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ABSTRACT

Advertising is a major expenditure for most consumer product companies and many industrial product firms. Advertising being the only major business function that is delegated outside the organisation, namely to an ad agency, agency-client relationship is at the heart of advertising creation, development, placement and evaluation process. Study of client satisfaction with advertising services can further the understanding about fundamentals of this relationship and can help agencies improve the overall satisfaction of their clients.

Keeping in mind the above, a study was undertaken to: 1) assess the degree of Overall Satisfaction of clients with services of their advertising agency; 2) study the Complaining Behaviour, the Repurchase Intention, and the Word-of-Mouth Intention of clients regarding services of their ad agency; 3) identify the advertising service attributes that lead to Overall Satisfaction of clients with services of their ad agency; 4) study the relationship of clients' Overall Satisfaction with their Complaining Behaviour, their Repurchase Intention, and their Word-of-Mouth Intention; and 5) ascertain if there are any differences in the degree of clients' Overall Satisfaction, their Complaining Behaviour, their Repurchase Intention, and their Word-of-Mouth Intention due to differences in selected client characteristics.

Comprehensive multi-item scales with high reliability and validity were used in the present study. A total of one hundred and fifty-seven valid responses were collected through face-to-face interviews with senior managers and executives in-charge of advertising function in
client-organisations identified using critical criteria. Analysis of data was carried out using
descriptive statistics, correlation analysis, factor analysis, multiple regression analysis, T-tests
and one-way ANOVA.

The degree of clients' Overall Satisfaction was found to be quite high. Their Repurchase
Intention and Word-of-Mouth Intention were found to be favourable. Intensity and range of
their Complaining Behaviour were found to be moderate. Strong positive correlation was
found between Overall Satisfaction and Repurchase Intention, and between Overall
Satisfaction and Word-of-Mouth Intention. However, correlation of Overall Satisfaction with
Complaining Behaviour was found to be moderately negative. Findings of the present study in
this regard are consistent with that of studies reported in literature.

Principal Components factor analysis of responses to thirty-eight advertising service attributes
resulted in extraction of six factors. Creativity, Leadership, Public Relations skill, and
Efficiency factors were found to be significant predictors of clients' Overall Satisfaction in the
multiple regression analysis. T-tests and ANOVA indicated the existence of significant
differences among groups for three classification variables, namely Nature of ownership,
Domicile status, and Relative size of client's account at the agency's branch. Findings of the
present study are significant not only for their managerial implications but for their research
implications as well.