 2005). Indeed, the nature itself of a wide portion of business markets, where few customers account for large shares of suppliers' portfolios, and thus are key for engendering not only revenues but also costs, suggests that economics of customer satisfaction have to be kept in the highest consideration.

This brings the question of how business marketers can reconcile their effectiveness in satisfaction management with their efficiency in managing those costs they incur in attaining satisfaction.

Indeed such an issue is receiving growing attention in consumer marketing settings, particularly when it comes to the intangible components of value propositions. Elsewhere (Cugini, Carù and Zerbini, 2007), we have shown how intangible offerings require a re-framing of the assessment of satisfaction and its costs, basing upon the relevance that service components assume for customer segments, and the absorption of costs on those company activities that are related to the production and delivery of those components.

In the present article, we build on this research in order to extend it to the management of satisfaction costs of business customers. In that context, traditional segmentation-based analyses poorly fit with satisfaction management. Customization instances are far much relevant, and push towards ad one-to-one solutions whose costs should be assessed on an individual, rather than a group basis. In shifting the unit of analysis, we will provide a guidance to allow cost analysis at the single customer level, thus enabling assessing the economics of one-to-one strategies based on intangible offerings. Therefore, we will answer to recent calls on research in business service settings, and on linking satisfaction and profitability as well.

This article is organized as follows. In the next sections, we will provide a review of prior studies on the satisfaction-cost management relationships, looking both at the accounting and the marketing domain of research. Then, we will discuss the framework of cost satisfaction management already developed for consumer settings, highlighting the adaptations to be performed once shifting to B2B services. We will provide a test of this framework on the case of four customers of a professional service company operating in the advertising business. Finally, we will discuss how the analysis of business services contributes to the development of a more generalizable framework on the management of satisfaction costs, and will show the implication for practice and the limitations of our analysis.

Prior Research In Customer Satisfaction And Cost Management

Customer satisfaction has raised consistent interest in marketing research (e.g. Oliver, 1997; Rust and Zahorik, 1993).

Although greater emphasis has been placed on consumer markets, the relevance of satisfaction for business markets has been progressively affirmed (Ulaga and Eggert, 2006). Prior research has investigated the multifaceted nature of satisfaction in B2B relationships (Tikkanen, Alajoutsijärvi, and Tähtinen, 2000), its interrelations with other relational constructs (Lam, Shankar, Erramilli, and Murthy, 2004; Selnes and Gønhaug, 2000) and relationship types (Cannon and Perreault, 1999), as well as its correlation with marketing performance variables (Stock, 2005).

Satisfaction is also widely acknowledged as an antecedent of profitability (Heskett et al., 1997) and financial performance (Aaker and Jacobson, 1994; Anderson et al., 1997; Mittal and Kamamura, 2001; Nelson et al., 1992).

To date, most studies have looked at the satisfaction-profitability relationships from the revenue-generation angle (e.g. Bolton and Drew, 1991; Braun and Scope, 2003; Keiningham et al., 2003; Mittal et al., 1999; Oliver and DeSarbo, 1988; Perkins-Munn et al., 2005).

In contrast, the cost side of satisfaction as been considered less (e.g. Huff et al., 1996). Scholars have mostly maintained an indirect focus on the cost dimension, highlighting, for example, how satisfaction allows cost reductions through lower failures in product innovation (Crosby, 1979; Fornell and Wernerfelt, 1988), or how the use of customer information supports the refining of the marketing effort and its direction towards the 'right customers' (Woo and Fock, 2004), or how satisfaction lowers costs of subsequent business, because recurring customers become more expert and less expensive to serve (Reichheld and Sasser, 1990).

Even the most recent contributions on strategic innovation as given by, for example, the Blue Ocean Strategy (Kim and Mauborne, 2005) e Execution Premium (Kaplan and Norton, 2009) place the interactions between the company and the customer at the centre of attention, which have an impact on the company value proposition. According to these approaches, the company which realizes a successful

value proposition differences itself from its competitors, better satisfies the customers' needs, reduces costs and improves company performance and its sustainability in the medium to long term.

Value innovation is the main pillar of the Blue Ocean Strategy (Kim and Mauborgne, 2005) and manifests itself only when the company couples innovation to utility, to price and to cost items. Value innovation refutes one of the dogmas most widely accepted on strategies based on competition: the trade-off between cost and value.

Traditionally it is believed that companies only have two paths available: either increasing the value created for the customers by incurring a higher cost or creating a reasonable value level by limiting costs. In this case the strategy is seen as a choice between differentiation and cost containment. On the other hand whoever tries to realize the value innovation follows, at the same time, the goal of differentiation and cost containment.

In connection with this recommendation at a strategic level, these approaches do not supply operative tools for joint value and costs.

In addition, Gupta and Lehmann (luglio 2010, *Managing Customers as Investments*, S. Gupta and D. Lehmann, Wharton School Publishing), when identifying metrics that enable the marketing director to ascertain whether or not her monies are being well spent, state that it is necessary to consider two sides: one side must concern customer value whereas the other side is to analyze how much profit customers generate to the company. These latter measures are often related to those used for Customer Lifetime Value.

These measures are of great benefit in helping the management implement a customer-based strategic planning, necessary in order to set priorities and sometimes make tough choices. Once again, though, they do not tackle in an integrated way the management of value for the client and the maximization of customer profitability.

However, customer satisfaction also implies increasing the quality of the offering and the levels and customization of product attributes. Consequently, a competing argument that costs increase with satisfaction also holds (Anderson et al., 1997).

Similarly, the need to establish a relationship between company costs and customer's satisfaction has been highlighted by various scholars in accounting research (Gosman et al., 2004; Kaplan and Narayanan 2001; Wilson 2000, Wilson, Gilligan, 2003; Wilson and Fook, 2000, Shapiro et al., 1987). Empirical analyses on this issue (e.g. Jacobson and Aaker, 1987; Philips et al., 1983; Foster et al., 1996) have restricted their focus:

- to some cost categories, for example commercial and communication expenditure (e.g. Reichheld and Sasser, 1990; Woo and Fook; 2004), costs related to the physical process of exchange (Van Triest, 2005, p.151), relationship costs (Van Raaij, 2005, p. 375),
- to the identification of drivers to allocate costs to the customer (Gleaves and Kitshoff, 2006), or of key factors that influence customer profitability, for example purchasing patterns, delivery policy, accounting procedures, and inventory holding (Smith and Dikolli, 1995, p. 4), in order to identify the roots of profitability at customer level (Gurau and Ranchhod, 2002).

All these analyses highlight that companies try to manage this problem by having a cost hierarchy for their customers (Murphy, 2005, p.9) to identify the best drivers to attribute these costs to the different customer (or segments).

This stream of studies looks at the customer as a relevant unit of analysis for cost management, but restricts the scope to selected cost categories needed to serve the customer. Thus, these studies too do not allow to gather a comprehensive understanding of costs a company incurs in satisfying its customers.

Strategic cost management scholars focus on value-added costs and underline the value multiplier as the key link between value-for-customer and company's profit potential, (McNair et al., 2001; McNair and Vangermeersch, 1998; McNair, 1994; Shank and Govindarajan, 1993), but their studies do not refer to the management of the relationship between cost and customer satisfaction, and moreover they do not have considered b-to b service industries, in which the management of the relationship between costs and customer satisfaction is far more important because the costs of providing the service are usually determined by customer behaviour (Krakhmal, 2006).

Prior research in industrial settings largely neglected the cost management side. From an exploration of the literature significantly different approaches emerge regarding the cost accounting system for B2B companies, which can be traced to two fundamental alternatives: measurement systems based on cost centers and systems that utilize activities as intermediate aggregates of cost.

Some authors (Fitzgerald, et al, 1991) claim that companies which provide professional services are dominated by labor costs, which are easily assigned to the individual duties by measuring the time that people take to carry out the various duties. Time not attributable to the duties is assigned to training, holidays, sick leave and so on. The traditional cost-center¹ system facilitates the measurement of time taken. Therefore, when there are few customers and duties, the cost information can help pricing decisions (see figure in Fitzgerald, et al, 1991, p.62).

Measuring costs is more difficult in companies which provide numerous, heterogeneous, inter-related services and where customers can consume different combinations of services. The authors mentioned above have observed that in some such companies, costs are used for planning and control processes, but not to support pricing. According to these authors, however, the use of a more accurate cost accounting system, such as activity-based costing, is only justified if the expected benefits are higher than the estimated costs, and with services characterized by heterogeneity of output and heavy investment in equipment and substantial indirect and fixed costs.

Cost centers tend to coincide with the organizational units, therefore with this system is very difficult, sometimes impossible, to find a relationship between the costs absorbed by the cost-centers and the costs consumed by the customer.

An alternative system to calculate companies cost is activity-based costing (ABC) system, which originated as a method of calculating costs along the value chain representing all the activities that contribute to forming the added value of a company and the basis of its competitive advantages (Porter 1985), that's why some scholars sustain that this system is the most suitable to reduce the information gap between marketing and control (Goebel, Marshall and Locander, 1998, Reeve, 1991). The assumption of ABC methodology is that resources are consumed by the activities carried out by the company and the activities, in turn, are consumed by products/services (Hergert, Morris, 1989; Miller, Vollman, 1985; Brimson, Antos, 1994; Beaujon, Singhal, 1990).

The role of ABC in assessing customers' costs has been considered in a few studies (Lin et al, 2001; DeWayne, 2004; Noone and Griffin 1998, 1999; Smith and Dikolli, 1995). Further examples of the application of ABC in calculating customer profitability are provided by Hart and Smith (1998), Kaplan and Narayanan (2001), and Morrow (1992), while other studies discuss the use of the approach to discover "the hidden loss and the hidden profit of customers" (Kaplan and Cooper, 1998; Hussain and Gunasekaran, 2001).

The Relationship Between Customer Satisfaction And Cost: An Extension To B2B Settings

The analysis of the relations between customer satisfaction and costs with particular reference to services has led to an approach based on two key elements: the components of the service and the activities. The components of a service are the sources of satisfaction and they are generated by the activities of the firm. Given this link, the integration of customer satisfaction measurement (CSM) with activity-based costing (ABC) allows us to assess and manage the costs of satisfaction in service firms. Such an approach has been presented with reference to B2C services, and supported by an example focused on the case of a tourist resort (Cugini et al., 2007). These are generally situations in which the approach requires, on the one hand, the mapping of all company activities and, on the other, the identification of the components of the service and the analysis of overall customer satisfaction broken down into homogenous customer segments.

The present study aims to employ the described model with particular attention to the specifics of B2B contexts. In this case, too, the approach is characterized by the link between service components and company activities as a fundamental pivot in understanding the relationship between customer satisfaction and costs with regards individual services. The main point is tied to the presence of large customers on whom attention must be especially focused. An overall analysis of the company with a profit and loss

account based on the identification of market segments is not as important as close analysis of individual customers and a partial account highlighting the relations between customer satisfaction and the specific costs associated to individual customers. In this light, it is useful to start by identifying the components of the service and assessing the respective activities.

The approach is divided into four stages, which derive from those defined by Cugini et al. (2007), but are redefined to reflect the peculiarities of the B2B market (Figure 1).

The first stage is the identification of the service components by the main customers, while the second seeks to identify the key customers and measure the satisfaction of each. The third concerns the identification of the activities that provide the service components and the fourth concentrates on measuring the cost of the service provided to each customer. On this basis, it is possible to assess and manage the inter-relationship between customer satisfaction and the costs sustained by companies to market their offers to their customers.

Identify Service Components

As stated in a good deal of service marketing literature, the analysis of customers in services requires moving from the overall service to a more elementary level, which has been identified in service marketing literature as the service component (Eiglier and Langeard, 1987; Lovelock, 1994; Grönroos, 2000; Lovelock and Wirtz, 2007). As stated in previous contributions, to identify service components in the perspective of a customer satisfaction analysis, we rely on established qualitative methodologies using field data from in-depth interviews or focus groups, both internal with managers and external with customers, to identify sources of perceived value and satisfaction (Cugini et al., 2007). On the basis of this field data, we build a map of service components.

Identify Key Customers And Analyze Customer Satisfaction

The principal analysis dimension in B2B markets is generally the customer. Each customer requests a complex and highly variable offering in accordance with specific needs. Key account management dictates the selection of the group of leading, important customers (Homburg, Workman Jr., and Jensen, 2002; McDonald, Millman, and Rogers, 1997).

Coherently with the settings of most business markets, in which suppliers increasingly target small numbers of customers, the analysis is based on single customers, thus avoiding segmentation and sampling approaches necessary in fragmented markets (Cugini et al., 2007).

In this study, we have conceptualized satisfaction as the extent to which customers perceive that their needs are met by the particular good or service they have purchased and used. Therefore, we base satisfaction on the customer's perception of value (Blanchard and Galloway, 1994; Heskett et al., 1990; Ulaga and Eggert, 2006) and relate it to the value expected from relationships with competing vendors (Hallowel, 1996; Zeithaml et al., 1990). Satisfaction is assessed both as an overall measure and as a measure of each of the service components (e.g. Patterson et al., 1997), using a rating scale.

Identify The activities Of The Production Process That Provide The Service Components

The next stage of the analysis concerns the identification of the activities carried out to provide the service components.

The activities are identified following ABC principles. This consists in the analysis and definition of the activities linked to the services components, with the aim of defining the processes by which they have been generated. The output of this step is the definition of the activities and processes, which must show the activities linked to the company's production process, the relationships existing between the activities and those between the activities and the resources that they absorb.

Calculating The Cost Absorbed By The Customers

The last phase concerns the calculation of the cost of each service component for individual customers. The costs absorbed by the customers are calculated with reference to the amount of output absorbed by each customer, determined with reference to the customer's use of the individual service component. This

is an important step, as given the nature of services and the high level of personalization demanded by individual customers in B2B contexts, the service provided by a company changes in function of the number of components and the intensity of use by the customers of these components. Cost assessment is performed by attributing to each customer the costs of the activities linked to the use of the service components.

In this way, we can obtain the cost absorbed by each customer and compare this with the level of satisfaction. Using the ‘bridge’ of the relations between components of the service and activities, we can verify coherences and incoherences in the sustained costs and level of satisfaction of individual customers.

Applying The Framework To An Advertising Company

The advertising agency assessed in this study was founded at the beginning of the 1970s in Milan. It is one of the main Italian agencies with customers from important Italian and foreign organizations. There are about 150 employees and a rather traditional organizational structure: the departments at the top of the company tend to coincide with the professional groups which contribute towards the production process of the agency (account executives, strategic planners, creative designers, media planners, production).

Traditionally oriented towards customer satisfaction, the agency needed to identify ways of containing company costs, so that it could bring its income growth rate into line with its growth in revenues.

The methodology typically used by the agency to measure the cost of a campaign is based on cost-centers that correspond to the organizational departments. Each cost-center bears its own human resources costs, structure costs (redemption, utilities, stationery, and so on) and external services (transport, editing, data entry, etc.). In order to assign the aggregate costs of each cost-center to each campaign (order), the agency calculates an hourly cost per cost-center, which is obtained by dividing the total annual cost of each cost-center by the total number of hours worked in the year in the cost-center. Employees fill in a daily time-sheet on which they record the hours spent on each campaign. This figure is then multiplied by the hourly cost of cost-center to obtain the cost of the campaign (order).

As shown in Table 1, this methodology highlights ‘where’ (in which department) and ‘how many’ resources have been used to realize the campaign, but it does not explain ‘why’ they were used or ‘to do what’. In other words, this approach does not help to identify the opportunities and the ways to manage costs in function of customer satisfaction.

The application of the approach presented in the sections above provides a framework to address this problem.

Identifying The Service Components

This stage consists in breaking down the service into various components and of understanding the level of customer satisfaction.

The assessment was based on in-depth interviews with the marketing managers of companies in B-to-C markets using the advertising agency for their communication campaigns. Each interview lasted about 60 minutes and was conducted by one researcher using the same interview protocol for each interview. Interviews were addressed to the person in charge of the advertising campaign and, if necessary, to other members of the purchasing department.

Nine components were identified in the service, and these were used as the reference grid for the interviews to identify the system of sought benefits and the level of satisfaction of some of the agencies key customers.

The components of the service are as follows:

1. Analysis of customer needs. This is the work done during initial contact with the customer and is necessary to understand their needs and expectations and to establish the customer/agency relationship. It is particularly important for new customers;
2. Formulation of proposals and initiation of the relationship. The agency receives a brief from the customer during the meetings to establish the proposal attended by the account executive, the head of the creative team and the head of the media team. For tenders set up by a potential

customer, the formulation of the proposal must be highly structured, otherwise it is formed specifically around ideas linked to the campaign;

3. Definition of the communications strategy. This component uses the analysis of the information contained in the brief as its starting point, particularly the company's objectives and individual needs; it includes identifying the target, the assets to be highlighted and the positioning of their communication;
4. Campaign concept. This typically has a high creative content; it is based on the input of the strategic planners and is developed and structured more or less according to the guidelines provided by the customer;
5. Media strategy definition. The definition of the media strategy lies in the choice of how to put across the message and in quantifying the investment required. The definition of these aspects is the responsibility of the marketing and media staff;
6. Media planning. Media planning depends on the final choice of media, on timing and on tactical-operational decisions related to the use of the media;
7. Negotiation and media buying. This aspect is handled by heads of media who make use of past experience, contacts, relationships and the contractual power of the agency to buy space in the various media at the best possible price. They negotiate either directly with the media (press, television companies) or, more frequently, with media agencies;
8. Campaign production. Actual production takes place outside the agency in photographic studios, film production companies and so on;
9. Checking campaign effectiveness and results. Checking is mainly concerned with evaluating the effectiveness of the campaign through tests before and after, and with reference to the results obtained; however, checking is a complex process and may require additional ad hoc campaign research.

Identifying Key Customers And Analyzing Customer Satisfaction

In the present case, the individual customer is the object of the customer satisfaction analysis. Each customer requests a complex and highly variable service that depends on the characteristics of the competitive environment and the marketing policies adopted. Our analysis considered four customer companies operating in various markets (food, grocery, IT, toys), chosen from large customers² who present multi-faceted communications policies using the same media (TV, press).

On the basis of the services components, we analyze the benefits the agency's customers are seeking and their level of satisfaction.

In-depth interviews were carried out with the four selected customers to discover the determining factors in customers' decisions whether or not to use an advertising agency's services and in the choice of the agency itself. In addition, they aimed to evaluate the services received in return for the fee paid. Finally, an overall impression of the agency's services was requested, together with an evaluation of the levels of importance and of satisfaction for each individual component of the service³.

Figure 2 summarizes the quantitative evaluations given by the customers in terms of importance and satisfaction.

At first sight, it is evident that for many components the importance values vary considerably, meaning that the analysis must refer to individual customers. One example is communication strategy, which is less important for customers who tend not to change their strategy, but more significant for those re-defining or modifying their strategy. Other examples are strategy media, which for some customers is consolidated, while others are testing or changing, and media planning.

Identifying The Activities Of The Production Process That Provide The Service Components

In this stage, each service component was analyzed individually to identify the production process activities the company has to carry out to provide the component.

More than 20 activities were identified, grouped into eight processes which represent the typical sequence of work carried out in an advertising campaign. A description of the activities is given in the Annex 1.

1. New customer development and management
 - Information gathering
 - Proposal development
 - Proposal presentations
 - Tender evaluation
 - Acceptance of tender invitation
2. Start-up of the relationship with the customer
3. Strategic planning
 - Research
 - Analysis and processing of the information gathered
 - Communications strategy development
 - Verification of coherence
4. Creative process
 - Creative brief
 - Campaign creation
 - Internal presentation
 - Draft and storyboard production
 - Customer presentation
5. Preliminary campaign check
 - Briefing to external organization
 - Results analysis
6. Media strategy
 - Definition of the media concept
 - Definition of media policies and completion checking
 - Negotiation with media
7. Production
 - Production of initial work
 - Meeting with producers, photographic studios and other professionals
 - Casting, location, timing
 - Production of films, photos, drawings
 - Customer viewing
 - Duplication of material and adjustments
8. Monitoring
 - Initial campaign check and trouble-shooting
 - Campaign effectiveness check

Table 2 highlights the relationships between the service components, activities and processes. The first column contains the service components, the activities needed to supply each component are given in the second column, and the third column contains a list of the processes that the individual activities belong to.

Initial observation indicates that five components of the service arise from activities which belong to at least two different processes. For example, the campaign conception phase consists of activities in three different processes: strategic planning, creative process, initial checking of the campaign.

Further examination reveals that there are activities that form part of the supply of different components of the service. For example, the “results analysis and processing” activity appears in three components of the service, and “research” contributes to two components.

The Cost Absorbed By The Customers

The service provided by the agency to its customers changes in function of the number of components and the intensity of use of the components by the customers. This means that in order to measure the cost absorbed by each individual service component, reference must be made to the campaign which used the service and, therefore, to the customer.

Cost assessment was performed by attributing to each customer the costs of the activities of the service components used in the customer's campaign. The aim of this section is to calculate the cost incurred by the agency in providing the individual service components to the four customers analyzed. To do this, a calculation was made of the employee-hours that each department/professional group (cost center) spent on the activities constituting the individual service components required for the four customers.

The results are given in Table 3. The table highlights that during a campaign, each employee of an individual department carries out a number of activities, often belonging to more than one process. A creative designer, for example, in addition to normal duties, is also involved in the processes of new customer development and management, campaign production, strategic planning etc.

This means that the cost-center system is not a suitable approach in this case, because by looking at the organizational units rather than the activities it would not be able to reveal the above findings.

The employee-hours shown in Table 3 were subsequently multiplied by the hourly cost of each department (cost-center). An example of the Alfa order cost calculation is shown in Table 4.

To compare the four orders, Table 5 groups the percentage incidence of costs in the orders. For the new customers Gamma and Delta, a second column of percentages has been calculated to allow comparison with the existing customers. In this second column, the percentages are calculated without considering the first three activities, provided only to new customers (Gamma e Delta).

The first observation regards the similarity of their cost structures. In particular, Alfa and Beta, customers who have been in the portfolio for years, present a similar incidence of cost of the service components, as do the two newly acquired customers, Gamma and Delta.

Furthermore, if we exclude the first three components of the service, which are concerned with new customer acquisition, all four customers analyzed present similar cost structures.

Therefore, if the agency assigns a similar amount of resources for the production of the various service components to the four customers, we can deduce that it actually considers the customers to be similar in terms of the needs to be met.

The Management Step

The analyses in the previous sections can provide an assessment of the coherence between the determining factors of customer satisfaction and the costs sustained by the agency in providing the service components.

To do this, the analysis must be conducted at individual service component level. Consider, for example, Figure 3. The service component 'checking effectiveness and results' was carried out by the agency in a similar way for all four customers, to whom the agency assigns a similar amount of resources. This choice is incoherent with customer preferences and results in insufficient resources in some cases (Beta and Delta) and a waste in others (Alfa and Gamma). Beta, in particular, attaches great importance to this component and expresses a very low level of satisfaction. The customer even hopes to have a better developed service (research on the effectiveness of various communication campaigns in terms of sales results, brand recognition and image) and better quality. In Delta's case, the high level of importance is accompanied by a sense of dissatisfaction, due to the insufficiency of checks carried out. The opposite is true for Alfa and Gamma, who do not consider the agency's checks very useful, because they believe they are able to gather useful information themselves. In these cases, the service offered by the agency is a waste of resources.

Another example is the resources used for the definition of the communications strategy. This is appropriate for Gamma, but of relatively low importance (between 4 and 6) for the other customers. Beta expresses the limited importance of the service, since the communications strategy is defined within the company. For Beta and Delta, the low level of importance is due to the fact that the two companies tend

not to vary the communications strategy over time. The high level of satisfaction expressed by Alfa and Beta for a less important aspect of the service should encourage the agency to verify whether they can reduce the resources dedicated to this aspect.

Given these analyses, and considering the agency's aim to reduce costs without compromising the quality of services offered, the most significant findings are as follows.

Costs must be assigned to the activities carried out by the company to provide the service components identified by the customer. The sum of the costs of the individual components of an order expresses the overall resources deployed by the agency in order to 'serve the customer'.

The relationships between the dimensions to measure the cost of the customer satisfaction are shown in Figure 4.

These analyses highlight that in this company it is not possible to calculate *a priori* the cost of the production process activities. The total cost sustained by a company to carry out an activity depends on the service components absorbed by the customer. This means that the amount of resources consumed by the activities can only be defined with reference to the type of customer.

The cost absorbed by the individual customer quantifies the cost effort sustained by the company in providing the components of the service according to the system of preferences expressed by the individual customer.

CONCLUSIONS

This study makes a few contributions to the emerging research stream on the relationship between customer satisfaction and costs (e.g. Anderson et al., 1997; McNair et al., 2001).

First, it answers to recent calls for studies on B2B services⁴, by providing guidance in assessing the cost of satisfaction where small numbers of customers are heavily tied both to the generation of revenues and for the absorption of company activities (e.g. Kaplan and Norton, 1996). In this sense, it can offer a useful contribution to the growing need for personalization and customized solutions felt in many service environments (Vargo and Lusch, 2004).

Second, the analysis provides novel insights into those studies linking revenues and costs at segment level (e.g. Shapiro et al., 1987; Gosman et al., 2004), by offering a more refined view moving the point of analysis towards individual customers. More specifically, we offer a re-framing of more traditional approaches in consumer settings, where overall company activities are assessed in parallel with respect to satisfaction drivers (i.e. service components), and then a nexus is established between those activities that are directly related to the production of service components that engender perceived value and thus affect satisfaction, and those that cannot be related to the provision of service components, but still contribute to the generated value (Cugini et al., 2007). In line with key account management research (Homburg, Workman Jr., and Jensen, 2002; McDonald, Millman, and Rogers, 1997), which prescribes a selective approach to the customer portfolio on the basis of customer analytics and supplying strategy, this study follows a hierarchical method for mapping activities, and the related absorptions and costs. Based on the criteria adopted for including individual customers into a key account group, our framework can assess the cost of each satisfaction component directly for individual customers, thus enabling efficiency analyses of satisfaction at a one-to-one level.

Third, our analysis is a useful base for the government of the long-term dimension of the business relationship (e.g. Ulaga and Eggert, 2006). In fact this approach gives an applicative support to the theories expressed recently in some of the strategic approaches such as the Blue Ocean Strategy (Kim and Mauborgne, 2005) and the execution premium (Kaplan and Norton, 2009): these studies concentrate on the need to find innovative ways to enter new markets, recommending, moreover, the need to match costs and value for customer as the basis for the company long term sustainability.

In connection with this recommendation at a strategic level, these studies do not supply operative tools for jointly governing these two dimensions. The focus on the activities represents a useful basis in order to understand the impact of co-creation strategies (Prahalad and Ramaswamy, 2004; Vargo and Lush, 2004) on company performance: the management of the relationship between the activities and the offer

components can allow the pursuit of the balance between costs incurred by the company and those incurred by the client.

Fourth, the specifics of satisfaction cost management in project marketing settings (e.g. Cova Gahuri and Salle, 2002; Cova and Salle, 2007), where the allocation of activities is not defined *a priori*, but depends upon the acquisition of projects from customers, can be examined in greater depth. At this level, the present study indeed shows how a hierarchical approach suits the purpose of identifying relevant activities for the generation and perception of value for the customer.

Fifth, the analysis confirms that downsizing policies targeting activities tied to the generation and perception of value for the customer have to be considered in the light of customer satisfaction/cost trade-offs (Cugini et al., 2007).

There are, however, some limitations to be taken into consideration in assessing the contribution presented here.

First, a hierarchical approach offers a selective and parsimonious focus that does not fully capture the set of activities in place at the supplier level, and more specifically those that are needed for a full assessment of a customer-based economic statement. However, this approach seems consistent with well-established theories both on key account management (e.g. Homburg, Workman Jr., and Jensen, 2002, in that it is selective in terms of satisfaction drivers, and on market-orientation (e.g. Kohli and Jaworski, 1990), in that it is based upon the acquisition of marketing intelligence through customer insights and priorities in their preferences.

Second, consistently with similar studies in consumer settings (Cugini et al., 2007), we have focused on service components that are explicitly requested by customers. However, other hidden components, such as those related to implicit needs, could be part of the satisfaction-generation process. Although B2B settings are mainly characterized by rationally oriented decision processes, recent work also suggests the inclusion in industrial market studies of an experiential dimension allowing to integrate value creation and satisfaction (e.g. Zerbini, Golfetto and Gibbert, 2007). Therefore, further research may want to consider more comprehensive techniques in the generation and assessment of components that engender customer satisfaction, but at the same time absorb company activities.

NOTES

1. A cost center is an organizational unit characterized by a certain amount of assigned resources, a given technology and a homogenous group of results (Antony, Young, 1988).
2. These companies have a communications investment budget of more than 5 billion per year. The analysis was conducted on four of the agency's important customers, with the aim of extending the application more generally to all customers in their portfolio.
3. A scale of 1 to 9 was used; the evaluations were judged as low (from 1 to 3), medium (from 4 to 6), or high (from 7 to 9).
4. To this end, please notice recent call for papers for special issues on Industrial Marketing Management by Olaf Ploetner, Frank Jacobs and Wolfgang Ulaga (Industrial services, 2008), and by David Ballantyne (Service Dominant logic and industrial marketing, 2010).

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APPENDIX TABLES

TABLE 1
THE CAMPAIGN COST MEASURED BY THE AGENCY USING THE COST-CENTER SYSTEM

		Alfa	Beta	Gamma	Delta
Accounts Department					
Hours worked		673	696	933	1.013
Hourly cost	92				
Total cost		61.916	64.014	85.846	93.178
Creative Department					
Hours worked		387	365	480	505
Hourly cost	84				
Total cost		32.508	30.620	40.356	42.431
Strategic Planning Dept.					
Hours worked		263	251	608	734
Hourly cost	108				
Total cost		28.404	27.070	65.707	79.222
Media Department					
Hours worked		58	63	90	102
Hourly cost	94				
Total cost		5.452	5.922	8.493	9.572
Production Department					
Hours worked		263	240	284	294
Hourly cost	94				
Total cost		24.722	22.524	26.649	27.593
Total hours of order					
		1.644	1.614	2.396	2.647
Total costs of order					
		153.002	150.150	227.052	251.996

TABLE 2
SERVICE COMPONENTS, ACTIVITIES AND PROCESS

Service components	Activities	Processes
1. Customer needs analysis:		
	Information gathering	New customer development and management
	Customer relationship start-up	Start-up of the relationship with the customer
2. Proposal formulation:		
	Information gathering	New customer development and management
	Tender evaluation	New customer development and management
	Acceptance of tender invitation	New customer development and management
	Proposal development	New customer development and management
	Presentation of proposals	New customer development and management
3. Definition of communication strategy:		
	Carrying out research	Strategic planning
	Analysis and processing of results	Strategic planning
	Processing of the communications strategy	Strategic planning
4. Campaign conception:		
	Analysis and processing of results	Strategic planning
	Creative briefing	Creative process
	Campaign creation	Creative process
	Internal presentation	Creative process
	Draft and storyboard production	Creative process
	Customer presentation	Creative process
	Briefing with external organization	Preliminary campaign check
	Result analysis	Preliminary campaign check
5. Definition of media strategy:		
	Carrying out research	Strategic planning
	Analysis and processing of results	Strategic planning
	Definition of media proposal	Media strategy
	Customer presentation of media proposal	Media strategy
6. Media planning:		
	Definition of media policies	Media strategy
	Presentation of media proposal to customer	Media strategy
7. Media negotiation:		
	Negotiation with media	Media strategy
8. Campaign production:		
	Initial production of work	Production
	Meeting with production companies, photographic studios, etc.	Production
	Casting, location, timing	Production
	Film, photo, drawing production	Production
	Customer viewing	Production

	Reproduction and refinement of material	Production
	Verifying consistency	Strategic planning
9. Check of effectiveness and results:		
	Verifying consistency	Strategic planning
	Initial checking of the campaign and identifying problems	Monitoring
	Campaign effectiveness check	Monitoring

**TABLE 3
TIME SPENT BY EMPLOYEES ON ACTIVITIES**

	Account				Creative Dpt				Strat.planner				Media				Production			
	Alfa	Beta	Gam	Delta	Alfa	Beta	Gam	Delta	Alfa	Beta	Gam	Delta	Alfa	Beta	Gam	Delta	Alfa	Beta	Gam	Delta
1. Analysis of customer needs																				
Information collection									0	0	83	112								
Start of the relationship with the customer	52	57	106	133																
2. Preparation of proposal																				
Information collection									0	0	32	70								
Appraisal contract contexts	0	0	8	12	0	0	8	12	0	0	8	12	0	0	8	12				
Acceptance context contract	0	0	8	10	0	0	8	10	0	0	8	10	0	0	8	10				
Proposal elaboration	0	0	24	45	0	0	20	46	0	0	22	49	0	0	7	12				
Proposal presentation to customer	0	0	8	8	0	0	4	4	0	0	4	4								
3. Definition of communication strategy																				
Research	18	20	44	48					20	22	98	108								
Analisis of results and processing	18	16	56	62					20	18	46	44								
Communication strategy elaboration	20	22	60	54					30	33	62	61								
4. Design of campaign																				
Creative Breafing	45	52	54	59	27	24	32	36	12	13	14	16								
Creation of campaign					163	139	196	176												
Internal presentation	45	41	45	40	27	29	30	28	12	12	12	12								
Production draft, storyboard					25	26	25	24												
Presentation to the customer	33	35	33	35	26	25	25	27	18	18	18	18								
Breafing with production company	50	52	52	53					13	11	13	13								
Results analysis	50	45	55	55					10	10	10	10								
Acceptance context contract	9	8	12	14																
5. Definition of media strategy																				
Media hypotesis definition	25	26	31	34					12	11	38	42	10	8	11	10				
Presentation hypotesis to the client	22	20	29	31					12	11	18	27	10	9	13	12				
Research	12	11	12	13					7	6	11	8								
Analisis of results and processing	20	18	24	22					7	6	9	8								
6. Media planning:																				
Media policy definition	19	17	20	18					33	29	35	37	9	8	9	11				
Media policy presentation to the customer	16	15	16	19					9	9	11	12	9	8	10	11				
7. Media negotiation:																				
Negotiation with media													20	30	24	24				
8. Production of campaign																				
Production of work frameworks					19	19	23	25									48	38	53	48
Meeting with production companies,	80	90	81	97	21	25	25	23									45	41	47	52
Casting, location, timing					22	19	23	25									39	33	39	47
Film, foto production					20	20	24	26									52	49	57	51
Evaluation from the customer	33	36	36	36	17	17	19	20									20	18	24	22
Material evaluation and little changes					20	23	20	23									33	29	35	40
Congruity tests	6	6	8	7					12	13	18	19								
9. Assessment of effectiveness and results																				
Congruity tests	12	13	13	16					36	29	38	42								
Control of advertising campaign	33	36	33	36													26	31	29	34
Assesment of effectiveness of the campaign	55	61	67	54																
TOTAL	673	696	933	1013	387	365	480	505	263	251	608	734	58	63	90	102	263	240	284	294

TABLE 4
ALFA ORDER: COST OF THE SERVICE COMPONENTS

	Account	Creative dpt	Strateg. planner	Media	Product.	Total	%
1. Analysis of customer needs						4.784	3%
Information collection			-			-	
Start of the relationship with the customer	4.784					4.784	
2. Preparation of proposal						-	
Information collection			-			-	
Appraisal contract contexts	-	-	-	-		-	
Acceptance context contract	-	-	-	-		-	
Proposal elaboration	-	-	-	-		-	
Proposal presentation to customer	-	-	-			-	
3. Definition of communication strategy						12.712	8%
Research	1.656		2.160			3.816	2%
Analisis of results and processing	1.656		2.160			3.816	2%
Communication strategy elaboration	1.840		3.240			5.080	3%
4. Design of campaign						50.876	33%
Creative Breafing	4.140	2.268	1.296			7.704	5%
Creation of campaign		13.692				13.692	9%
Internal presentation	4.140	2.268	1.296			7.704	5%
Production draft, storyboard		2.100				2.100	1%
Presentation to the customer	3.036	2.184	1.944			7.164	5%
Breafing with production company	4.600		1.404			6.004	4%
Results analysis	4.600		1.080			5.680	4%
Acceptance context contract	828					828	1%
5. Definition of media strategy						13.252	9%
Media hypotesis definition	2.300		1.296	940		4.536	3%
Presentation hypotesis to the client	2.024		1.296	940		4.260	3%
Research	1.104		756			1.860	1%
Analisis of results and processing	1.840		756			2.596	2%
6. Media planning:						11.328	7%
Media policy definition	1.748		3.564	846		6.158	4%
Media policy presentation to the customer	1.472		972	846		3.290	2%
7. Media negotiation:							
Negotiation with media				1.880		1.880	1%
8. Production of campaign						44.518	29%
Production of work frameworks		1.596			4.512	6.108	4%
Meeting with production companies,	7.360	1.764			4.230	13.354	9%
Casting, location, timing		1.848			3.666	5.514	4%
Film, foto production		1.680			4.888	6.568	4%
Evaluation from the customer	3.036	1.428			1.880	6.344	4%
Material evaluation and little changes		1.680			3.102	4.782	3%
Congruity tests	552		1.296			1.848	1%
9. Assessment of effectiveness and results						15.532	10%
Congruity tests	1.104		3.888			4.992	3%
Control of advertising campaign	3.036				2.444	5.480	4%
Assesment of effectiveness of the campaign	5.060					5.060	3%
TOTAL	61.916	32.508	28.404	5.452	24.722	153.002	100%

TABLE 5
A COMPARISON BETWEEN THE INCIDENCE OF COSTS OF THE FOUR ORDERS

	Alfa	Beta	Gamma		Delta	
1. Analysis of customer needs	3%	4%	8%		10%	
Information collection			4%		5%	
Start of the relationship with the customer		4%	4%		5%	
2. Preparation of proposal			8%		13%	
Information collection			2%		3%	
Appraisal contract contexts			1%		2%	
Acceptance context contract			1%		2%	
Proposal elaboration			3%		6%	
Proposal presentation to customer			1%		1%	
3. Definition of communication strategy	8%	9%	16%		15%	
Research	2%	3%	6%		6%	
Analysis of results and processing	2%	2%	4%		4%	
Communication strategy elaboration	3%	4%	5%		5%	
4. Design of campaign	33%	32%	25%	37%	22%	35%
Creative Breafing	5%	5%	4%	6%	4%	6%
Creation of campaign	9%	8%	7%	11%	6%	9%
Internal presentation	5%	5%	3%	5%	3%	5%
Production draft, storyboard	1%	1%	1%	1%	1%	1%
Presentation to the customer	5%	5%	3%	5%	3%	5%
Breafing with production company	4%	4%	3%	4%	2%	4%
Results analysis	4%	3%	3%	4%	2%	4%
Acceptance context contract	1%	0%	0%	1%	1%	1%
5. Definition of media strategy	9%	8%	8%	13%	8%	13%
Media hypotesis definition	3%	3%	4%	5%	3%	5%
Presentation hypotesis to the client	3%	3%	3%	4%	3%	4%
Research	1%	1%	1%	1%	1%	1%
Analysis of results and processing	2%	2%	1%	2%	1%	2%
6. Media planning:	7%	9%	5%	8%	5%	8%
Media policy definition	4%	4%	3%	4%	3%	4%
Media policy presentation to the customer	2%	2%	2%	2%	2%	3%
7. Media negotiation:		2%				
Negotiation with media	1%	2%	1%	1%	1%	1%
8. Production of campaign	29%	29%	21%	32%	20%	32%
Production of work framworks	4%	3%	3%	4%	3%	4%
Meeting with production companies,	9%	9%	6%	9%	6%	10%
Casting, location, timing	4%	3%	2%	4%	3%	4%
Film, foto production	4%	4%	3%	5%	3%	4%
Evaluation from the customer	4%	4%	3%	5%	3%	4%
Material evaluation and little changes	3%	3%	2%	3%	2%	4%
Congruity tests	1%	1%	1%	2%	1%	2%
9. Assessment of effectiveness and results	10%	11%	8%	11%	7%	11%
Congruity tests	3%	3%	2%	3%	2%	4%
Control of advertising campaign	4%	4%	3%	4%	3%	4%
Assesment of effectiveness of the campaign	3%	4%	3%	4%	2%	3%
TOTAL	100%	100%	100%	100%	100%	100%

APPENDIX FIGURES

FIGURE 1
THE SATISFACTION COST ASSESSMENT FRAMEWORK

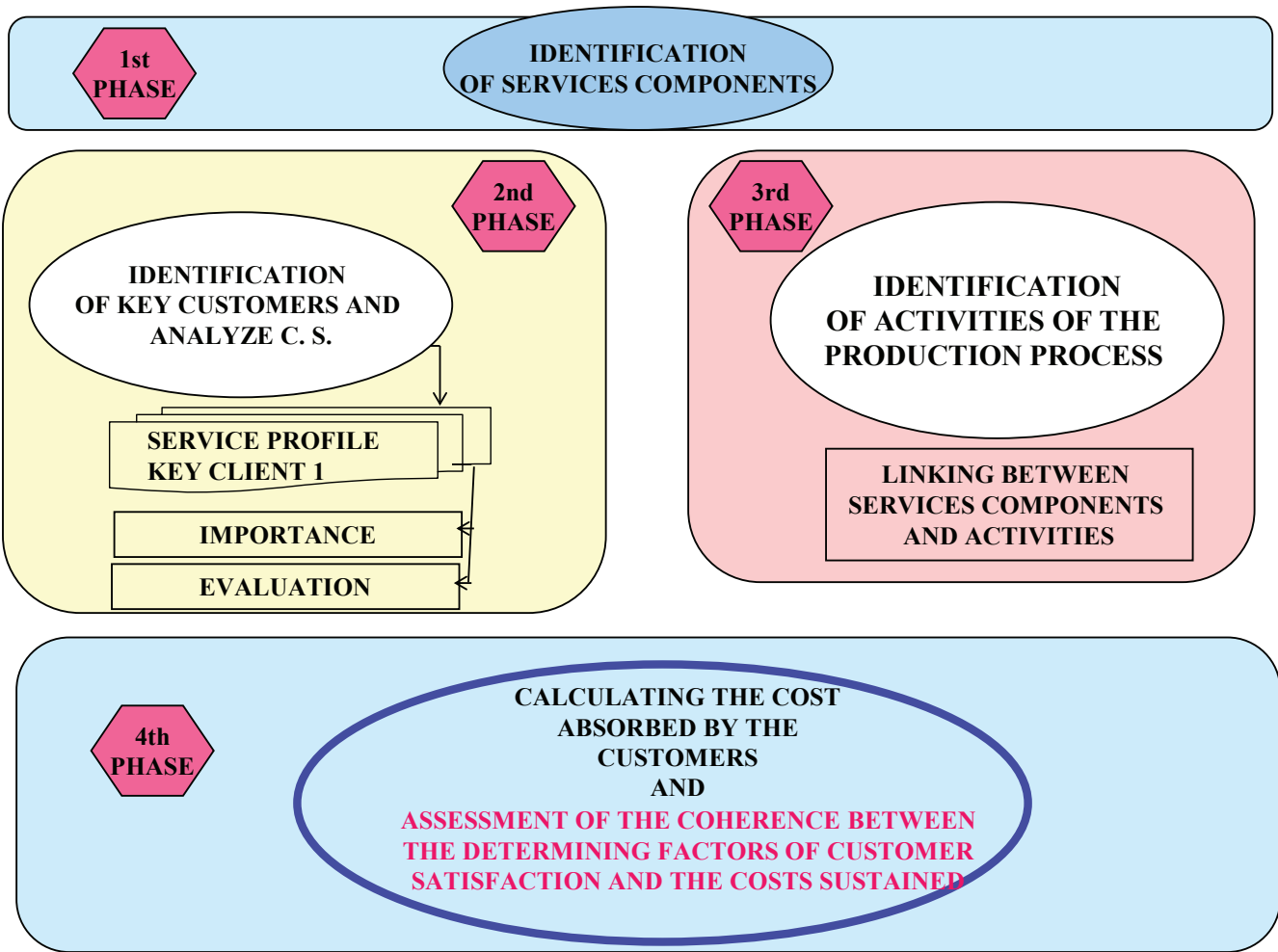


FIGURE 2
EVALUATIONS OF IMPORTANCE AND SATISFACTION OF SERVICE COMPONENTS

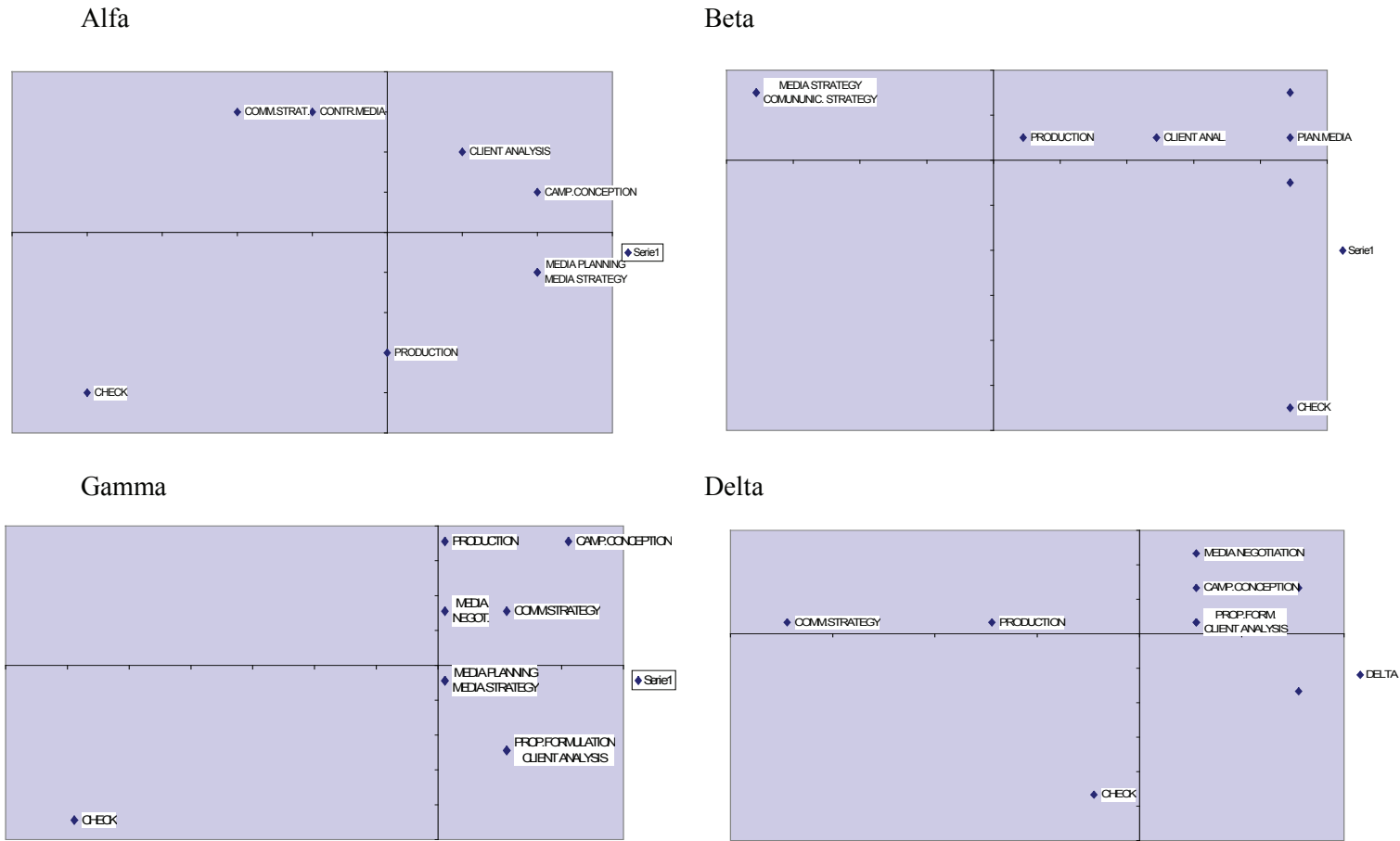


FIGURE 3
ASSESSING THE COHERENCE BETWEEN COST AND SATISFACTION. AN EXAMPLE OF ALFA AND BETA FOR THE 'CHECK' SERVICE COMPONENT

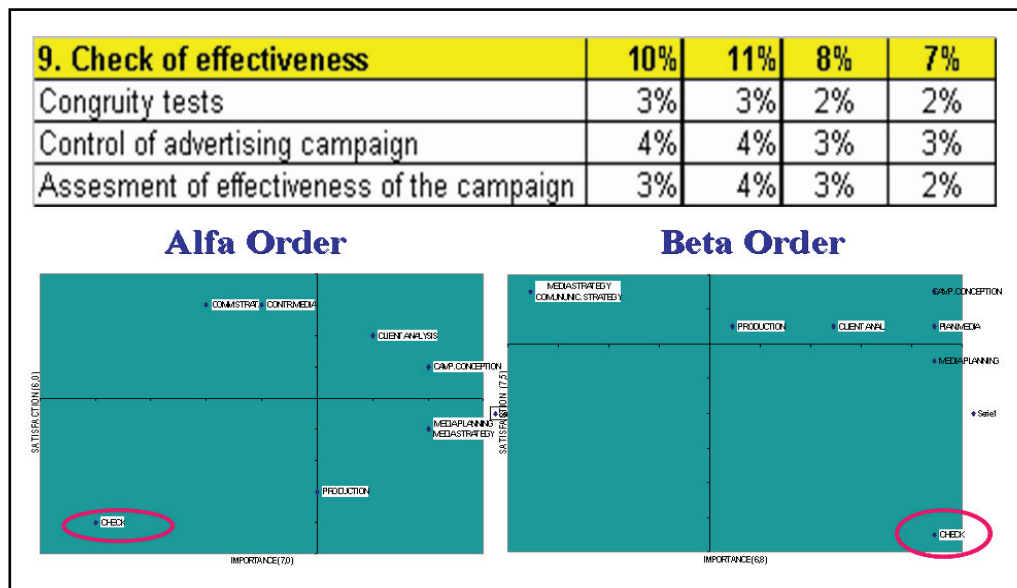
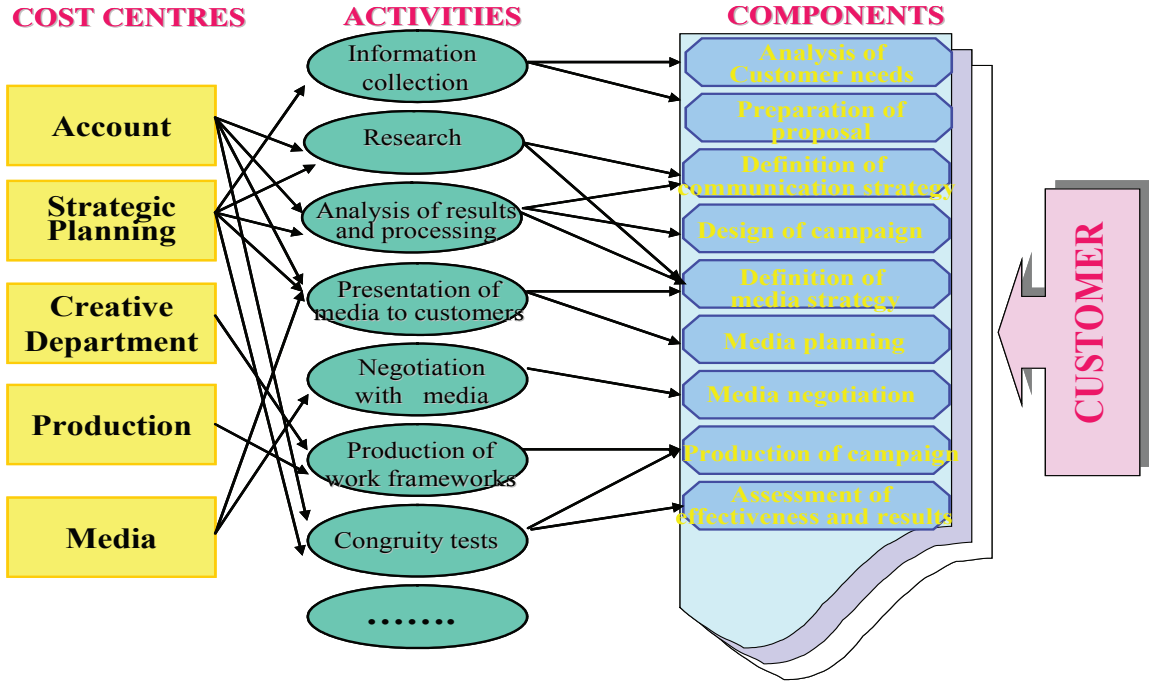


FIGURE 4
THE RELATIONSHIP BETWEEN THE ELEMENTS TO MEASURE THE COST OF SATISFACTION



ANNEXES

ANNEX 1 PROCESS AND ACTIVITIES: A BRIEF DESCRIPTION

1. New customer development and management

Relationships with customers last on average not more than five years, and have a tendency to decrease. The agency must therefore continuously rebuild its customer portfolio, by moving into new and promising markets. The following activities form part of this process:

- Information gathering

When the agency makes contact with a new potential customer, it must gather information regarding the company, the market and the communications policy it has adopted.

- Proposal development

Once all the necessary information has been gathered and analysed, the agency prepares a campaign idea to put before the potential customer.

- Proposal presentations

The agency's campaign proposals are illustrated to the customer and discussed.

- Tender evaluation

The agency usually considers the tenders held for agencies so that they can identify those they wish to participate in. The tender is usually based on the presentation of a campaign proposal.

- Acceptance of tender invitation

The agencies that agree to participate meet the potential customer to be told about the kind of campaign it wants to produce.

2. Start-up of the relationship with the customer

Once on the customer list, further analysis is made of the campaign objectives and of the customer's characteristics through meetings, exchange of ideas and so on.

3. Strategic planning

As well as that contained in the company brief, other information is gathered (through ad hoc research or bought from specialized agencies) which, when analysed and processed, brings the communications strategy and its planning to life. This phase provides the input for the processes that follow. The following activities are involved in this phase:

- Research

The Strategic Planning department gathers the information necessary to set out an effective communications plan.

- Analysis and processing of the information gathered

The company brief and the information gathered are fully analysed in order to focus on the key aspects of the campaign

- Communications strategy development

Based on the analysis of the company's objectives and of the information gathered, reference targets are established, the assets to be highlighted are identified and the positioning of the advertising campaign is agreed.

- Verification of consistency

During the development of the campaign, especially after the creative and media phases, the Strategic Planning department checks that guidelines are being followed.

4. Creative process

This consists in creating a concept for the campaign based on the ideas developed in the strategic planning stage. The creative process is carried out differently according to the media-mix which has been chosen and is less easily standardized both in terms of the time required and the output. The objective is

to fine-tune various campaign alternatives that have been discussed with the customer in an ongoing dialogue, in order to find a final campaign which is as coherent as possible with the company's communications objectives. The creative process includes the following activities:

- Creative brief

The strategic ideas and the customer's needs are presented and "explained" to the creative team.

- Campaign creation

The creative team works on the concept of the campaign in pairs (art director and copywriter¹) and produce "sketches" and drawings to illustrate their ideas.

- Internal presentation

The ideas produced by the creative team are presented to other people working on the campaign.

- Draft and storyboard production

To illustrate the creative idea, the creative team's "sketches" and drawings are transformed into a storyboard for the television campaign and into lay-outs for the press campaign.

- Customer presentation

A meeting with the customer is organized to present the storyboard and, more generally, the results of the creative process.

5. Preliminary campaign check

The campaign is subjected to tests, especially qualitative tests (concerning campaign recall, satisfaction etc.) carried out by external organisations. This is done if the customer or the agency has doubts about the validity of any aspects of the campaign. The activities that make up this process are as follows:

- Briefing to external organisation

The doubts and aspects to be tested are put before the external organisation responsible for carrying out the tests.

- Results analysis

The results of the tests are analysed and discussed with the organisation that has produced them, then internally and sometimes also with the customer.

6. Media strategy

The definition of a media strategy is based on the results of the strategic planning process. It is produced at the end of or during the creative process when the space and time required for the development of the campaign have been defined. The activities that make up this process are as follows:

- Definition of the media concept

This involves finalising the media strategy and selecting the publications to be used as a vehicle for the campaign.

- Definition of media policies and completion checking

The media policies are outlined in detail in terms of their timing and frequency for each publication, which are constantly monitored.

- Negotiation with media

The media staff negotiate the purchase of media space with the media agencies or directly with television, press etc.

7. Production

This concerns the actual production of the advertising campaign. It varies according to the composition of media. For television filming or photographs for press campaigns, the process involves the following activities:

- Production of initial work

Actual production of initial work by producers (a sort of cartoon that outlines the film).

- Meeting with producers, photographic studios and other professionals

Meetings to co-ordinate the activities related to producing the campaign and to define the estimates with the producers.

- Casting, location, timing

Choosing actors, settings and times for filming, photographs and advertising drawings.

- Producing films, photos, drawings

Co-ordinating the activities of those involved in the production of the films, photos and drawings.

- Customer viewing

One or more meetings are organized with the customer to present the final product and to decide on any modifications to be made.

- Duplication of material and adjustments

Props are adjusted, corrected and duplicated before being delivered to the media.

8. Monitoring

Once the actual production of the campaign is complete, the props and other material are sent to the media; this is the moment when campaign monitoring begins. The activities involved in this process are as follows:

- Initial campaign check and trouble-shooting

The campaign is strictly observed in the period immediately following the launch; after that, observation is only for specific problems. The monitoring to verify the technical validity of the campaign is based on data that is bought (such as “TV registers”, recordings of commercial breaks) and/or directly observed.

9. Campaign effectiveness check

As well as a technical check, the campaign can be evaluated from the point of view of effectiveness: in the case in question, the agency deals with gathering data and undertaking analyses which allow this evaluation to be made.

NOTES

1. The two professionals mentioned represent the “creative couple”. If we wish to define the work done by these two people (work that is carried out in symbiosis), the copywriter deals with the campaign’s text, while the art director deals with the images and the graphic aspects.

ANNEX 2
THE COST CALCULATION OF BETA, GAMMA AND DELTA ORDERS

Alfa

	Account	Creative dpt	Strateg. planner	Media	Product.	Total	%
1. Analysis of customer needs						4.784	3%
Information collection			-			-	
Start of the relationship with the customer	4.784					4.784	
2. Preparation of proposal						-	
Information collection			-			-	
Appraisal contract contexts	-	-	-	-		-	
Acceptance context contract	-	-	-	-		-	
Proposal elaboration	-	-	-	-		-	
Proposal presentation to customer	-	-	-			-	
3. Definition of communication strategy						12.712	8%
Research	1.656		2.160			3.816	2%
Analysys of results and processing	1.656		2.160			3.816	2%
Communication strategy elaboration	1.840		3.240			5.080	3%
4. Design of campaign						50.876	33%
Creative Breafing	4.140	2.268	1.296			7.704	5%
Creation of campaign		13.692				13.692	9%
Internal presentation	4.140	2.268	1.296			7.704	5%
Production draft, storyboard		2.100				2.100	1%
Presentation to the customer	3.036	2.184	1.944			7.164	5%
Breafing with production company	4.600		1.404			6.004	4%
Results analysis	4.600		1.080			5.680	4%
Acceptance context contract	828					828	1%
5. Definition of media strategy						13.252	9%
Media hypotesis definition	2.300		1.296	940		4.536	3%
Presentation hypotesis to the client	2.024		1.296	940		4.260	3%
Research	1.104		756			1.860	1%
Analysys of results and processing	1.840		756			2.596	2%
6. Media planning:						11.328	7%
Media policy definition	1.748		3.564	846		6.158	4%
Media policy presentation to the customer	1.472		972	846		3.290	2%
7. Media negotiation:							
Negotiation with media				1.880		1.880	1%
8. Production of campaign						44.518	29%
Production of work frameworks		1.596			4.512	6.108	4%
Meeting with production companies,	7.360	1.764			4.230	13.354	9%
Casting, location, timing		1.848			3.666	5.514	4%
Film, foto production		1.680			4.888	6.568	4%
Evaluation from the customer	3.036	1.428			1.880	6.344	4%
Material evaluation and little changes		1.680			3.102	4.782	3%
Congruity tests	552		1.296			1.848	1%
9. Assessment of effectiveness and results						15.532	10%
Congruity tests	1.104		3.888			4.992	3%
Control of advertising campaign	3.036				2.444	5.480	4%
Assesment of effectiveness of the campaign	5.060					5.060	3%
TOTAL	61.916	32.508	28.404	5.452	24.722	153.002	100%

	Account	Creative dpt	Strateg. planner	Media	Product.	Total	%
1. Analysis of customer needs						5.262	4%
Information collection			-			-	
Start of the relationship with the customer	5.262					5.262	4%
2. Preparation of proposal						-	
Information collection			-			-	
Acceptance context contract	-	-	-	-		-	
Acceptance context contract	-	-	-	-		-	
Proposal elaboration	-	-	-	-		-	
Proposal presentation to customer	-	-	-			-	
3. Definition of communication strategy						13.220	9%
Research	1.822		2.376			4.198	3%
Analisis of results and processing	1.490		1.944			3.434	2%
Communication strategy elaboration	2.024		3.564			5.588	4%
4. Design of campaign						48.638	32%
Creative Breafing	4.761	2.041	1.426			8.228	5%
Creation of campaign		11.638				11.638	8%
Internal presentation	3.726	2.404	1.296			7.426	5%
Production draft, storyboard		2.184				2.184	1%
Presentation to the customer	3.188	2.097	1.944			7.228	5%
Breafing with production company	4.784		1.193			5.977	4%
Results analysis	4.140		1.080			5.220	3%
Acceptance context contract	736					736	0%
5. Definition of media strategy						12.090	8%
Media hypotesis definition	2.392		1.166	752		4.310	3%
Presentation hypotesis to the client	1.822		1.166	846		3.834	3%
Research	994		648			1.642	1%
Analisis of results and processing	1.656		648			2.304	2%
6. Media planning:						14.210	9%
Media policy definition	1.564		3.132	752		5.448	4%
Media policy presentation to the customer	1.398		972	752		3.122	2%
7. Media negotiation:						2.820	2%
Negotiation with media				2.820		2.820	2%
8. Production of campaign						43.386	29%
Production of work framworks		1.596			3.610	5.206	3%
Meeting with production companies,	8.243	2.064			3.807	14.114	9%
Casting, location, timing		1.589			3.116	4.705	3%
Film, foto production		1.680			4.644	6.324	4%
Evaluation from the customer	3.340	1.428			1.654	6.422	4%
Material evaluation and little changes		1.898			2.761	4.659	3%
Congruity tests	552		1.404			1.956	1%
9. Assessment of effectiveness and results						16.163	11%
Congruity tests	1.214		3.110			4.325	3%
Control of advertising campaign	3.340				2.933	6.272	4%
Assesment of effectiveness of the campaign	5.566					5.566	4%
TOTAL	64.014	30.620	27.070	5.922	22.524	150.150	100%

1. Analysis of customer needs						18.716	8%	
Information collection			8.964			8.964	4%	
Start of the relationship with the customer	9.752					9.752	4%	
2. Preparation of proposal						17.930	8%	
Information collection			3.456			3.456	2%	
Appraisal contract contexts	736	672	864	752		3.024	1%	
Acceptance context contract	736	672	864	752		3.024	1%	
Proposal elaboration	2.208	1.680	2.376	658		6.922	3%	
Proposal presentation to customer	736	336	432			1.504	1%	
3. Definition of communication strategy						36.968	16%	
Research	4.048		10.584			14.632	6%	
Analysys of results and processing	5.152		4.968			10.120	4%	
Communication strategy elaboration	5.520		6.696			12.216	5%	
4. Design of campaign						56.173	25%	37%
Creative Breafing	4.968	2.722	1.555			9.245	4%	6%
Creation of campaign		16.430				16.430	7%	11%
Internal presentation	4.099	2.495	1.296			7.889	3%	5%
Production draft, storyboard		2.100				2.100	1%	1%
Presentation to the customer	3.036	2.097	1.944			7.077	3%	5%
Breafing with production company	4.784		1.404			6.188	3%	4%
Results analysis	5.060		1.080			6.140	3%	4%
Acceptance context contract	1.104					1.104	0%	1%
5. Definition of media strategy						19.299	8%	13%
Media hypotesis definition	2.870		4.147	1.034		8.052	4%	5%
Presentation hypotesis to the client	2.631		1.944	1.222		5.797	3%	4%
Research	1.104		1.166			2.270	1%	1%
Analysys of results and processing	2.208		972			3.180	1%	2%
6. Media planning:						12.355	5%	8%
Media policy definition	1.840		3.780	888		6.508	3%	4%
Media policy presentation to the customer	1.472		1.188	931		3.591	2%	2%
7. Media negotiation:								
Negotiation with media				2.256		2.256	1%	1%
8. Production of campaign						48.552	21%	32%
Production of work frameworks		1.915			4.963	6.878	3%	4%
Meeting with production companies,	7.419	2.064			4.442	13.924	6%	9%
Casting, location, timing		1.907			3.666	5.573	2%	4%
Film, foto production		2.016			5.377	7.393	3%	5%
Evaluation from the customer	3.340	1.571			2.256	7.166	3%	5%
Material evaluation and little changes		1.680			3.257	4.937	2%	3%
Congruity tests	736		1.944			2.680	1%	2%
9. Assessment of effectiveness and results						17.058	8%	11%
Congruity tests	1.159		4.082			5.242	2%	3%
Control of advertising campaign	3.006				2.688	5.694	3%	4%
Assesment of effectiveness of the campaign	6.123					6.123	3%	4%
TOTAL	85.846	40.356	65.707	8.493	26.649	227.052	100%	100%

	Account	Creative dpt	Strateg. planner	Media	Product.	Total		
1. Analysis of customer needs						24.332	10%	
Information collection			12.096			12.096	5%	
Start of the relationship with the customer	12.236					12.236	5%	
2. Preparation of proposal						31.804	13%	
Information collection			7.560			7.560	3%	
Appraisal contract contexts	1.104	1.008	1.296	1.128		4.536	2%	
Acceptance context contract	920	840	1.080	940		3.780	2%	
Proposal elaboration	4.140	3.864	5.292	1.128		14.424	6%	
Proposal presentation to customer	736	336	432			1.504	1%	
3. Definition of communication strategy						38.079	15%	
Research	4.453		11.642			16.095	6%	
Analysys of results and processing	5.667		4.720			10.387	4%	
Communication strategy elaboration	4.968		6.629			11.597	5%	
4. Design of campaign						55.456	22%	35%
Creative Breafing	5.465	2.994	1.711			10.169	4%	6%
Creation of campaign		14.787				14.787	6%	9%
Internal presentation	3.689	2.370	1.296			7.355	3%	5%
Production draft, storyboard		1.995				1.995	1%	1%
Presentation to the customer	3.188	2.306	1.944			7.438	3%	5%
Breafing with production company	4.880		1.404			6.284	2%	4%
Results analysis	5.060		1.080			6.140	2%	4%
Acceptance context contract	1.288					1.288	1%	1%
5. Definition of media strategy						20.490	8%	13%
Media hypotesis definition	3.157		4.562	931		8.650	3%	5%
Presentation hypotesis to the client	2.894		2.916	1.100		6.910	3%	4%
Research	1.214		864			2.078	1%	1%
Analysys of results and processing	1.987		864			2.851	1%	2%
6. Media planning:						13.060	5%	8%
Media policy definition	1.656		3.996	1.066		6.718	3%	4%
Media policy presentation to the customer	1.766		1.296	1.024		4.086	2%	3%
7. Media negotiation:								
Negotiation with media				2.256		2.256	1%	1%
8. Production of campaign						51.236	20%	32%
Production of work frameworks		2.107			4.467	6.574	3%	4%
Meeting with production companies,	8.903	1.961			4.886	15.749	6%	10%
Casting, location, timing		2.098			4.399	6.497	3%	4%
Film, foto production		2.218			4.839	7.057	3%	4%
Evaluation from the customer	3.340	1.649			2.030	7.019	3%	4%
Material evaluation and little changes		1.898			3.746	5.644	2%	4%
Congruity tests	644		2.052			2.696	1%	2%
9. Assessment of effectiveness and results						17.539	7%	11%
Congruity tests	1.507		4.491			5.998	2%	4%
Control of advertising campaign	3.306				3.226	6.532	3%	4%
Assesment of effectiveness of the campaign	5.009					5.009	2%	3%
TOTAL	93.178	42.431	79.222	9.572	27.593	251.996	100%	100%