ARCHITECTS' MARKETING ACTIVITIES: EXPLICIT AND IMPLICIT RELATIONSHIP MARKETING ATTITUDES

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The majority of discussions on the subject of architects' marketing strategies evolve around the architects' lack of awareness or even appreciation of marketing's importance. However, the fact that architectural practices/businesses attract work provides evidence that architects do perform successful marketing activities at explicit and implicit levels. The relationship marketing paradigm provides a framework, upon which some of these marketing activities can be mapped, as construction and professional services are largely provided on a business-to-business basis. A literature review on relationship marketing's aspects oriented towards how architects deliver their services provides the theoretical background for a qualitative research aiming to explore the explicit and implicit marketing attitudes architects adopt in their services. Primary data was collected through semi-structured interviews, which were grouped and thematically analysed, focusing on marketing and relationship management activities. Findings show that architects explicitly appreciate client uniqueness and need for bespoke service provision, recognise the importance of word-of-mouth and reputation as well as be concerned with branding challenges. They also appear to implicitly safeguard continuity of service and mobilise internal marketing and relationship management during service delivery. Most importantly, a continuing misunderstanding by architects of marketing is apparent. The market changes, prompted by recent boom-slump, have failed to induce a shift in perceiving marketing as a purely promotional and transactional activity. Whilst the knowledge contribution is not new, it is significant because the boom-bust cycle tends to induce structural changes in the market amongst the primary player – a field for further examination in marketing professional services.

Keywords: marketing architectural services, promotion, relationship management, relationship marketing, service delivery.

INTRODUCTION

The marketing of architectural services is treated at a tactical level by the majority of architectural organisations (AOs) limiting its scope to promotion, as per the 4Ps model (Kotler and Keller,, 2009; Christopher *et al.,* 2002; Payne,, 1993). Relationship marketing (RM), which is a paradigm developed specifically for marketing services provided on business-to-business (B2B) basis (Christopher *et al.,* 2002; Grönroos, 2007; Lovelock and Gummesson, 2007; Gummesson, 2008), extends the scope of marketing architectural services and potentially elevates it to a strategic management issue (Grönroos, 1999). Following a service-dominant logic (Vargo and Lusch, 2004), which provides a foundation stone for RM (Grönroos, 2007; Gummesson, 2008), the

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paradox that thriving and growing AOs attribute their success only to proportion becomes apparent. For "strong idea" AOs (Coxe *et al.,* 1992), their success might seem self-evident because of a necessary emphasis upon design as the production factor, but this neither rules out a parallel service emphasis nor does it address what makes "strong service" and "strong delivery" (Coxe *et al.,* 1992) AOs successful. Strong service and strong delivery AOs are undoubtedly providing the supply for the majority of clients and provide the pipeline for much of the construction sector's demand.

For this research, the RM paradigm is considered theoretically appropriate for strategic adoption by architects. This paper builds upon the growing body of work examining marketing in architecture practices (e.g. Kotler and Connor, 1977; Coxe *et al.,* 1992; Winch and Schneider, 1993), and specifically the examination of RM (e.g. Smyth and Kioussi, 2011; forthcoming). Identifying explicit and implicit RM attitudes is considered significant since the strategic mobilisation of existing embedded attitudes would require less monetary investment than the introduction of new ones. This provides the original contribution to knowledge to this literature. It is arguably a timely contribution as the approach could be favourable for practice development and client management in times of market slump or of austerity.

LITERATURE REVIEW: RELATIONSHIP MARKETING AS A FRAMEWORK TO MAP MARKETING ACTIVITIES

RM emphases relationship building as a means to understand clients and configure services to most effectively match expectations. It requires amongst other things cross-functional working, stressing the importance of internal marketing, recognising that multiple market domains affect the organisation's marketability (Christopher *et al.,* 2002). RM does not prescribe a marketing function, which is limited to perform tasks in an isolated department of the organisation; it is rather considered a management issue (Grönroos, 1999). This approach is considered apposite in market environments, such as architectural services, where B2B customers or clients have sophisticated needs, require bespoke services and demand new technologies and capabilities be built into less standardised products and services (Grönroos, 1999).

Processes are of particular importance to RM (Christopher *et al.,* 2002) because customer value is produced and delivered through them (Grönroos, 2007). For service marketing this is even more crucial since services are processes themselves where value is created through the relationships formed and collaboration with the customer (Grönroos, 2007). Architectural services combine a product and service: production in the form of design through service provision for ultimate realisation by another party. This means that value for the customer or client is partly co-created and that the buyer-seller interaction is long and consequently of great importance (Prahalad and Ramaswamy, 2004a;, 2004b; Vargo and Lusch, 2004; Grönroos, 2007). RM does not focus on creating the exchange. It extends its scope from the first interaction to managing the relationship over its lifetime beyond the transaction for a particular product or project (Grönroos, 2007), changing the nature of the marketing activities to focus upon service delivery. Such customer relationship management "enables a much closer 'fit' to be achieved between the needs of the customer and the organisations 'offer'" (Christopher *et al.,* 2002:17). In B2B environments, through customer relationship management, the organisation acquires knowledge and insightful understanding of the customer's business and value-creation processes (Christopher *et al.,* 2002).

Customer service signifies the importance of the integration required between quality and marketing – the marketing and selling of design quality and RM as a source to improve design quality in relation to client and stakeholder needs and desires. As Christopher *et al.,* state, "Customer service is the sum of all interactive contacts that create perceived customer value" (2002: 149), defined by, "the ongoing process of managing the buyer/seller interface to ensure continued customer satisfaction" (2002: 151), thus soliciting client understanding not just at the business development stage, but the concept design and detailed stages and from feedback to benefit future clients design and repeat business design. In this way RM evolves into relationship management. Relationship management at the cross-functional and project lifecycle interfaces is crucial because they reveal current gaps where service delivery can be typically or currently compromised (Smyth, 2000; see also Smyth and Fitch, 2009). Utilising relationship management theoretically enhances opportunities for co-creating value, that is, to add value beyond the ability of a single actor and contribute to what Christopher *et al.,* (2002) call 'unique value'.

Relationships are the means through which design and technical content is delivered typically through studio working and through which service content is delivered (e.g. Smyth, 2011) – the tangible and the intangible value, or the value added and added value through an economic lens. The importance of people is reinforced by the RM view that a company's internal quality of relationships affects the quality of its external relationships (Christopher *et al.,* 2002). Thus, relationship management is also required, facilitated through internal marketing. Internal marketing is the "creation, development and maintenance of the internal service culture" (Christopher *et al.,* 2002: 12), which stimulates staff to work in alignment to the organisation's mission and market (in general and for specific clients). It ensures all the staff represent the organisation during all interactions with customers, and the highest internal service levels are provided within the organisation (Christopher *et al.,* 2002). Attitude is recognised as important in design, for example the "design attitude" of Boland and Collopy (2004). The 'management attitude', especially as it pertains to linking strategic mission, staff and market, is still underdeveloped. Attitude and communications management are two aspects of internal marketing (Grönroos, 2007). Attitude management concerns employee attitudes and motivation for customer consciousness and service management. Through communications management design inputs and service promises guide staff and are enhanced by staff iteratively and interactively through communication with management and clients to reflect upon performance and salience.

METHODOLOGY AND METHOD

A phenomenological methodology was used to "explore and interpret" (Leedy and Ormrod, 2010: 96) architect's marketing attitudes and qualitative methods were applied. Purposeful sampling aided selection of case companies using Coxe *et al.,*'s (1992) range of market positions (see Figure 01). A key informant, the Course Director of Professional Studies and Management in Architecture at a central London school of architecture with, 20 years' experience, provided a view of architects' attitudes which was detached from a specific AO case.

A series of semi-structured interviews were conducted with key decision-makers according to seniority at Director and Associate/Associate Director and Project Architect levels, which covers those with prime responsibility for marketing strategy, business development and project delivery. RM theory had informed the topic guide

generated to organise the questioning into a number of general context questions, four specific topic areas of open questions and 4-5 sub-questions. The semi-structured interviews were pilot tested twice. There were 13 participants and their interviews were grouped and thematically analysed according to market position and organisational level as decision-makers. Table 01 illustrates the number and seniority level of the participants. Interpretation of the findings was conducted using inductive reasoning, and the literature was used as aid for interpretation.

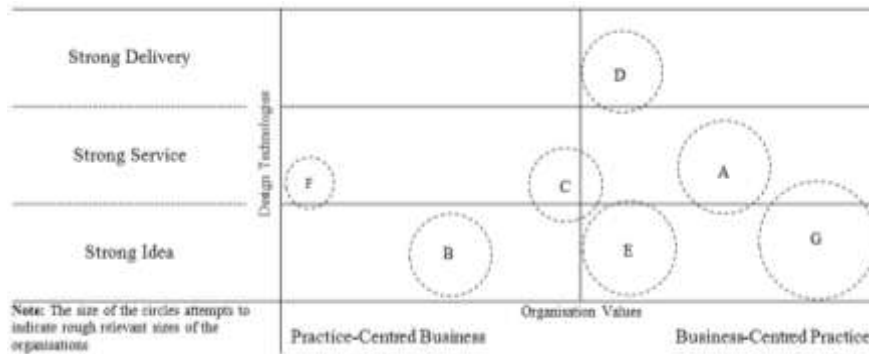*Figure 01: Approximate Super-Positioning of Architectural Organisations*

Table 01: Participants and Participant Groups

Architectural Organisation	Director	Associate/Associate Director	Project Architect
Code Letter	Participant Code	Participant Code	Participant Code
AO-A	PA1	PA2	PA3
AO-B*	PB1	PB2	PB3
AO-C*	PC1	PC2	-
AO-D	PD1	PD2	-
AO-E	PE1	-	-
AO-F	PF1	-	-
AO-G	-	PG2	-

*NOTE: At the time of the interview AO-B and AO-C where in the process of merging with AO-A. The participants of these two AOs where asked to give their views on how the AOs approached Marketing prior to the merging with AO-A.

FINDINGS AND DISCUSSION

Explicit RM Attitudes

Findings show that AOs explicitly appreciate client uniqueness, the need for bespoke service provision and the challenges of achieving customer satisfaction. They also recognise the importance of word-of-mouth, reputation and branding challenges.

Client Individuality
All the participants, except PB1and PB2, appreciated client individuality and claimed to strive to create unique value. PB2, who is involved in particularly complex specialised one-off projects, where the information asymmetry between the client and AO-B is great, was design and standardised service rather than client focused.

Customer Satisfaction

What achieves customer satisfaction varied considerably. The majority of the participants largely considered the traditional design-related variables of time, budget, meeting the brief requirements and quality. Yet, they also recognised reliance upon intangible aspects of architectural services; communication quality of relationships, enthusiasm and passion, effort to meet the needs and mitigate delays, work at the client's best interest, managing intangible expectations, developing trust and meeting client's aspirations. Only PB1 and PB2 did not discuss any intangibles. Additionally, the majority of the participants considered the initial stage of the project, and briefing in particular, as the time for the identification of expectations and only PA3 stated that the client's expectations have to be managed thereafter. Although, the participants demonstrated awareness of expectations changing overtime, this was seen as part of project complexity and a great challenge, rather than an issue during business development to understand the client and their business in greater detail.

Bespoke Service

Two opportunities for co-created value are the intensity of client interaction and the level of the AO involvement (Cova and Salle, 2007). The majority of the participants suggested that the intensity of interaction is client dependent – the client's expressed interest and their needs. AO involvement and thus engagement and opportunities for co-created value depend upon client need and specifically the perception of need amongst key decision-makers. AO perception is framed by the initial project stage, specifically the briefing, which may be moderated if client interaction intensifies. The participants understood the implications of different levels of client interaction and claimed to explicitly understand bespoke service provision.

Word of Mouth and *Reputation*

Three Directors recognised word-of-mouth as marketing. All other participants recognised its importance but not necessarily its relation to marketing. One insight on how word-of-mouth works was revealed by PC1, PD2 and echoed by the key informant, who stated:

… following the individual in the client organisation. As the individual who originally commissioned the work … will move on and up the tree or into another bigger organisation and will then be commissioning more work… will carry you with them through their career progression.

This recognises relationship development, yet is with individuals and not with organisations too as RM theory proposes.

Branding Challenges

Breaking into new sectors was recognised as a challenge related to track record or work. Branding was implied to be a limiting factor for breaking into new sectors. Track record relates to the 'design product' whilst brand includes service delivery. The PA1 Director implicitly discussed brand building. Three Associate Directors/Project Architects explicitly elaborated on the challenges and advantages related to building a unique brand.

AO-A presented confidence in conducting promotion and promotional activities as strategic and used personal relationships to aid promotion (cf. Cova *et al.,* 2002). Relationships were recognised as contributing to brand building as well as for business development. This is a relationship management issue to bridge client-brand-organisation and the evidence from AOs was that this depended upon the founders or principles rather than being embedded in the organisation for promotion and branding.

Implicit RM Attitudes

Findings show that AOs implicitly safeguard continuity of service, appreciate the importance of relationship management and implicitly mobilise it during service delivery, supported by aspects of internal marketing.

Continuity of Service
The majority of interviewees identified several reasons causing service discontinuity. In summary they were the following.

(1) Change and/or break in the AO's project personnel

(2) Not appropriate resourcing by the AO

(3) Relationships or relationship management issues

(4) Scope gaps or changes to the client brief and/or not meeting expectations

(5) Planning permission process

(6) Procurement Route selection

(7) Efficiency of and/or interdependency to other consultants' performance

(8) Changes in the client's team personnel

(9) Funding issues and Government initiatives

These ranged within three project business fields; enterprise management (1-3), project management (4-7) and the project environment (8 and9). Enterprise management requires participants to reflect upon the AO's organisational management to seek improvement regarding continuity of service. Project management and its environment solicit reactive attitudes as delivery is dependent upon other professional services, the design team, but relationship management relates to all internal stakeholders (Christopher *et al.,* 2002). Inductively, this feature may also be a function of the lack of an explicit service-dominant logic (Vargo and Lusch, 2004).

Out of all the Directors, only PE1 identified three enterprise management reasons: changes and breaks in the AO's project personnel, appropriate resourcing by AO and failure of internal relationship management. Only PE1 and the key informant limited their answer to enterprise management reason and presented a high reflective attitude towards the problem of discontinuity. Five out of the seven Associate Directors/ Project Architects identified at least one enterprise management reason, thus exhibiting greater management awareness than the Directors.

Whether particular project phases and their interfaces were considered more important than others for continuity solicited a divergence of responses. All Directors and both Associate Directors/Project Architects from AO-A expressed the whole process was important and they would not differentiate stages or interfaces. Other Associate Directors/Project Architects identified key stages and two approaches emerged. One approach was that the sign-off stages required particular attention because "the stage at sign-off tests everything from personal relationships, to fees, to contractual relationships the whole lot and that is when these relationships become the more strain" (PB2,, 2010). The other approach identified the initial and last phase of projects as critical. Relationship management awareness was high, but inductively was focused around individual processes compared to the systematic approach of RM theory.

Relationship Management during service delivery

All the participants recognised the importance of relationship management to marketing, either directly or indirectly. Between the six Directors there were five different views and amongst the seven Associate Directors/Project Architects there were four views. The great variety in the Directors responses is evident possibly because they actively represent their AOs, which all have different market positions. Nonetheless, all of these views had either a RM or transactional orientation. The Associate Directors/Project Architects presented high explicit RM attitudes with 6 out of 7 having RM oriented views. On the other hand, half of the Directors had an explicit RM orientation and the other half had an implicit transactional orientation towards relationship management. Only PB1, who represents a strong idea AO, which does not rely on repeat business, and PD1, who represents a strong delivery AO, which heavily relies on repeat business, shared the view of relationship management being important for repeat business. However, PB1's attitude is considered implicitly transactional, since due to the one-off clients strong idea firms attract, relationship management appeared not essential for AO-B.

The way architecture services are procured raised a great amount of different responses. Every response combines responses as to whether project marketing, relationship management and service delivery are affected. All of the participants, including the key informant, who talked about project marketing, believed that project marketing is being affected. Out of the thirteen participants, two did not discuss any effects on relationship management, two believed that it was not affected and the rest, including the key informant believed it is affected. Interestingly, the opinions on the effects on service delivery were almost equally split between the ones who believed service delivery is affected (five participants - one Director and four Associate Directors/Project Architects - and the key informant) and the ones who believed it is not (six participants - three Directors and three Associate Directors/Project Architects). Yet, no conclusions could be made based on AO type and attitude on this matter as none of the responses were co-ordinated between participants of the same AO. The fragmented ways architectural services are procured was recognised by one Director and three Associate Directors/Project Architects as critical, especially where the architectural appointment for the next project phase depends on the outcome of the previous one. This offers a prime example of the importance of marketing and relationship management for continuity of service delivery between project phases.

PF1 implicitly and PD2 explicitly stated that different procurement routes should not affect relationship management where collaborative teamwork is evident within such win-win relationships. PC2 suggested that "[procurement routes] are very similar in developing trust with the client". The rest of the participants agreed that different procurement routes affect the way relationships develop and consequently service delivery, for example in Design and Built. Along with the effects of procurement routes on relationship management the participants collectively discussed the following aspects of service delivery that are affected:

(1) Client - AO Relationship Break (Design and Built)

(2) AO's Role and Involvement

(3) Design Process Implications and Client Satisfaction

(4) Client's, AO's and Contractor's Aspirations for the Project (Design and Built)

PA1, PD1 and PD2 described the importance of relationship management within project decision-making units (cf. Smyth and Fitch, 2009). These are implicit RM activities. AO-D appeared particularly strong in recognising relationship management of decision-making units, possibly because AO-D is a strong delivery firm relying heavily on repeat business from large commercial clients.

Internal Marketing
All Associate Directors/Project Architects demonstrated high awareness levels of their responsibilities in achieving customer satisfaction. They were aware of highly intangible marketing qualities, yet most Directors demonstrated limited awareness. RM attitudes tended to diminish towards high levels of seniority. At AO-A, the Project Architect displayed nine RM attitudes, the Associate Director displayed eight and the Director displayed seven. At AO-B, there were eight, four and two respectally. The notion that everyone is a part-time marketer was only appreciated and explicitly mobilised by AO-D and AO-G yet confined to enhancing public relations, thus excluding relationship building. Directors implicitly discussed the importance of internal marketing or part-time marketing roles. Still at an implicit level, PC1 expressed the importance of internal marketing distinctly with the following statement.

"I think everyone should do it and everyone in an organisation should be aware that when they are sitting in a room they are marketing. They are on show; they are showing how you work. It's like lifting the bonnet on a car looking at the engine; you want to see how the organisation works. So everyone should participate and understand their part in that."

Within AO-A, the three participants had nine co-ordinated responses for the sixteen themes discussed, where within AO-B had seven out of sixteen. Given that AO-A is a considerably larger AO than AO-B, AO-A presented a higher implicit adoption of internal marketing's communication management aspect. None of these two AOs presented a high RM trend for their co-ordinated responses, but noticeably though all three AO-A's coordinated responses on service delivery presented an RM trend in comparison to AO-B which presented one.

Although the actual management of attitudes and communications is highly implicit, the RM attitudes were found amongst Associate Directors/Project Architects. This reveals capacity for internal marketing and scope for mobilising and embedding these at organisational levels rather than internal marketing being a matter of individual responsibility and reliance upon external coordination via professional institutions (cf. Mintzberg *et al.,* 2003).

CONCLUSIONS

Overall, the work confirms previous findings that management attitudes are largely driven by design tasks and hence a production-dominant logic rather than developing a parallel customer orientation, hence a service-dominant logic (Pryke and Smyth, 2006; Vargo and Lusch, 2004). However, management attitudes embody implicit RM values and practices. Action tended to be left to individual professionalism compared to management-led systematic RM. Rather than the commercial disdain for marketing claimed by Kotler and Connor (1977) the main obstacle amongst senior management appeared to be a lack of awareness of RM theory, concepts and practical benefits. Associate Directors/Project Architects presented higher levels of awareness and RM attitudes. It is a moot point whether this is a generational issue or whether the focus is

lost with promotion. It does, however, show RM attitudes are implicitly present which management can harness and develop at low cost in the future.

The market position of AOs (Coxe *et al.,* 1987) affected management and RM attitudes. RM was less evident where there is limited scope for repeat business (Pryke and Smyth,, 2006), particularly amongst strong ideas firms. RM may not be appropriate for every market position, although recent work has begun to challenge this notion due to the significance of client identification (Smyth and Kioussi forthcoming).

The challenge presented by RM remains for architecture practices. The contribution of this research has been to show that the ability of architects to adopt RM is present at reasonable cost because the attitudes are present although awareness is still lacking. Greater awareness may not lead to increases in adoption, but informed choices can be made. RM adoption may not lead to increased performance, but the theory can only be challenged in this way post adoption.

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