CHAPTER - VI

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CHAPTER VI

SUMMARY OF FINDINGS

This study on advertisers' and agency perceptions towards successful advertiser-agency relationship is built on five important bricks/elements that together constitute to a relationship. The elements around which this study spins include factors considered in new agency selection, factors influencing the quality of relationship, factors leading to advertiser-agency loyalty, factors considered in agency performance evaluation and factors leading to agency switch. The researcher has factor analysed the advertisers' perceptions regarding these five elements to evolve broad factors that together make-up for a successful advertiser-agency relationship. Then two-tailed t-test was administered on the advertisers and agency respondents' responses to identify the intensity of possible perceptual gaps and to suggest suitable remedies to overcome these perceptual gaps. Further by employing Analysis of variance the researcher proceeded to determine whether the nature of business of the advertisers had any influence on their perceptions regarding relationship. As an extension to this, the study attempted to explore the significance of influence of the type of products handled by the advertisers on their perceptions towards a successful advertiser-agency relationship. The researcher went ahead and tried to determine the predictors of agency switch by deriving a discriminant function through the application of Discriminant Function Analysis. The findings of this study are unveiled thoroughly in the following pages to assist the advertisers and agencies towards developing and maintaining a successful advertiser-agency relationship.
6.1 Characteristics of the advertisers
1. The study reveals marketing managers, chief executives and advertising directors / managers as the main decision-makers on advertising in their respective organisations and they represent the organization with the agency.
2. Majority of the advertiser respondents taken-up for the study are manufacturers and service providers.
3. Most of the respondents considered for the study are from the services industry and shopping goods industry.
4. Objective method and cost plus method are the most commonly used methods for determining the advertising budget.
5. Majority of the advertisers taken-up for the study spend less than three percent of their turnover on advertising.
6. Most of the advertisers avail the services of only one advertising agency. Very few advertisers have two and three agencies servicing them.
7. Majority of the advertisers included for the study have more than five years of agency relationship.

6.2 Level of satisfaction with the agency
1. Most of the advertisers are not fully satisfied with the services provided by their advertising agency.
2. Majority of the advertisers are not fully satisfied with state of relationship with the agency.

6.3 Characteristics of advertising agencies
1. Among the agencies taken-up for the study, majority deal with 25 to 29 clients. Only a few agencies work with less than 15 clients.
2. Majority of the agencies registered with the advertising club, Chennai, and taken-up for the study are full-service agencies.
3. Most of the agencies considered for the study, have majority of their clients from the shopping goods and the industrial goods sector.

4. Majority of the agencies taken for the study are dealing with advertisers in manufacturing and service industry.

5. Irrespective of the number of agencies hired, most of the advertisers are not fully satisfied with the state of relationship with the agency.

6.4 Advertisers’ perceptions towards the factors leading to successful advertiser-agency relationship

Advertisers’ perceptions regarding new agency selection

The advertisers perceive factors like agency performance record, agency service capability, terms of business and reputation to influence them in new agency selection. Though advertisers perceive to consider factors like terms of business and agency reputation, they give more importance to factors like agency performance record, agency’s service capability and agency organizational factor in new agency selection.

The results of this study are inline with the suggestions given by Zhivago[1994] to consider an agency’s past performance record while selecting a new agency. The above finding makes it clear that, the advertisers expect their agencies to concentrate more on their present clients, prove their ability and establish a track record for results. In addition to track record, the potential advertisers expect their agencies to be capable of rendering the entire range of services, so that they need not look for or depend on additional agencies. The next important factor considered by advertisers is agency organizational factor i.e. the advertisers expect their agency to have a collaboration with a reputed agency and have branches in major towns. The latest development taking place in Indian advertising scenario is that Indian agencies are competing with one another to tie-up with a multinational agency to service their multinational
clients entering India. This trend has influenced the advertisers and they too wish to employ an Indian agency with a foreign collaboration.

*Advertisers perceptions regarding quality of relationship*

The advertisers perceive factors like agency performance record, size of advertisers account, personnel continuity, agency reputation, overall satisfaction and period of credit in that order to influence the quality of advertiser-agency relationship.

The above result shows the prime concern of advertisers towards agency’s ability to show results and they perceive this factor to have a high influence on the quality of relationship. Hence the agencies should strive hard and ensure a track record for results. The next important factor perceived by the advertisers to influence the quality of relationship is size of the advertisers account. This conveys the perception of advertisers that the agencies give importance to bigger clients than the smaller clients. The agencies should try to overcome this barrier in the minds of the advertisers and ensure that, irrespective of the size of the account they give equal importance to all their clients. This would result in improved advertiser-agency relationship.

Personnel continuity at the agency is also perceived to highly influence the quality of relationship. This is a common phenomenon, as any changes in personnel involved in a relationship tend to jeopardize the entire relationship. The agencies, though it is difficult should ensure personnel continuity at the agency to sustain and build the quality of relationship.

Though other factors like agency reputation, overall satisfaction with the agency and period of credit extended are also perceived to influence the quality of relationship their intensity of influence is less when compared to the above factors.
Advertisers’ perceptions regarding advertiser-agency loyalty

Advertisers perceive factors like agency performance, agency’s full-service capability, personnel equation, agency policy, marketing inputs and business environment to lead to advertiser-agency loyalty.

Here again, the advertisers perceive agency’s ability to perform is a must and if only the agency can excel in performance, only then the relationship between the advertiser and the agency will blossom into a loyal one. This conveys the point that advertisers are strongly for performance and performance cannot be substituted by any other factor in building a good relationship. Next, the advertisers have once again expressed their faith towards a work related factor – the full-service capability of the agency to lead to a loyal relationship. The results of the analysis makes it clear that, the advertisers are willing to continue with one agency provided the agency can fulfil their entire needs. So the agencies should render the entire-range of services required by their clients to develop the relationship into a loyal one.

The next important factor as perceived by advertisers to lead to a loyal relationship is the personal equation factor i.e. the advertiser and the agency should develop and work with compatible objectives to develop a good understanding. The advertisers also perceive that, the factors like agency policy, marketing inputs and stable business environment to have less influence than the above in developing a loyal relationship.

Advertisers’ perceptions regarding agency performance evaluation

The advertisers perceived to employ factors like agency creative and media skills, marketing assistance, agency service capability and specialised skills in agency performance evaluation. The advertisers give more importance to criteria like creative and media skills, marketing assistance and service capability in agency performance evaluation than to specialised skills factor.
While evaluating the performance of the agency the advertisers primarily measure the agency’s creative and media skills, so if an agency fails to meet the advertisers expectations in this regard, the agency would be deemed to be a poor performer. Next important criterion is marketing assistance. The agencies are expected to assist the advertisers in effectively marketing their products, otherwise their performance will be rated low. The next important performance evaluation criterion is agency service capability i.e. the agencies should be capable of rendering the entire range of service expected from them, as otherwise they are perceived as bad performers. Though specialised skills of the agency is considered to be a performance evaluation criterion, the advertisers perceive it to be the least important criterion. Hence the agencies should concentrate on the other factors to upgrade their performance level.

Advertisers’ perceptions regarding agency-switch

The advertisers perceive factors like-deterioration in creative and media services, organisational factor, agency policy factor, agency performance factor, creeping disenchantment factor and personal equation factor to lead them in that order to switch-agency.

As advertisers perceive deterioration in creative and media services to be the main reason for switching agency, the agencies should consistently provide their clients with the best creative work. This would help the advertisers to edge-out their competition. In addition to this, the agencies should get the best out of the clients rupee spent on various media. The agencies may go in for mass media buying to economise on expenditure or can employ specialists to get the best value out of every media.

The second important factor that leads the advertisers to switch agency is client organizational factor. Usually when there is a change in the client’s organizational make-up the agency handling the account is also changed. This
action can be easily effected, if there is an invisible gap between the advertiser and the agency. The agencies should strive to overcome this gap by establishing a thorough link with the advertiser, his product and the marketing strategy. If the activities of the advertiser and the agency are integrated, then separation becomes difficult. The advertiser will find it difficult to manage the product without the assistance of the agency.

The third important factor that influences the advertisers to switch agency is agency policy factor. The agencies should have a client oriented policy i.e. whatever policy that the agency formulates and implements it should favour the clients and result in more value/returns for the amount spent on advertising. The agency should not have a policy that would harm/ deplete the interests of the advertisers. Example—signing of conflicting accounts, collaborating with an agency that deals with competing accounts etc.,

The other factors like agency performance, creeping disenchantment with the agency and personal equation are also perceived to lead to agency switch but with a less intensity. Hence the agencies should also keep a watch over these factors to prevent the advertisers from switching agency.

From the above deliberations on advertisers’ perceptions it can be concluded that, for the success of an advertiser-agency relationship, the performance capability of the agency is considered as vital. Among the various capabilities – the creative and media skills of the agency is perceived as very important. Hence the agencies should muster their creative and media skills and then tailor their efforts to meet their client specific needs.
6.5 Comparison of advertisers’ and advertising agency perceptions

*Perceptions regarding new agency selection*

The advertisers give more importance than the agencies to the following factors while selecting a new agency - ability to offer full-services, quality of services rendered and period of credit extended. But the agencies perceive the following factors to be more influential - size of the agency in terms of billings, agency’s success with other brands, credit worthiness and financial standing, specialized skills in various fields, ability in media buying, effectiveness of speculative presentation made, collaboration with a reputed agency, branches in major towns, special terms of business, agency’s ability to win awards, agency’s previous experience in similar or related product category and reputation of the agency.

From the above results it is clear that the advertisers are very specific about what they look for from a new agency, but the agencies perceive too many factors to influence the advertisers while selecting a new agency.

*Perceptions towards quality of relationship*

The advertisers place more importance than the agencies to the following factors - overall satisfaction with the agency, ability to turnout successful ad campaigns and quality of services rendered. But the agencies give more importance than the advertisers to factors like - number of awards won by the agency, relationship with clients’ top management, controlling staff turnover, size of the agency, reputation of the agency, number of services provided and nature of services provided.

Only for a few factors like - agency’s track record for results, charges for services received, size of client’s account relative to agency’s other accounts...
and ability to identify/forecast marketing and promotional needs the perceptions of the advertisers and the agencies have not varied significantly.

**Perceptions towards advertising-agency loyalty**

The advertisers give more importance than the agencies to factors like – economy in operations, agency fulfils full-service needs, compatible objectives between the advertiser and the agency, agency’s track record for results, no conflicting accounts and stable business environment in developing a loyal relationship. On the other hand, the agencies give more importance than the advertisers to factors like – professionalism in functioning, agency maintains good creative standards, common goals and interests, reputation of the agency, personnel continuity, prompt servicing, trust worthiness, availability of specialised services and special terms of business in building a loyal relationship.

There are no significant differences in the perceptions of advertisers and agencies regarding a few loyalty factors like - personal affinity with the agency and providing of marketing inputs.

**Perceptions towards agency performance evaluation**

The advertisers attach more importance than agencies to criteria like - ability to forecast marketing and promotional needs, full-service capability and successful ad-campaigns in the past, while evaluating the agency performance. But the agencies attach more importance than advertisers to performance evaluation criteria like - effective media planning and buying skills, good creative skills, personnel continuity, winning awards for their work, help build a brand, good strategic planning capabilities, good public relations capabilities and good direct-marketing capabilities.
The perceptual difference between advertisers and agencies is not significant with respect to the factor good research skills.

*Perceptions regarding agency-switch*

The advertisers attach more significance than agencies to factors like - changes in clients' marketing policies, agency involved in merger or acquisition, development of conflicting accounts, relative weakness of ad-campaigns, size of the clients' account relative to agency's other accounts, non-availability of full-services and agency not close enough to client's business as potential determinants of agency switch. But the agencies attach more significance than advertisers to factors like - poor creative work, poor media skills, changes in client product management, changes in clients' top management, changes in top agency personnel, advertiser-agency personality conflict, changes in agency creative personnel, agency's in-ability to win awards, time for a change and changes in agency account management as the main determinants of agency switch.

But the agencies attach more significance than advertisers to factors like - poor creative work, poor media skills, changes in client product management, changes in clients' top management, changes in top agency personnel, advertiser-agency personality conflict, changes in agency creative personnel agency's in-ability to win awards, time for a change and changes in agency account management as the main determinants of agency switch.

The perceptual differences between the advertisers and the agencies regarding the factors – poor standard in agency's marketing advice and drop-in service standards of the agency, are not significant.
6.6 Duration of relationship and advertiser's perceptions

The results of the study confirm the non-acceptance of the hypothesis "the duration of advertiser-agency relationship and perceptions towards factors leading to successful advertiser-agency relationship are independent".

Duration of relationship and new agency selection

Among the advertisers with different durations of relationship, the advertisers with less than a year relationship have given a high weightage than the other advertisers to period of credit extended by the agency while selecting a new agency, advertisers with 1 to 3 years of relationship have given high weightage than other advertisers to effectiveness of presentation made, advertisers with 3 to 5 years of relationship have given high weightage than other advertisers to specialised skills in various fields and advertisers with more than 5 years of relationship have given high weightage than the other advertisers to factors like agency’s success with other brands, ability to offer full-services, quality of services rendered, collaboration with a reputed agency and agency’s previous experience in similar or related product category, while selecting a new agency.

The above results convey the fact that, in the initial years of relationship or advertisers with shorter relationship expect only a few services from the new agency, but as the relationship progresses their expectations from the new agency also increases. This is due to the fact that, as the business progresses the need for advertising and other related service increases, hence the advertisers expect more from the new agency.

The advertisers perceptions regarding new agency selection criteria like -size of the agency in terms of billings, credit worthiness and financial standing of the agency, ability in media-buying, special terms of business, agency which
Duration of relationship and quality of relationship

Among the advertisers with different durations of relationships, advertisers with less than a year relationship have given more importance than the others to factors like number of awards won by the agency and the period of credit extended, advertisers with 3 to 5 years of relationship have given more importance than other advertisers to relationship with client’s top management and nature of services received, advertisers with more than five years of relationship have given more importance than others to agency’s track record of results, ability of the agency to turnout successful ad-campaigns, quality of services received and overall satisfaction with the agency, as influencers of quality of relationship.

The above findings makes it clear that, the advertisers with a shorter relationship perceive factors like number of awards won by the agency and period of credit extended to highly influence the quality of relationship, but when the duration of relationship increases the advertisers’ perceptions shifts focus to performance related factors such as agency’s track record for results, ability of the agency to turnout successful ad-campaigns, quality of services received and overall satisfaction with the agency to influence the quality of relationship.

The advertisers’ perceptions regarding the factors like – charges for services received, size of clients account relative to agency’s other accounts, ability to identify/ forecast marketing and promotional needs, controlling staff turnover, size of the agency, reputation of the agency and number of services provided by the agency, have not changed significantly with the change in duration of relationship.
Duration of relationship and advertiser-agency loyalty

Among the advertisers with different durations of relationship, advertisers with less than a year relationship have given more importance than the others to loyalty factors like common goals and interests, economy in operations and compatible objectives. Advertisers with 1 to 3 years of relationship have given more importance than others to personnel continuity, advertisers with 3 to 5 years of relationship have given more importance than other advertisers to factors like -agency maintains good creative standards, trust worthiness and agency's track record. Advertisers with more than 5 years of relationship have given more importance than others to loyalty factors like -agency fulfils full-service needs, availability of specialized services, no conflicting accounts and stable business environment.

Advertisers perceptions regarding a few loyalty factors like -professionalism in functioning, reputation of the agency, prompt servicing, personal affinity with the agency, special terms of business and providing of marketing inputs have not changed significantly with the change in duration of relationship.

Duration of relationship agency performance evaluation

Among the advertisers with different durations of relationship, the advertisers with less than a year relationship give more importance than others to factors like -ability to forecast marketing and promotional needs, help build a brand, good research skills, good strategic planning capabilities and good direct-marketing capabilities in agency performance evaluation. Advertisers with 1 to 3 years of relationship give more importance to personnel continuity and advertisers with more than 5 years of relationship give more importance to full-service capability of the agency while evaluating the performance of the agency.
The above findings reflect the fact that the advertisers with a shorter duration of relationship expect too many services from their agency and accordingly perceive to employ many criterions in agency performance evaluation. But with the increase in duration of relationship, the advertisers settledown in their expectations from the agency and accordingly perceive to give more importance to a few agency performance evaluation criteria.

Advertisers’ perceptions regarding a few factors like effective media planning and buying skills, good creative skills, winning awards for work, good marketing skills and successful ad-campaigns in the past have not changed significantly with the increase in duration of relationship.

**Duration of relationship and agency-switch**

Among the advertisers with different durations of relationship, the advertisers with less than a year relationship have attached more significance than other advertisers to factors like -poor media skills, development of conflicting accounts in agency, and agency’s in-ability to win awards, as determinants of agency switch. Advertisers with 1 to 3 years of relationship have attached much significance to size of client’s account relative to agency’s other accounts. Advertisers with 3 to 5 years of relationship attached much significance to poor creative skills and agency-client personality conflict. Advertisers with more than five years of relationship attach more significance to factors like -change in client product management, change in client’s marketing policies, non-availability of full services, agency not close enough to client’s business and changes in agency account management as the main causes for agency switch.

The advertisers’ perceptions regarding factors like poor creative skills, poor media skills, changes in client’s top management, changes in top agency personnel, poor standard in agency’s marketing advice, agency involved in...
merger or acquisition, relative weakness of ad-campaigns, changes in agency creative personnel, time for a change and drop-in service standards have not changed significantly with the increase in duration of relationship.

6.7 Nature of business and advertisers perceptions

The study confirms the non-acceptance of the hypothesis, "The nature of business of the advertisers and their perceptions towards factors leading to successful advertiser-agency relationship are independent".

Nature of business and new agency selection

Among the advertisers into manufacturing, trading and service providing the advertisers into manufacturing place greater importance on factors like - agency’s success with other brands, specialized skills in various fields, ability in media buying, collaboration with a reputed agency, branches in major towns and reputation of the agency while selecting a new agency.

The advertisers into trading place greater emphasis on factors like - size of agency in terms of billings, credit worthiness and financial standing, period of credit extended, special terms of business and agency’s ability to win awards in new agency selection.

The advertisers into service providing place greater importance on factors like - ability to offer full-services, quality of services rendered, effectiveness of presentation made and agency’s previous experience in similar or related product category in new agency selection.

Nature of business and quality of relationship

Among the advertisers into manufacturing, trading and service providing, the advertisers into manufacturing perceive factors like - ability to identify/forecast marketing and promotional needs, relationship with agency’s
top management and number of services provided to highly influence the quality of relationship.

The advertisers into trading perceive number of awards won by the agency, controlling staff turnover and period of credit extended to highly influence the quality of relationship.

The advertisers into service providing perceive attributes like agency’s track record for results, ability to turnout successful ad-campaigns, charges for services received, size of client’s account relative to agency’s other accounts, overall satisfaction with the agency and nature of services received to highly influence the quality of relationship.

The difference in nature of business of the advertisers has not significantly influenced the advertisers perceptions regarding quality of services received, size of the agency and reputation of the agency.

**Nature of business and advertiser-agency loyalty**

Among the advertisers into manufacturing, trading and service providing, the advertisers into manufacturing perceive-agency’s ability to maintain good creative standards, trustworthiness, no conflicting accounts and providing of marketing inputs would highly lead to advertiser-agency loyalty.

The advertisers into trading perceive factors like common goals and interests, reputation of the agency, personnel continuity, prompt servicing and special terms of business to highly enable advertiser-agency loyalty.

The advertisers into service providing perceive factors like agency fulfils full-service needs, compatible objectives, agency’s track record for
results, personal affinity with the agency and availability of specialized services to highly lead to a loyal relationship.

The difference in nature of business of the advertisers has not significantly influenced the advertisers’ perceptions regarding professionalism in functioning, economy in operations and stable business environment.

**Nature of business and agency performance evaluation**

Among the advertisers into manufacturing, trading and service providing, the advertisers into manufacturing perceive factors like -effective media planning and buying skills, ability to forecast marketing and promotional needs, help build a brand, good marketing skills, good research skills, good strategic planning capabilities and successful ad-campaigns in the past, as highly significant performance evaluation criteria.

The advertisers into trading perceive factors like -good creative skills, winning awards for work, service response time, good public relations capabilities and good direct marketing capabilities as highly significant performance evaluation criteria.

The advertisers into service provid perceive factors like full-service capability and successful ad-campaigns in the past as highly significant performance evaluation criteria.

The difference in nature of business of the advertisers has not significantly influenced the advertisers’ perceptions regarding performance evaluation criterion like -personnel continuity.
**Nature of business and agency switch**

Among the advertisers into manufacturing, trading and service providing, the advertisers into manufacturing perceive factors like -poor creative work, poor media skills, changes in client product management, changes in client's marketing policies, poor standard in agency's marketing advice, agency involved in merger or acquisition, development of conflicting accounts in agency, changes in agency creative personnel, agency not close enough to client's business to highly influence them to switch agency.

Advertisers into trading perceive factors like – changes in top agency personnel, agency's in-ability to win awards and time for a change to highly influence them to switch agency.

Advertisers into service providing perceive changes in clients' top management, relative weakness of ad-campaigns, size of the client's account relative to agency's other accounts, non-availability of full-services, advertiser-agency personality conflict, agency not close enough to client's business and changes in agency account management to highly influence them to switch agency.

**6.8 Type of products and advertisers perceptions**

The results of the data analysis confirm the rejection of the hypothesis - "the type of products handled by the advertisers and their perceptions towards factors leading to successful advertiser-agency relationship are independent".

**Type of products and new agency selection**

Among the advertisers handling various types of products, the advertisers into convenience goods attach more significance than the other advertisers to factors like -size of agency in terms of billings, credit worthiness
and financial standing, ability in media buying, period of credit extended and agency which wins maximum awards while selecting a new agency.

The advertisers into speciality goods attach more significance than the others to factors like -agency’s success with other brands, specialized skills in various fields, effectiveness of presentation made and reputation of the agency while selecting a new agency.

The advertisers into other goods attach more significance than the others to factors like -ability to offer full-services and quality of services rendered while selecting a new agency.

The advertisers into industrial goods attach more significance than the others to factors like -collaboration with a reputed agency, branches in major towns and special terms of business while selecting a new agency.

There are no significant differences in the perceptions of various advertisers regarding the factor agency’s previous experience in similar or related product category.

*Type of products and quality of relationship*

Among the advertisers handling various types of products, the advertisers handling convenience goods attach more significance than the others to factors like -number of awards won by the agency, controlling staff turnover, size of the agency and number of services provided as influencers of the quality of relationship.

The advertisers handling shopping goods perceive -relationship with clients’ top management and period of credit extended to highly influence the quality of relationship.
The advertisers handling speciality goods perceive ability to turnout successful ad-campaigns and overall satisfaction with the agency to highly influence the quality of relationship.

The advertisers handling industrial goods perceive factors like -quality of services rendered by the agency, ability to identify/forecast marketing and promotional needs and overall satisfaction with the agency to highly influence the quality of relationship.

The advertisers handling other goods perceive factors like -agency’s track record for results, charges for services received, size of client’s account relative to agency’s other account, overall satisfaction with the agency and nature of services received to highly influence the quality of relationship.

The type of products handled by the advertisers has not significantly influenced the advertisers’ perceptions regarding the factor reputation of the agency.

Type of products and advertiser-agency loyalty

Among the advertisers handling various types of products, the advertisers handling convenience goods attach much significance than the others to loyalty factors like -common goals and interests, reputation of the agency, personnel continuity, prompt servicing and trustworthiness in building a loyal relationship.

The shopping goods and speciality goods advertisers perceive agency’s ability to maintain good creative standards would highly enhance the advertiser-agency loyalty.
The industrial goods advertisers perceive factors like economy in operations, ability of the agency to provide marketing inputs, and stable business environment to develop a relationship into a loyal one.

The advertisers into other goods value loyalty factors like -agency fulfils full-service needs, compatible objectives, agency’s track record for results and personal affinity with the agency to highly influence in the developing of a loyal relationship.

The type of products handled by the advertisers has not significantly influenced the advertisers’ perceptions regarding factors like -professionalism in functioning, availability of specialised services and special terms of business in developing a loyal relationship.

**Type of products and agency performance evaluation**

Among the advertisers handling various types of products, the advertisers handling convenience goods give more importance than other advertisers to performance evaluation criteria like -creative skills, personnel continuity, winning awards, research skills, strategic planning capabilities, public relations capabilities and direct-marketing capabilities.

The advertisers handling shopping goods give more importance than other advertisers to marketing skills of the agency. The advertisers handling speciality goods give more importance to media planning and buying skills of the agency.

The advertisers handling industrial goods attach more importance than the others to criteria like -ability to forecast marketing and promotional needs, help build a brand and service response time.

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The advertisers handling other goods give more importance than the other advertisers to full service capability of the agency in evaluating the agency performance.

The type of products handled by the advertisers has not influenced the advertisers’ perceptions regarding the agency’s ability to create successful ad-campaigns as a performance evaluation criteria.

Types of products and agency switch

Among the advertisers handling various types of products, the advertisers handling convenience goods perceive factors like poor creative skills, poor media skills, development of conflicting accounts in agency, changes in agency creative personnel, agency’s inability to win awards and time for a change to highly influence them to switch agency.

The advertisers into shopping goods perceive changes in top agency personnel to highly influence them to switch agency. Advertisers into speciality goods perceive factors like changes in client’s product management, changes in client’s marketing policies, changes in top-agency personnel, agency involved in merger/acquisition, development of conflicting accounts in agency, relative weakness of ad-campaigns and agency not close enough to client’s business to highly influence them to switch agency.

The advertisers handling industrial goods perceive poor standard in agency’s marketing advice to highly influence them to switch agency. The advertisers handling other goods perceive factors like changes in client’s top management, relative weakness of ad-campaigns, size of client’s account relative to agency’s other accounts, non-availability of full services and agency-client personality conflict to highly influence them to switch agency.
The difference in types of products handled by the advertisers has not significantly influenced the advertisers' perceptions regarding the factors drop-in service standards and changes in agency account management, both of which are perceived to lead to agency switch.

**Predictors of agency-switch**

Discriminant function analysis has brought to light the important predictors of agency-switch viz., non-availability of full-services, poor media skills, poor creative skills and agency not close enough to client’s business. The other factors that prompt the advertisers to switch agency but with a lesser intensity, are -time for a change [the agency has outgrown the advertiser or vice versa], poor standard in agency's marketing advice, relative weakness of ad-campaign and advertiser-agency personality conflict.