Chapter 4

RESULTS AND DISCUSSION

Results of statistical tests and analysis used in the present study are discussed in detail in this chapter and findings of the present study are considered in the light of previous studies on the subject. This chapter is organised as follows:

- Section 4.1 Profile of the respondents,
- Section 4.2 Descriptive statistics,
- Section 4.3 Reliability of scales used,
- Section 4.4 Factor analysis of overall satisfaction,
- Section 4.5 Analysis of consequences of satisfaction,
- Section 4.6 Factor analysis of advertising service attributes,
- Section 4.7 Multiple regression analysis of ad service attributes, and
- Section 4.8 T-test and one-way ANOVA analysis.

4.1 PROFILE OF THE RESPONDENTS:

One hundred and fifty-seven responses were collected during the present study. The profile of respondents is as given below:

4.1.1 Number of ad agencies employed by clients surveyed:

Seventy-six respondents (48.4%) indicated that their organisation employed one advertising agency for advertising and related services. Forty respondents (25.5%) specified that their organisation employed services of two advertising agencies. Eighteen respondents (11.5%) mentioned that their organisation utilised services of three ad agencies. Twenty respondents (12.7%) specified that their organisation employed services of four advertising agencies. Finally, three respondents (1.9%) mentioned that their organisation employed services of five
or more ad agencies. A pie-chart indicating the number of ad agencies employed by clients surveyed in this study is given on the following page (chart-4.01).

4.1.2 Type of ad agency employed by clients surveyed:

One hundred and thirty-four respondents (85.4%) indicated that their organisation employed full-service agency and availed the full-range of advertising services from their ad agency. In-house advertising department/agency was used by the organisation of eleven (7.0%) respondents. Five respondents (3.2%) specified that their organisation used full-service agency, except for media, which was placed through media-independents. Finally, seven respondents (4.4%) indicated that their organisation employed other types of ad agencies like creative hot-shops and media-consultancies.

4.1.3 Relative size of respondents' account at the agency's branch:

Seventy-four respondents (47.1%) indicated that the relative size of their account at agency's local branch was large, forty respondents (25.6%) said that it was very large, thirty-one respondents (19.7%) stated that it was neither small nor large, and twelve respondents (7.6%) felt that it was small. A pie-chart indicating the relative size of respondents' account at the agency's local branch is given on the following page (chart-4.02).

4.1.4 Method of agency compensation followed by clients surveyed:

One hundred and thirty-three respondents (84.7%) specified that their organisation followed the standard 15% commission method of agency compensation. Five respondents (3.2%) indicated that their organisation negotiated fixed-fee/flat-fee with the agency at regular intervals. Eleven respondents (7.0%) mentioned that their organisation used combination of reduced commission and fixed-fees for compensating the ad agency. Cost-plus method of agency compensation was used by two respondents (1.3%). Lastly, six respondents (3.8%) mentioned that their organisation compensated the ad agency on the basis of time charges.
Chart - 4.01
Number of Ad Agencies Employed by Clients Surveyed

- 76 (48.4%) One agency
- 40 (25.5%) Two agencies
- 18 (11.5%) Three agencies
- 20 (12.7%) Four agencies
- 3 (1.9%) Five or more agencies

Total number of responses = 157 (100%)
Chart - 4.02
Relative Size of Respondents' Account at the Agency's Branch

- 74 (47.1%) Large
- 12 (7.6%) Small
- 40 (25.5%) Very large
- 31 (19.7%) Neither Small nor large

Total number of responses = 157 (100%)
4.1.5 Nature of business activity of clients surveyed:

Among those surveyed, thirty respondents (19.1%) indicated that their organisation manufactured or marketed consumer durable goods, forty-four respondents (28.0%) mentioned that their organisation manufactured or marketed consumer non-durable goods, and thirty-two respondents (20.4%) stated that their organisation manufactured or marketed industrial goods. Lastly, service was mentioned as the nature of organisational business activity by fifty-one respondents (32.5%). A pie-chart indicating the nature of business activity of respondents surveyed in this study is given on the following page (*chart-4.03*).

4.1.6 Name of the product/industry of clients surveyed:

During the present study, responses to the questionnaire were obtained from clients operating in a wide spectrum of industries. Out of one hundred and fifty-seven clients surveyed, fourteen respondents (8.9%) indicated that a major portion of the total sales revenue of their organisation was contributed by food products. Thirteen respondents (8.3%) mentioned it as banking services, followed by automobiles & auto-ancillaries, cement & building products, and non-banking financial services with ten respondents each (6.4%). Housing and real-estate was specified as the major source of organisational revenue by 9 respondents (5.7%), followed by Cosmetics and toiletries - seven respondents (4.5%), and telecom services - six respondents (3.8%). List of products contributing a major portion to the total sales revenue of respondents' organisation is given in *table-4.01* on the following page.

4.1.7 Form of the organisation of clients surveyed:

Seventy-four clients surveyed for this study (47.1%) were publicly held Indian companies, while fourteen clients (8.9%) were publicly held multi-national companies. Thirty-eight clients (24.2%) were closely held/private limited Indian companies, and three clients (1.9%) were closely held/private multi-national companies. Sixteen clients (10.2%) were central
Chart - 4.03
Nature of Business Activity of Clients Surveyed

- 44 (28.0%) Mfg/Mkting Consumer Non-durable Goods
- 32 (20.4%) Mfg/Mkting Industrial Goods
- 30 (19.1%) Mfg/Mkting Consumer Durable Goods
- 51 (32.5%) Services

Total number of responses = 157 (100%)
Table - 4.01 : Name of the Product/Industry of Clients Surveyed

<table>
<thead>
<tr>
<th>S No.</th>
<th>Name of the product/industry</th>
<th>Frequency (Nos.)</th>
<th>Percent (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Food Products</td>
<td>14</td>
<td>8.9</td>
</tr>
<tr>
<td>2.</td>
<td>Banking Services</td>
<td>13</td>
<td>8.3</td>
</tr>
<tr>
<td>3.</td>
<td>Automobiles &amp; Auto-ancillaries</td>
<td>10</td>
<td>6.4</td>
</tr>
<tr>
<td>4.</td>
<td>Cement &amp; Building products</td>
<td>10</td>
<td>6.4</td>
</tr>
<tr>
<td>5.</td>
<td>Non-Banking Financial Services</td>
<td>10</td>
<td>6.4</td>
</tr>
<tr>
<td>6.</td>
<td>Housing &amp; Real-Estate</td>
<td>9</td>
<td>5.7</td>
</tr>
<tr>
<td>7.</td>
<td>Cosmetics &amp; Toiletries</td>
<td>7</td>
<td>4.5</td>
</tr>
<tr>
<td>8.</td>
<td>Telecom Services</td>
<td>6</td>
<td>3.8</td>
</tr>
<tr>
<td>9.</td>
<td>Information Technology</td>
<td>5</td>
<td>3.2</td>
</tr>
<tr>
<td>10.</td>
<td>Petrochemicals</td>
<td>4</td>
<td>2.5</td>
</tr>
<tr>
<td>11.</td>
<td>Pharmaceuticals</td>
<td>4</td>
<td>2.5</td>
</tr>
<tr>
<td>12.</td>
<td>Publishing</td>
<td>4</td>
<td>2.5</td>
</tr>
<tr>
<td>13.</td>
<td>Textiles</td>
<td>4</td>
<td>2.5</td>
</tr>
<tr>
<td>14.</td>
<td>Commercial Horticulture</td>
<td>3</td>
<td>1.9</td>
</tr>
<tr>
<td>15.</td>
<td>Education &amp; Training</td>
<td>3</td>
<td>1.9</td>
</tr>
<tr>
<td>16.</td>
<td>Fertilisers</td>
<td>3</td>
<td>1.9</td>
</tr>
<tr>
<td>17.</td>
<td>Health Services</td>
<td>3</td>
<td>1.9</td>
</tr>
<tr>
<td>18.</td>
<td>Hotels &amp; Resorts</td>
<td>3</td>
<td>1.9</td>
</tr>
<tr>
<td>19.</td>
<td>Insurance Services</td>
<td>3</td>
<td>1.9</td>
</tr>
<tr>
<td>20.</td>
<td>Kitchen Appliances</td>
<td>3</td>
<td>1.9</td>
</tr>
<tr>
<td>21.</td>
<td>Retailing</td>
<td>3</td>
<td>1.9</td>
</tr>
<tr>
<td>22.</td>
<td>Tyres &amp; Tubes</td>
<td>3</td>
<td>1.9</td>
</tr>
<tr>
<td>23.</td>
<td>Writing Instruments</td>
<td>3</td>
<td>1.9</td>
</tr>
<tr>
<td>24.</td>
<td>Consumer Electronic Goods</td>
<td>2</td>
<td>1.3</td>
</tr>
<tr>
<td>25.</td>
<td>Cycles</td>
<td>2</td>
<td>1.3</td>
</tr>
<tr>
<td>26.</td>
<td>Dry Cells &amp; Batteries</td>
<td>2</td>
<td>1.3</td>
</tr>
<tr>
<td>27.</td>
<td>Electrical Equipment</td>
<td>2</td>
<td>1.3</td>
</tr>
<tr>
<td>28.</td>
<td>Industrial Electronic Goods</td>
<td>2</td>
<td>1.3</td>
</tr>
<tr>
<td>29.</td>
<td>Mutual Funds</td>
<td>2</td>
<td>1.3</td>
</tr>
<tr>
<td>30.</td>
<td>Office Equipment</td>
<td>2</td>
<td>1.3</td>
</tr>
<tr>
<td>31.</td>
<td>Washing Soaps &amp; Powders</td>
<td>2</td>
<td>1.3</td>
</tr>
<tr>
<td>32.</td>
<td>Abrasives &amp; Refractories</td>
<td>1</td>
<td>0.6</td>
</tr>
<tr>
<td>33.</td>
<td>Air Transportation</td>
<td>1</td>
<td>0.6</td>
</tr>
<tr>
<td>34.</td>
<td>Chemicals</td>
<td>1</td>
<td>0.6</td>
</tr>
<tr>
<td>35.</td>
<td>Chit Schemes &amp; Investments</td>
<td>1</td>
<td>0.6</td>
</tr>
<tr>
<td>36.</td>
<td>Engineering Goods</td>
<td>1</td>
<td>0.6</td>
</tr>
<tr>
<td>37.</td>
<td>Lottery</td>
<td>1</td>
<td>0.6</td>
</tr>
<tr>
<td>38.</td>
<td>Shoe-polish</td>
<td>1</td>
<td>0.6</td>
</tr>
<tr>
<td>39.</td>
<td>Steel &amp; Steel-products</td>
<td>1</td>
<td>0.6</td>
</tr>
<tr>
<td>40.</td>
<td>Surface Coatings</td>
<td>1</td>
<td>0.6</td>
</tr>
<tr>
<td>41.</td>
<td>Toys</td>
<td>1</td>
<td>0.6</td>
</tr>
<tr>
<td>42.</td>
<td>Units &amp; Unit-linked Investments</td>
<td>1</td>
<td>0.6</td>
</tr>
</tbody>
</table>

Total number of respondents = 157 (100%)
government undertakings or departments, while twelve clients (7.7%) were state government undertakings or departments. A pie-chart indicating the form of organisation of clients surveyed in this study is given on the following page (chart-4.04).

4.1.8 Total sales revenue of clients surveyed:

The annual sales revenue of clients surveyed in this study ranged from Rs. 2.00 crore per annum to Rs. 30,000.00 crore per annum. The mean and the median of annual sales revenue of clients studied were Rs. 1,174.40 crore and Rs. 120.00 crore respectively. The standard deviation was Rs. 3,522.50 crore. The first and third quartile values were found to be Rs. 50.00 crore and Rs. 412.50 crore respectively. Frequency table of the annual sales revenue of one hundred and fifty-seven clients surveyed is given in table-4.02 on the following page.

4.1.9 Total advertising expenditure of clients surveyed:

Clients' total expenditure on advertising ranged between Rs. 0.50 crore per year to Rs. 25.00 crore per year. The mean, the median, and the standard deviation of total annual advertising expenditure of clients surveyed were found to be Rs. 4.32 crore, Rs. 2.25 crore, and Rs. 5.23 crore respectively. The first and third quartile values were Rs. 1.00 crore and Rs. 5.00 crore respectively. Table of frequencies of clients' total annual spend on advertising is given on the following page (table-4.03).

4.1.10 Sales revenue of clients' brand/s handled by the agency:

Frequency distribution of the annual sales revenue of clients' brand/s handled by the agency is given in table-4.04 on the following page. The annual sales revenue of clients' brand/s handled by the agency ranged between Rs. 2.00 crore and Rs. 15,000 crore. The mean, the median, and the standard deviation were found to be Rs. 673.53 crore, Rs. 80.00 crore, and Rs. 2,257.96 crore respectively. While the first and third quartile values were found to be Rs. 27.50 crore and Rs. 258.00 crore respectively.
Chart - 4.04
Form of the Organisation of Clients Surveyed

12 (7.6%) State govt. PSUs/Depts.
16 (10.2%) Central govt. PSUs/Depts.
3 (1.9%) Privately held MNCs
74 (47.1%) Publicly held Indian Co.s
38 (24.2%) Privately held Indian Co.s
14 (8.9%) Publicly held MNCs

Total number of responses = 157 (100%)
### Table - 4.02
Total Sales Revenue of Clients Surveyed

<table>
<thead>
<tr>
<th>Annual Sales Revenue of the Organisation (in Rs.)</th>
<th>Frequency</th>
<th>Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 to 25 crore</td>
<td>23</td>
<td>14.6</td>
<td>14.6</td>
</tr>
<tr>
<td>26 to 50 crore</td>
<td>19</td>
<td>12.1</td>
<td>26.8</td>
</tr>
<tr>
<td>51 to 75 crore</td>
<td>12</td>
<td>7.6</td>
<td>34.4</td>
</tr>
<tr>
<td>76 to 100 crore</td>
<td>19</td>
<td>12.1</td>
<td>46.5</td>
</tr>
<tr>
<td>101 to 150 crore</td>
<td>16</td>
<td>10.2</td>
<td>56.7</td>
</tr>
<tr>
<td>151 to 200 crore</td>
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<td>8.9</td>
<td>65.6</td>
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<td>201 to 300 crore</td>
<td>5</td>
<td>3.2</td>
<td>68.8</td>
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<td>301 to 400 crore</td>
<td>10</td>
<td>6.4</td>
<td>75.2</td>
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<td>78.3</td>
</tr>
<tr>
<td>501 to 1,000 crore</td>
<td>7</td>
<td>4.5</td>
<td>82.8</td>
</tr>
<tr>
<td>1,001 to 2,000 crore</td>
<td>12</td>
<td>7.6</td>
<td>90.4</td>
</tr>
<tr>
<td>2,001 to 5,000 crore</td>
<td>4</td>
<td>2.5</td>
<td>92.9</td>
</tr>
<tr>
<td>5,001 to 10,000 crore</td>
<td>6</td>
<td>3.8</td>
<td>96.8</td>
</tr>
<tr>
<td>More than 10,000 crore</td>
<td>5</td>
<td>3.2</td>
<td>100</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>157</td>
<td><strong>100</strong></td>
<td></td>
</tr>
</tbody>
</table>

### Table - 4.03
Total Advertising Expenditure of Clients Surveyed

<table>
<thead>
<tr>
<th>Annual Ad Expenditure of the Organisation (in Rs.)</th>
<th>Frequency</th>
<th>Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.50 to 0.75 crore</td>
<td>20</td>
<td>12.7</td>
<td>12.7</td>
</tr>
<tr>
<td>0.76 to 1.00 crore</td>
<td>20</td>
<td>12.7</td>
<td>25.5</td>
</tr>
<tr>
<td>1.01 to 1.50 crore</td>
<td>21</td>
<td>13.4</td>
<td>38.9</td>
</tr>
<tr>
<td>1.51 to 2.00 crore</td>
<td>15</td>
<td>9.6</td>
<td>48.4</td>
</tr>
<tr>
<td>2.01 to 2.50 crore</td>
<td>16</td>
<td>10.2</td>
<td>58.6</td>
</tr>
<tr>
<td>2.51 to 3.00 crore</td>
<td>14</td>
<td>8.9</td>
<td>67.5</td>
</tr>
<tr>
<td>3.01 to 4.00 crore</td>
<td>7</td>
<td>4.5</td>
<td>72.1</td>
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<tr>
<td>4.01 to 5.00 crore</td>
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</tr>
<tr>
<td>5.01 to 7.50 crore</td>
<td>9</td>
<td>5.7</td>
<td>83.4</td>
</tr>
<tr>
<td>7.51 to 10.00 crore</td>
<td>9</td>
<td>5.7</td>
<td>89.2</td>
</tr>
<tr>
<td>10.01 to 15.00 crore</td>
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<td>4.5</td>
<td>93.6</td>
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<td>15.01 to 20.00 crore</td>
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<td>0.6</td>
<td>100</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>157</td>
<td><strong>100</strong></td>
<td></td>
</tr>
</tbody>
</table>
### Table - 4.04
Sales Revenue of Clients' Brand/s Handled by the Agency

<table>
<thead>
<tr>
<th>Annual Sales Revenue of brand/s handled by the ad agency (in Rs.)</th>
<th>Frequency</th>
<th>Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 to 10 crore</td>
<td>8</td>
<td>5.1</td>
<td>5.1</td>
</tr>
<tr>
<td>11 to 20 crore</td>
<td>23</td>
<td>14.6</td>
<td>19.7</td>
</tr>
<tr>
<td>21 to 30 crore</td>
<td>10</td>
<td>6.4</td>
<td>26.1</td>
</tr>
<tr>
<td>31 to 40 crore</td>
<td>11</td>
<td>7.1</td>
<td>33.1</td>
</tr>
<tr>
<td>41 to 50 crore</td>
<td>9</td>
<td>5.7</td>
<td>38.9</td>
</tr>
<tr>
<td>51 to 75 crore</td>
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<td>89.8</td>
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<td>1,001 to 2,000 crore</td>
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<td>5.1</td>
<td>94.9</td>
</tr>
<tr>
<td>More than 2,000 crore</td>
<td>8</td>
<td>5.1</td>
<td>100</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>157</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Table - 4.05
Clients' Ad Expenditure on their Brand/s Handled by the Agency

<table>
<thead>
<tr>
<th>Annual Ad Expenditure on brand/s handled by the agency (in Rs.)</th>
<th>Frequency</th>
<th>Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.50 to 0.75 crore</td>
<td>37</td>
<td>23.6</td>
<td>23.6</td>
</tr>
<tr>
<td>0.76 to 1.00 crore</td>
<td>39</td>
<td>24.8</td>
<td>48.4</td>
</tr>
<tr>
<td>1.01 to 1.50 crore</td>
<td>23</td>
<td>14.6</td>
<td>63.1</td>
</tr>
<tr>
<td>1.51 to 2.00 crore</td>
<td>20</td>
<td>12.7</td>
<td>75.8</td>
</tr>
<tr>
<td>2.01 to 2.50 crore</td>
<td>9</td>
<td>5.7</td>
<td>81.5</td>
</tr>
<tr>
<td>2.51 to 3.00 crore</td>
<td>6</td>
<td>3.8</td>
<td>85.4</td>
</tr>
<tr>
<td>3.01 to 4.00 crore</td>
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<td>91.7</td>
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<td>5.01 to 10.00 crore</td>
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<td>98.7</td>
</tr>
<tr>
<td>10.01 to 20.00 crore</td>
<td>2</td>
<td>1.3</td>
<td>100</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>157</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
4.1.11 Clients' ad expenditure on their brand/s handled by the agency:

Annual ad expenditure of clients on their brand/s handled by the agency ranged between Rs. 0.50 crore and Rs. 20.00 crore. The mean value was found to be Rs. 1.99 crore. The median and the standard deviation were found to be Rs. 1.25 crore and Rs. 2.28 crore respectively. The first and third quartile values were found to Rs. 0.80 crore and Rs. 2.00 crore respectively. Frequency distribution of clients' annual ad expenditure on their brand/s handled by the agency is given in table-4.05 on the following page.

4.1.12 Length of unbroken relationship between clients and the agency:

Frequency distribution of the length of unbroken relationship between clients and their advertising agency is given below in table-4.06.

<table>
<thead>
<tr>
<th>Length of Unbroken Relationship</th>
<th>Frequency</th>
<th>Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 to 1.00 year</td>
<td>34</td>
<td>21.7</td>
<td>21.7</td>
</tr>
<tr>
<td>1.01 to 2 years</td>
<td>36</td>
<td>22.9</td>
<td>44.6</td>
</tr>
<tr>
<td>2.01 to 3.00 years</td>
<td>20</td>
<td>12.7</td>
<td>57.3</td>
</tr>
<tr>
<td>3.01 to 4.00 years</td>
<td>20</td>
<td>12.7</td>
<td>70.1</td>
</tr>
<tr>
<td>4.01 to 5.00 years</td>
<td>7</td>
<td>4.5</td>
<td>74.5</td>
</tr>
<tr>
<td>5.01 to 7.50 years</td>
<td>13</td>
<td>8.3</td>
<td>82.8</td>
</tr>
<tr>
<td>7.51 to 10.00 years</td>
<td>15</td>
<td>9.6</td>
<td>92.4</td>
</tr>
<tr>
<td>10.01 to 15.00 years</td>
<td>3</td>
<td>1.9</td>
<td>94.3</td>
</tr>
<tr>
<td>15.01 to 20.00 years</td>
<td>5</td>
<td>3.2</td>
<td>97.5</td>
</tr>
<tr>
<td>More than 20 years</td>
<td>4</td>
<td>2.5</td>
<td>100</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>157</strong></td>
<td><strong>100</strong></td>
<td></td>
</tr>
</tbody>
</table>

The length of relationship between clients and their ad agency was found to range between 0.50 years and 50.00 years. The mean length of relationship was found to be 4.93 years and the median length was found to be 3.00 years. The standard deviation was 6.43 years. The first and third quartile values were 2.00 years and 6.00 years respectively.
4.1.13 Name of the advertising agency:

During the present study, one hundred and fifty-seven responses were collected from clients of fifty-three ad agencies. Names of these fifty-three advertising agencies and the number of clients of each agency surveyed for this study are given in Appendix-C of the thesis.

A wide spectrum of clients were surveyed for this study as evident from the characteristics of respondents and the number of agencies whose clients were surveyed (refer section 4.1.1 to 4.1.13). The diversity in characteristics of clients surveyed, namely the number of ad agencies engaged, type of agency retained, relative size of clients' account at the agency's local branch, method of agency compensation, length of unbroken relationship between clients and the agency, nature of business activity of clients, product/industry of clients, form of clients' organisation, sales revenue and ad expenditure of clients' organisation, and sales revenue and ad expenditure of products advertised indicates the representative nature of sample used for the present study. Moreover, the profile of managers and executives from whom responses were collected for this study shows that almost all respondents were senior managers/executives in the advertising/marketing department of client-organisations and had an important role in decisions concerning agency selection and appointment. They also had considerable amount of experience in the area of advertising. The mean, the median, and the standard deviation of the duration of respondents' experience in advertising were found to be 9.86 years, 9.00 years, and 6.61 years respectively.
4.2 DESCRIPTIVE STATISTICS:

4.2.1 Overall Satisfaction of clients:

A twelve-item Likert type summated rating scale was used to measure the degree of clients' overall satisfaction with services of their advertising agency. Respondents were requested to indicate the degree of their agreement with each of the twelve scale items using a seven-point rating scale, with points ranging from Strongly Disagree (1) to Strongly Agree (7). As responses to twelve items of the Overall Satisfaction scale were found to be uni-dimensional, they were added to form a new variable, namely Overall Satisfaction (OS). Value of the Overall Satisfaction of clients with services of their ad agency ranged between 22 and 84. The mean, the median, and the standard deviation were found to be 63.98, 67.00, and 15.30 respectively. The first and third quartile values were found to be 54.50 and 77.00 respectively. Frequency distribution of the Overall Satisfaction of clients with services of their advertising agency is given below in table-4.07.

Table - 4.07
Overall Satisfaction of clients with services of their advertising agency

<table>
<thead>
<tr>
<th>Overall Satisfaction of clients</th>
<th>Frequency</th>
<th>Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Extremely Dissatisfied (12 to 23)</td>
<td>2</td>
<td>1.3</td>
<td>1.3</td>
</tr>
<tr>
<td>Moderately Dissatisfied (24 to 35)</td>
<td>6</td>
<td>3.8</td>
<td>5.1</td>
</tr>
<tr>
<td>Slightly Dissatisfied (36 to 47)</td>
<td>20</td>
<td>12.7</td>
<td>17.8</td>
</tr>
<tr>
<td>Neither Satisfied nor Dissatisfied (48)</td>
<td>4</td>
<td>2.5</td>
<td>20.4</td>
</tr>
<tr>
<td>Slightly Satisfied (49 to 60)</td>
<td>24</td>
<td>15.3</td>
<td>35.7</td>
</tr>
<tr>
<td>Moderately Satisfied (61 to 72)</td>
<td>44</td>
<td>28.1</td>
<td>63.8</td>
</tr>
<tr>
<td>Extremely Satisfied (73 to 84)</td>
<td>57</td>
<td>36.3</td>
<td>100</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>157</strong></td>
<td><strong>100</strong></td>
<td></td>
</tr>
</tbody>
</table>

(Note: Values given within parentheses refer to value of the variable Overall satisfaction).

The frequency distribution of clients' Overall Satisfaction given above indicates that 57 respondents (36.3%) were extremely satisfied with services of their advertising agency, while
44 respondents (28.1%) were *moderately satisfied*, and 24 respondents (15.3%) were *slightly satisfied* with services of their ad agency. Furthermore, 20 respondents (12.7%) were *slightly dissatisfied* with the services of their ad agency, and 8 respondents (5.1%) were either *moderately dissatisfied* or were *extremely dissatisfied*. Four respondents (2.5%) were *neither satisfied nor dissatisfied* with services of their ad agency.

Findings of the present study compare favourably with those of studies reported in literature. In a survey among 150 advertising managers of leading corporations in the United States, Ryan and Colley (1967) found that 77% respondents were *satisfied* with the overall performance of their advertising agency (30% clients rated their agency's performance as *Outstanding*, and 47% rated it as *Good*). 23% respondents were *not satisfied* with the overall performance of their advertising agency as 19% of them rated it as *Fair*, and 4% rated it as *Poor*. In another notable study on the subject, Henke (1995) found 12% respondents to be *very satisfied* and 48% respondents to be *satisfied* with the overall performance of their advertising agency. Wackman, Salmon, and Salmon (1986) have also studied the level of clients' overall satisfaction with services of their advertising agency. Wackman *et al.* have reported that 49% respondents were *very satisfied*, 40% respondents were *somewhat satisfied*, and 11% respondents were either *somewhat dissatisfied* or were *very dissatisfied* with the overall performance of their ad agency, thereby supporting the results obtained in the present study.

4.2.2 Repurchase Intention of clients:

A three-item semantic differential scale with seven segments was used to assess the repurchase intention of clients. Subjects were asked to rate the probability of selecting their current advertising agency if an ad agency were to be appointed today. Responses were recorded on a
three-item semantic differential scale with the following bipolar adjectives: Likely/Unlikely; Probable/Improbable; and Possible/Impossible. As responses to three items of the Repurchase Intention scale were found to be uni-dimensional, they were added to form a new variable, namely Repurchase Intention (RI). Value of the Repurchase Intention of clients ranged from 3 to 21. The mean, the median, and the standard deviation were found to be 15.72, 18.00, and 5.13 respectively. The first and third quartile values were found to be 14.00 and 20.00 respectively. Frequency distribution of the Repurchase Intention of clients regarding services of their advertising agency is given below in table-4.08.

Table - 4.08
Repurchase Intention of clients regarding services of their advertising agency

<table>
<thead>
<tr>
<th>Repurchase Intention of clients</th>
<th>Frequency</th>
<th>Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Extremely Unlikely/Improbable (3 to 5)</td>
<td>11</td>
<td>7.1</td>
<td>7.1</td>
</tr>
<tr>
<td>Moderately Unlikely/Improbable (6 to 8)</td>
<td>9</td>
<td>5.7</td>
<td>12.8</td>
</tr>
<tr>
<td>Slightly Unlikely/Improbable (9 to 11)</td>
<td>11</td>
<td>7.1</td>
<td>19.8</td>
</tr>
<tr>
<td>Neither Likely/Probable nor Unlikely/Improbable (12)</td>
<td>2</td>
<td>1.3</td>
<td>21.1</td>
</tr>
<tr>
<td>Slightly Likely/Probable (13 to 15)</td>
<td>28</td>
<td>17.8</td>
<td>38.9</td>
</tr>
<tr>
<td>Moderately Likely/Probable (16 to 18)</td>
<td>45</td>
<td>28.7</td>
<td>67.5</td>
</tr>
<tr>
<td>Extremely Likely/Probable (19 to 21)</td>
<td>51</td>
<td>32.5</td>
<td>100</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>157</strong></td>
<td><strong>100</strong></td>
<td></td>
</tr>
</tbody>
</table>

(Note: Values given within parentheses refer to value of the variable Repurchase Intention).

The frequency distribution of clients' Repurchase Intention given above indicates that 51 respondents (32.5%) were extremely likely or probable to reappoint their current ad agency, 45 respondents (28.7%) were moderately likely or probable, and 28 respondents (17.8%) were slightly likely or probable to reappoint their current advertising agency. Moreover, 11 respondents (7.1%) were slightly unlikely or improbable, and 20 respondents (12.8%) were either moderately unlikely/improbable or were extremely unlikely/improbable to reappoint
their current ad agency. Two of the one hundred and fifty-seven respondents (1.3%) were neither likely/probable nor unlikely/improbable to reappoint their current advertising agency.

4.2.3 Word-of-Mouth Intention of clients:

In order to assess the word-of-mouth intention of clients, a similar three-item semantic differential scale with seven segments was used. Subjects were asked to rate the likelihood of recommending the name of their ad agency to friends in other organisations with similar needs of advertising services. Responses were recorded on a three-item semantic differential scale having the following bipolar adjectives: Likely/Unlikely; Probable/Improbable; and Possible/Impossible. As responses to three items of the Word-of-Mouth Intention scale were found to be uni-dimensional, they were added to form a new variable, namely Word-of-Mouth Intention (WOM). Value of the Word-of-Mouth Intention of clients ranged between 3 and 21. The mean, the median, and the standard deviation were found to be 15.20, 18.00, and 5.58 respectively. The first and third quartile values were found to be 12.00 and 19.00 respectively.

The frequency distribution of Word-of-Mouth Intention of clients is given below in table-4.09.

<table>
<thead>
<tr>
<th>Word-of-Mouth Intention of clients</th>
<th>Frequency</th>
<th>Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Extremely Unlikely/Improbable (3 to 5)</td>
<td>14</td>
<td>8.9</td>
<td>8.9</td>
</tr>
<tr>
<td>Moderately Unlikely/Improbable (6 to 8)</td>
<td>14</td>
<td>8.9</td>
<td>17.8</td>
</tr>
<tr>
<td>Slightly Unlikely/Improbable (9 to 11)</td>
<td>10</td>
<td>6.4</td>
<td>24.2</td>
</tr>
<tr>
<td>Neither Likely/Probable nor Unlikely/Improbable (12)</td>
<td>3</td>
<td>1.9</td>
<td>26.1</td>
</tr>
<tr>
<td>Slightly Likely/Probable (13 to 15)</td>
<td>24</td>
<td>15.3</td>
<td>41.4</td>
</tr>
<tr>
<td>Moderately Likely/Probable (16 to 18)</td>
<td>37</td>
<td>23.6</td>
<td>65.1</td>
</tr>
<tr>
<td>Extremely Likely/Probable (19 to 21)</td>
<td>55</td>
<td>34.9</td>
<td>100</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>157</strong></td>
<td><strong>100</strong></td>
<td></td>
</tr>
</tbody>
</table>

(Values given within parentheses refer to value of the variable Word-of-Mouth Intention)
Frequency distribution of clients' *Word-of-Mouth Intention* given above indicates that 55 respondents (34.9%) were *extremely likely or probable* to recommend the name of their current ad agency to friends in other organisations with similar needs of advertising services. Thirty-seven (23.6%) respondents were *moderately likely or probable*, and 24 respondents (15.3%) were *slightly likely or probable* to recommend the name of their current ad agency. Moreover, 10 respondents (6.4%) were *slightly unlikely or improbable*, 14 (8.9%) respondents were *moderately unlikely/improbable*, and 14 respondents (8.9%) were *extremely unlikely/improbable* to recommend the name of their current ad agency to their friends in other organisations with similar needs of advertising services. Three of the one hundred and fifty-seven respondents (1.9%) were *neither likely/probable nor unlikely/improbable* to recommend the name of their current ad agency.

4.2.4 Index Of Client's Complaining Behaviour:

A five-item scale was used to measure clients' complaining behaviour regarding services of their advertising agency. For each of the five scale items, respondents were requested to indicate how often they or their colleagues had complained about services of their ad agency in the preceding one year. A five-point rating scale with points ranging from *Never* (1) to *Five or more times* (5) was used for the purpose. As there was absence of any variation in responses to two items of the Complaining Behaviour scale, they were dropped from further analysis. Responses to the remaining three items of the Complaining Behaviour scale were multiplied with their respective weights of 1, 5, and 25, and a new variable called *Index Of Client's Complaining Behaviour* (CB) was formed by adding the three weighted scores. Value of the *Index Of Client's Complaining Behaviour* ranged between 31 and 155. The mean value was found to be 57.24, the median value was found to be 43.00, and the standard deviation was 29.44. The first and third quartile values were found to be 37.00 and 71.50 respectively.
Frequency distribution of the *Index Of Client's Complaining Behaviour* is given below in table-4.10.

**Table - 4.10**

Index Of Client's Complaining Behaviour regarding services of their ad agency

<table>
<thead>
<tr>
<th>Index Of Client's Complaining Behaviour</th>
<th>Frequency</th>
<th>Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>31 to 35</td>
<td>30</td>
<td>19.1</td>
<td>19.1</td>
</tr>
<tr>
<td>36 to 40</td>
<td>48</td>
<td>30.5</td>
<td>49.7</td>
</tr>
<tr>
<td>41 to 50</td>
<td>18</td>
<td>11.5</td>
<td>61.1</td>
</tr>
<tr>
<td>51 to 75</td>
<td>26</td>
<td>16.6</td>
<td>77.7</td>
</tr>
<tr>
<td>76 to 100</td>
<td>18</td>
<td>11.5</td>
<td>89.2</td>
</tr>
<tr>
<td>More than 100</td>
<td>17</td>
<td>10.8</td>
<td>100</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>157</strong></td>
<td><strong>100</strong></td>
<td></td>
</tr>
</tbody>
</table>

(Higher the index value, higher the frequency and range of client's complaining behaviour)

Frequency distribution of the *Index Of Client's Complaining Behaviour* given above indicates that for 17 respondents (10.8%), the index value was more than hundred, it ranged between seventy-six and one hundred for 18 respondents (11.5%), between fifty-one and seventy-five for 26 respondents (16.6%), between forty-one and fifty for 18 respondents (11.5%), between thirty-six and forty for 48 respondents (30.5%), and between thirty-one and thirty-five for 30 respondents (19.1%).

For the present study, thirty-eight distinct advertising service attributes that lead to Overall Satisfaction of clients with services of their ad agency were identified. A seven-point rating scale with points ranging from *extremely dissatisfied* (1) to *extremely satisfied* (7) was used to measure respondents' satisfaction with each of the 38 advertising service attributes. On the basis of result of factor analysis, 22 service attributes were retained in this study for final analysis and were classified into six groups (*refer section 4.6 for results and discussion on the factor analysis of 38 advertising service attributes*). As responses to items in all six
groups/factors were found to be uni-dimensional, they were added to form six new variables, namely: Creativity, Efficiency, Interpersonal Relations, Public Relations skill, Research, and Leadership.

4.2.5 Client Satisfaction with Advertising Service Attributes:

Value of clients' satisfaction with the Creativity of their ad agency ranged from 11 to 49. The mean, the median, and the standard deviation were found to be 35.54, 37.00, and 8.54 respectively. The first and third quartile values were found to be 31.00 and 42.00 respectively. Clients' satisfaction with their agency's Efficiency ranged between 6 and 28. The mean, the median, and the standard deviation were found to be 21.07, 22.00, and 4.08 respectively. The first and third quartile values were found to be 19.00 and 24.00 respectively. Value of clients' satisfaction with Interpersonal Relations between client and agency personnel ranged from 4 to 21. The mean, the median, and the standard deviation were found to be 17.10, 18.00, and 3.20 respectively. The first and third quartile values were found to be 16.00 and 19.00 respectively.

Similarly, value of clients' satisfaction with the Public Relations skill of their ad agency ranged between 6 and 21. The mean, the median, and the standard deviation were found to be 15.97, 16.00, and 3.11 respectively. The first and third quartile values were found to be 14.00 and 18.00 respectively. Clients' satisfaction with Research of their ad agency ranged from 4 to 21. The mean, the median, and the standard deviation were found to be 13.02, 14.00, and 3.80 respectively. The first and third quartile values were found to be 10.00 and 16.00 respectively. And finally, value of clients' satisfaction with the Leadership at their ad agency ranged from 2 to 14. The mean, the median, and the standard deviation were found to be 10.79, 12.00, and 2.61 respectively. The first and third quartile values were 10.00 and 12.00 respectively.
4.3 RELIABILITY OF SCALES USED:

In order to estimate the internal consistency of scales used in this study, Cronbach's coefficient alpha of reliability was computed for items of the scale (Cronbach, 1947; Cronbach, 1951; Cronbach et al., 1972). Number of items in each scale and the value of Cronbach's alpha for the same are given below in table-4.11.

<table>
<thead>
<tr>
<th>Name of the scale</th>
<th>No. of items in the scale</th>
<th>Cronbach's Alpha value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall Satisfaction</td>
<td>Twelve</td>
<td>0.96</td>
</tr>
<tr>
<td>Repurchase Intention</td>
<td>Three</td>
<td>0.98</td>
</tr>
<tr>
<td>Word-of-Mouth Intention</td>
<td>Three</td>
<td>0.99</td>
</tr>
<tr>
<td>Complaining Behaviour</td>
<td>Three</td>
<td>0.84</td>
</tr>
<tr>
<td>Satisfaction with Creativity</td>
<td>Seven</td>
<td>0.94</td>
</tr>
<tr>
<td>Satisfaction with Efficiency</td>
<td>Four</td>
<td>0.83</td>
</tr>
<tr>
<td>Satisfaction with Interpersonal Relations</td>
<td>Three</td>
<td>0.87</td>
</tr>
<tr>
<td>Satisfaction with Public Relations skill</td>
<td>Three</td>
<td>0.77</td>
</tr>
<tr>
<td>Satisfaction with Research</td>
<td>Three</td>
<td>0.82</td>
</tr>
<tr>
<td>Satisfaction with Leadership</td>
<td>Two</td>
<td>0.87</td>
</tr>
</tbody>
</table>

For the Overall Satisfaction scale, the Cronbach's alpha was found to be 0.96. This compares favourably with alpha value of 0.94 reported for the scale by Westbrook and Oliver (1981), 0.95 reported by Mano and Oliver (1993), 0.95 reported by Oliver and Swan (1989a) and alpha value of 0.98 reported by Oliver (1993). For the three consequences of client satisfaction, namely Repurchase Intention, Word-of-Mouth Intention, and Complaining Behaviour, values of the Cronbach's alpha were found to be 0.98, 0.99, and 0.84 respectively. Coefficient alpha values of scale reliability obtained for the consequences of satisfaction are consistent with alpha value of 0.96 reported by Oliver and Swan (1989a), 0.92 reported by Boulding et al. (1993), 0.91 reported by Bitner (1990), and 0.98 reported by Gotlieb et al.
Cronbach's alpha value for the advertising service attributes, namely Creativity, Efficiency, Interpersonal Relations, Public Relations skill, Research, and Leadership were found to be 0.94, 0.83, 0.87, 0.77, 0.82, and 0.87 respectively.

Alpha values obtained in the present study also compare favourably with values of 0.70 to 0.80 suggested by Kaplan and Saccuzzo (1982), 0.80 to 0.90 suggested by Murphy and Davidshofer (1988), and 0.80 to 0.95 suggested by Nunnally (1978). The large value of Cronbach's alpha obtained in this study denotes that there is very little item-specific variance among items of the scale (Cortina, 1993) and it implies that the reliability of measures used in this study is quite high (Cronbach, 1947).

4.4 FACTOR ANALYSIS OF OVERALL SATISFACTION:

In order to ascertain the underlying dimensions in overall satisfaction of clients, responses to twelve items of the Overall Satisfaction scale were factor analysed using Principal Components method. This resulted in extraction of a single factor with eigenvalue of more than 1.00 and it explained 70% of the total variance. Factor loadings of the scale items ranged from 0.91 to 0.71. List of twelve items of the Overall Satisfaction scale and their factor loadings are given below in table-4.12.

<table>
<thead>
<tr>
<th>S.No.</th>
<th>Items of Overall Satisfaction Scale</th>
<th>Factor Loading</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Our current advertising agency is one of the best we could have appointed.</td>
<td>0.81</td>
</tr>
<tr>
<td>2.</td>
<td>Our current advertising agency is exactly what we need.</td>
<td>0.89</td>
</tr>
<tr>
<td>3.</td>
<td>Our choice of advertising agency hasn't worked out as well as we thought it would.</td>
<td>0.81</td>
</tr>
<tr>
<td>S.No.</td>
<td>Items of Overall Satisfaction Scale</td>
<td>Factor Loading</td>
</tr>
<tr>
<td>-------</td>
<td>------------------------------------------------------------------------</td>
<td>----------------</td>
</tr>
<tr>
<td>4.</td>
<td>I am satisfied with our decision to appoint the current advertising</td>
<td>0.87</td>
</tr>
<tr>
<td></td>
<td>agency.</td>
<td></td>
</tr>
<tr>
<td>5.</td>
<td>Sometimes, I have mixed feelings about continuing with the current</td>
<td>0.71</td>
</tr>
<tr>
<td></td>
<td>advertising agency.</td>
<td></td>
</tr>
<tr>
<td>6.</td>
<td>Our decision to appoint the current advertising agency was a wise one.</td>
<td>0.89</td>
</tr>
<tr>
<td>7.</td>
<td>If we could do it over again, we would appoint a different advertising</td>
<td>0.74</td>
</tr>
<tr>
<td></td>
<td>agency.</td>
<td></td>
</tr>
<tr>
<td>8.</td>
<td>I have truly enjoyed working with the current advertising agency.</td>
<td>0.85</td>
</tr>
<tr>
<td>9.</td>
<td>I feel bad about our decision to appoint the current advertising</td>
<td>0.82</td>
</tr>
<tr>
<td></td>
<td>agency.</td>
<td></td>
</tr>
<tr>
<td>10.</td>
<td>Working with the current advertising agency has been a good</td>
<td>0.81</td>
</tr>
<tr>
<td></td>
<td>experience.</td>
<td></td>
</tr>
<tr>
<td>11.</td>
<td>I am <em>not</em> happy that we appointed the current advertising agency.</td>
<td>0.86</td>
</tr>
<tr>
<td>12.</td>
<td>I'm sure it was the right thing to appoint the current advertising</td>
<td>0.91</td>
</tr>
<tr>
<td></td>
<td>agency.</td>
<td></td>
</tr>
</tbody>
</table>

Eigenvalue 8.29
Percent Variance explained 69.8%

(Note: Item number 3, 5, 7, 9, and 11 in the above scale are worded *negatively*. Numerical responses to these items have been *reversed* while coding the item scores.)

The single factor solution, its eigenvalue and factor loadings obtained in this study indicates that *Overall Satisfaction* of clients is an uni-dimensional construct. Findings of the present study in this regard are consistent with that of studies reported in literature. Mano and Oliver (1993) have reported a one factor solution with eigenvalue of 7.57, and the single factor explained 63% of the total variance. Furthermore, Mano and Oliver found that factor loadings of twelve scale-items ranged between 0.91 and 0.65, thereby supporting the result obtained in this study. Result of factor analysis obtained in this study for items of the Overall Satisfaction scale is also consistent with that of studies by Westbrook and Oliver (1981), Oliver and Swan (1989a), and Oliver (1993). As responses to twelve items of the Overall Satisfaction scale were found to be uni-dimensional, they were added to form a new variable, namely *Overall Satisfaction* (OS).
4.5 ANALYSIS OF CONSEQUENCES OF SATISFACTION:

4.5.1 Factor Analysis of Repurchase Intention:

For ascertaining the underlying dimensions in clients' repurchase intention, their responses to three items of the Repurchase Intention scale were factor analysed using Principal Components method. This resulted in extraction of a single factor with eigenvalue of more than 1.00 and it explained 97.1% of the total variance. Factor loadings of items of the Repurchase Intention scale ranged from 0.99 to 0.98 (refer table-4.13 given below):

<table>
<thead>
<tr>
<th>S.No.</th>
<th>Items of Repurchase Intention scale</th>
<th>Factor Loading</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Likely ..... Unlikely.</td>
<td>0.99</td>
</tr>
<tr>
<td>2.</td>
<td>Improbable ..... Probable.</td>
<td>0.98</td>
</tr>
<tr>
<td>3.</td>
<td>Possible ..... Impossible.</td>
<td>0.99</td>
</tr>
</tbody>
</table>

(Note: Bipolar adjectives in item number 2 of the semantic differential scale are arranged negatively. Numerical responses to the item have been reversed while coding the item scores.)

Result of the factor analysis reported above compare favourably with that of studies by Bearden and Teel (1983), Oliver and Swan (1989a), and Gotlieb et al. (1994). As responses to items of the Repurchase Intention scale were found to be uni-dimensional, they were added to form a new variable, namely Repurchase Intention (RI).

4.5.2 Factor Analysis of Word-of-Mouth Intention:

A similar Principal Components factor analysis of clients' responses to three items of the Word-of-Mouth Intention scale was carried out to ascertain the underlying dimensions in clients' word-of-mouth intention. This resulted in extraction of a single factor with eigenvalue of more than 1.00 and it explained 97.3% of the total variance. Factor loadings of items of the Word-of-Mouth Intention scale ranged from 0.99 to 0.98 (refer table-4.14 given below).
Table - 4.14
Factor loadings of three items of the Word-of-Mouth Intention Scale

<table>
<thead>
<tr>
<th>S.No.</th>
<th>Items of Word-of-Mouth Intention scale</th>
<th>Factor Loading</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Unlikely ...... Likely.</td>
<td>0.98</td>
</tr>
<tr>
<td>2.</td>
<td>Probable ...... Improbable.</td>
<td>0.99</td>
</tr>
<tr>
<td>3.</td>
<td>Impossible ...... Possible.</td>
<td>0.99</td>
</tr>
<tr>
<td></td>
<td>Eigenvalue</td>
<td>2.91</td>
</tr>
<tr>
<td></td>
<td>Percent Variance explained</td>
<td>97.3%</td>
</tr>
</tbody>
</table>

(Note: Bipolar adjectives in item number 1 and 3 of the semantic differential scale are arranged negatively. Numerical responses to these items have been reversed while coding the item scores.)

Result of factor analysis of responses to the Word-of-Mouth Intention scale obtained in the present study compare favourably with those reported by Bitner (1990), Boulding et al. (1993), and Gotlieb et al. (1994). As responses to items of the scale were found to be uni-dimensional, they were added to form a new variable, namely *Word-of-Mouth Intention*.

4.5.3 Factor Analysis of Complaining Behaviour:

In order to ascertain the underlying dimensions in clients' complaining behaviour, their responses to three items of the Complaining Behaviour scale were factor analysed using Principal Components method. This resulted in extraction of a single factor with eigenvalue of more than 1.00 and it explained 75.4% of the total variance. Factor loadings of items of the Complaining Behaviour scale ranged from 0.94 to 0.81 (see Table 4.15 given below).

Table - 4.15
Factor loadings of three items of the Complaining Behaviour Scale

<table>
<thead>
<tr>
<th>S.No.</th>
<th>Items of Complaining Behaviour scale</th>
<th>Factor Loading</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Complained to client-service personnel / Account-team members.</td>
<td>0.86</td>
</tr>
<tr>
<td>2.</td>
<td>Complained to Account Supervisor / Manager.</td>
<td>0.94</td>
</tr>
<tr>
<td>3.</td>
<td>Complained to agency's Senior Management.</td>
<td>0.81</td>
</tr>
<tr>
<td></td>
<td>Eigenvalue</td>
<td>2.26</td>
</tr>
<tr>
<td></td>
<td>Percent Variance explained</td>
<td>75.4%</td>
</tr>
</tbody>
</table>
As suggested by Westbrook (1980) and Bearden and Teel (1983), an index of clients' complaining activity was constructed to represent their complaining behaviour. For calculating the index value, responses to items of the Complaining Behaviour scale were multiplied with their respective weights of 1, 5, and 25. Since responses to three items of the Complaining Behaviour scale were found to be uni-dimensional, a new variable called the Index Of client's Complaining Behaviour (CB) was formed by adding weighted scores of three items of the Complaining Behaviour scale.

4.5.4 Relationship between clients' Overall Satisfaction and its consequences:

Pearson's correlation coefficient was used for measuring the strength of association between clients' Overall Satisfaction (OS) with services of their ad agency and its consequences, namely their Repurchase Intention (RI), their Word-of-Mouth Intention (WOM), and Index of their Complaining Behaviour (CB). The correlation coefficient values were found to be 0.75, 0.76, and -0.38 respectively (refer table-4.16 given below). All three correlation coefficients were found to be significant at 0.001 level (one-tailed significance).

Table - 4.16
Pearson's Coefficient of Correlation between Satisfaction and its consequences

<table>
<thead>
<tr>
<th>Name of the Variable</th>
<th>OS</th>
<th>RI</th>
<th>WOM</th>
<th>CB</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall Satisfaction (OS)</td>
<td>1.00</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Repurchase Intention (RI)</td>
<td>0.75</td>
<td>1.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Word-of-Mouth Intention (WOM)</td>
<td>0.76</td>
<td>0.93</td>
<td>1.00</td>
<td></td>
</tr>
<tr>
<td>Index of Complaining Behaviour (CB)</td>
<td>-0.38</td>
<td>-0.34</td>
<td>-0.37</td>
<td>1.00</td>
</tr>
</tbody>
</table>

Note: All the coefficients were found significant at 0.001 level (one-tailed significance)

Result of correlation analysis indicates that a high degree of positive correlation exists between clients' Overall Satisfaction (OS) and their Repurchase Intention ($r = 0.75$), and between clients' Overall Satisfaction (OS) and their Word-of-Mouth Intention ($r = 0.76$). This suggests that higher the overall satisfaction of clients with services of their advertising agency, more
likely they are to reappoint their ad agency for another term. Similarly, higher the overall satisfaction of clients with services of their advertising agency, more likely they are to recommend the name of their ad agency to their friends in other organisations with similar needs of advertising services. However, the correlation of clients' Overall Satisfaction with Index of their Complaining Behaviour was found to be moderately negative ($r = -0.38$). This suggests that as the overall satisfaction of clients with services of their ad agency increases, the frequency and range of their complaining behaviour decrease, and as their overall satisfaction decreases, the frequency and range of their complaining behaviour increases.

Findings of the present study in this regard are consistent with that of studies reported in the literature. Bearden and Teel (1983) have found the coefficient of correlation between Overall Satisfaction and Behavioural Intention to be 0.69 and 0.71 for two different samples of customers of automobile repair outlets. Moreover, Bearden and Teel have found the standardised LISREL path coefficients between Overall Satisfaction and Index of Complaining activity to be -0.39 and -0.33 respectively for the above samples ($p < 0.01$). Thus, findings of the present study support the conclusion derived by Bearden and Teel that Satisfaction is related negatively to the Index of Complaint Reports. Similarly, Churchill and Surprenant (1982) have found a high degree of correlation between Overall Satisfaction and Purchase Probability, as they have reported correlation coefficient values of 0.56 and 0.59 for video disc players and botanical plants respectively. Cronin and Taylor (1992) have reported correlation of 0.53 between Overall Satisfaction and Repurchase Intention for customers of fast food, dry cleaning, pest control and banking services. Cronin and Taylor have concluded that Satisfaction has a strong and significant effect on repurchase intentions, thereby supporting the results obtained in this study.
Droge and Halstead (1991) have reported correlation coefficient of 0.64 (p < 0.001, one-tailed) between Overall Satisfaction and Repurchase Intention for complainers and 0.45 (p < 0.001, one-tailed) for non-complainers among purchasers of carpet. Similarly, Patterson (1993) has reported coefficient value of 0.85 for correlation between Overall Satisfaction and Word-of-Mouth Intention for purchasers of slow-combustion heaters. Oliver and Swan (1989a) have found the Causal Path parameter estimate of relationship between Overall Satisfaction and the Repurchase Intention to be 0.86 (t-value = 22.37). Findings of this study support the conclusion of Oliver and Swan that satisfaction is related very strongly to repurchase intention. Gotlieb et al. (1994) have also studied the relationship between Overall Satisfaction and Repurchase Intentions with regard to medical services using LISREL-VII. The estimate of standardised path coefficient of relationship between Overall Satisfaction and Repurchase Intention was found to be 0.85 (t-value = 16.96, p < 0.01). Findings of the present study also support the conclusion of Gotlieb et al. that relationship between Overall Satisfaction and Repurchase Intention is significant and strong.

4.6 FACTOR ANALYSIS OF ADVERTISING SERVICE ATTRIBUTES:

4.6.1 Factor analysis of thirty-eight advertising service attributes:

For determining the component structure of advertising service attributes used in this study and to group them according to their underlying dimensions, clients' responses to the thirty-eight advertising service attributes were factor analysed using Principal Components method with Varimax rotation. Principle Components method of factor analysis was chosen in order to form linear combinations of the scale items. Varimax was chosen as the method of factor rotation as the resulting rotated factor matrix proved to be the most interpretable (Harman, 1967; Kim and Mueller, 1978; and Norusis, 1990d). Factor analysis of responses to
thirty-eight advertising service attributes resulted in extraction of six factors with eigenvalue of more than 1.00 and they explained 72.7% of the total variance. Loadings of thirty-eight advertising service attributes on the rotated factor matrix and eigenvalue of the extracted factors are given in table-4.17 on the following pages.

Result of factor analysis obtained in this study denotes the existence of six distinct underlying dimensions in clients' satisfaction with thirty-eight advertising service attributes. They are Creativity factor, Interpersonal Relations factor, Efficiency factor, Public Relations skill factor, Research factor and Leadership factor. Among the six factors, the Creativity factor emerged as a salient factor with the highest eigenvalue of 20.32 and it explained 53.5% of the total variance. Similarly, the Interpersonal Relations factor had the second highest eigenvalue of 1.95 and it explained 5.2% of the total variance. The Efficiency factor had the third highest eigenvalue of 1.61 and it explained 4.2% of the total variance. The Public Relations skill factor had the fourth highest eigenvalue of 1.39 and it explained 3.7% of the total variance. The Research factor had the fifth highest eigenvalue of 1.24 and it explained 3.3% of the total variance. And finally, the Leadership factor had the sixth highest eigenvalue of 1.10 and it explained 2.9% of the total variance.

Findings of the present study compare favourably with that of studies reported in literature. In a similar study carried out in the Netherlands, Verbeke (1988) has factor analysed clients' responses about their level of satisfaction with twenty advertising service attributes. Verbeke found the existence of six underlying dimensions/factors. They are: Transaction cost factor, Quality factor, Personal relationship factor, Research factor, Assignments of functions factor, and Full-service factor (refer table-2.06). Transaction cost factor had the highest eigenvalue
<table>
<thead>
<tr>
<th>S.No.</th>
<th>List of Advertising Service Attributes</th>
<th>Factor 1 Creativity</th>
<th>Factor 2 Inter-Personal Relations</th>
<th>Factor 3 Efficiency</th>
<th>Factor 4 Public Relations skill</th>
<th>Factor 5 Research</th>
<th>Factor 6 Leadership</th>
<th>Communalty of the attribute</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Creativity Factor:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 (a)</td>
<td>Creative ability of agency personnel.</td>
<td>0.81</td>
<td>0.20</td>
<td>0.21</td>
<td>0.01</td>
<td>0.28</td>
<td>0.14</td>
<td>0.84</td>
</tr>
<tr>
<td>1 (b)</td>
<td>Quality of creative ideas and plans.</td>
<td>0.81</td>
<td>0.01</td>
<td>0.14</td>
<td>0.23</td>
<td>0.24</td>
<td>0.21</td>
<td>0.82</td>
</tr>
<tr>
<td>1 (c)</td>
<td>Quality of creative development and execution.</td>
<td>0.80</td>
<td>0.13</td>
<td>0.18</td>
<td>0.14</td>
<td>0.30</td>
<td>0.26</td>
<td>0.87</td>
</tr>
<tr>
<td>1 (d)</td>
<td>Image strength/image effectiveness of advertising campaigns produced by the agency.</td>
<td>0.73</td>
<td>0.24</td>
<td>0.19</td>
<td>0.26</td>
<td>0.10</td>
<td>0.16</td>
<td>0.73</td>
</tr>
<tr>
<td>1 (e)</td>
<td>Sales promotion ideas and capabilities.</td>
<td>0.68</td>
<td>0.17</td>
<td>0.41</td>
<td>0.21</td>
<td>0.03</td>
<td>0.23</td>
<td>0.75</td>
</tr>
<tr>
<td>1 (f)</td>
<td>Quality of advertising production/execution.</td>
<td>0.66</td>
<td>0.16</td>
<td>0.41</td>
<td>0.09</td>
<td>0.11</td>
<td>0.19</td>
<td>0.68</td>
</tr>
<tr>
<td>1 (g)</td>
<td>Creative and marketing philosophy of the agency.</td>
<td>0.63</td>
<td>0.23</td>
<td>0.12</td>
<td>0.31</td>
<td>0.35</td>
<td>0.04</td>
<td>0.69</td>
</tr>
<tr>
<td>1 (h)</td>
<td>Agency's capability in providing integrated marketing communication covering advertising, sales-promotion, direct-marketing and packaging.</td>
<td>0.58</td>
<td>0.15</td>
<td>0.24</td>
<td>0.46</td>
<td>0.08</td>
<td>0.34</td>
<td>0.78</td>
</tr>
<tr>
<td>1 (i)</td>
<td>Dependability in the performance of service.</td>
<td>0.57</td>
<td>0.34</td>
<td>0.39</td>
<td>0.19</td>
<td>0.11</td>
<td>0.04</td>
<td>0.67</td>
</tr>
<tr>
<td>1 (j)</td>
<td>Consistency of agency in achieving desired results.</td>
<td>0.57</td>
<td>0.22</td>
<td>0.42</td>
<td>0.15</td>
<td>0.20</td>
<td>0.08</td>
<td>0.64</td>
</tr>
<tr>
<td>1 (k)</td>
<td>Quality of client-servicing.</td>
<td>0.53</td>
<td>0.42</td>
<td>0.25</td>
<td>0.39</td>
<td>-0.01</td>
<td>0.09</td>
<td>0.68</td>
</tr>
<tr>
<td>1 (l)</td>
<td>Standard of presentations by the agency.</td>
<td>0.53</td>
<td>0.38</td>
<td>-0.01</td>
<td>0.37</td>
<td>0.32</td>
<td>0.30</td>
<td>0.75</td>
</tr>
<tr>
<td>1 (m)</td>
<td>Quality of media-research data used by the agency.</td>
<td>0.48</td>
<td>0.13</td>
<td>0.22</td>
<td>0.42</td>
<td>0.25</td>
<td>0.35</td>
<td>0.66</td>
</tr>
<tr>
<td>1 (n)</td>
<td>Agency personnel's knowledge of the latest developments in client's markets.</td>
<td>0.48</td>
<td>0.25</td>
<td>0.27</td>
<td>0.42</td>
<td>0.26</td>
<td>0.41</td>
<td>0.78</td>
</tr>
<tr>
<td>1 (o)</td>
<td>Adequacy of agency's resources to service clients effectively.</td>
<td>0.46</td>
<td>0.32</td>
<td>0.36</td>
<td>0.41</td>
<td>0.28</td>
<td>0.13</td>
<td>0.71</td>
</tr>
<tr>
<td>S.No.</td>
<td>List of Advertising Service Attributes</td>
<td>Factor 1 Creativity</td>
<td>Factor 2 Interpersonal Relations</td>
<td>Factor 3 Efficiency</td>
<td>Factor 4 Public Relations skill</td>
<td>Factor 5 Research</td>
<td>Factor 6 Leadership</td>
<td>Communality of the attribute</td>
</tr>
<tr>
<td>------</td>
<td>-------------------------------------------------------------------------------------------------------</td>
<td>---------------------</td>
<td>----------------------------------</td>
<td>---------------------</td>
<td>--------------------------------</td>
<td>------------------</td>
<td>---------------------</td>
<td>-----------------------------</td>
</tr>
<tr>
<td>2</td>
<td><strong>Interpersonal Relations Factor:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2 (a)</td>
<td>Warmness of day-to-day working relationship between client and agency personnel.</td>
<td>0.05</td>
<td><strong>0.88</strong></td>
<td>0.16</td>
<td>0.07</td>
<td>0.09</td>
<td>0.09</td>
<td>0.82</td>
</tr>
<tr>
<td>2 (b)</td>
<td>Inter-personal compatibility between client and agency personnel.</td>
<td>0.09</td>
<td><strong>0.70</strong></td>
<td>0.26</td>
<td>0.34</td>
<td>0.14</td>
<td>0.18</td>
<td>0.74</td>
</tr>
<tr>
<td>2 (c)</td>
<td>Synergy between client and agency personnel.</td>
<td>0.45</td>
<td><strong>0.66</strong></td>
<td>0.20</td>
<td>0.20</td>
<td>0.17</td>
<td>0.20</td>
<td>0.78</td>
</tr>
<tr>
<td>2 (d)</td>
<td>Client grievance and complaint redressal by the agency.</td>
<td>0.24</td>
<td><strong>0.54</strong></td>
<td>0.34</td>
<td>0.13</td>
<td>0.32</td>
<td>0.32</td>
<td>0.68</td>
</tr>
<tr>
<td>2 (e)</td>
<td>Productivity of meetings between client and agency personnel.</td>
<td>0.50</td>
<td><strong>0.53</strong></td>
<td>0.26</td>
<td>0.07</td>
<td>0.03</td>
<td>0.36</td>
<td>0.73</td>
</tr>
<tr>
<td>2 (f)</td>
<td>Infrastructure and communication facilities at the agency's office.</td>
<td>0.38</td>
<td><strong>0.51</strong></td>
<td>0.24</td>
<td>0.38</td>
<td>0.16</td>
<td>-0.09</td>
<td>0.64</td>
</tr>
<tr>
<td>2 (g)</td>
<td>Quality of media planning and strategy.</td>
<td>0.46</td>
<td><strong>0.49</strong></td>
<td>0.16</td>
<td>0.37</td>
<td>0.19</td>
<td>0.30</td>
<td>0.74</td>
</tr>
<tr>
<td>2 (h)</td>
<td>Assistance to clients in the development of advertising objectives and goals.</td>
<td>0.45</td>
<td><strong>0.46</strong></td>
<td>0.28</td>
<td>0.34</td>
<td>0.24</td>
<td>0.27</td>
<td>0.74</td>
</tr>
<tr>
<td>2 (i)</td>
<td>Agency personnel's understanding of business and markets of the client.</td>
<td>0.44</td>
<td><strong>0.45</strong></td>
<td>0.43</td>
<td>0.22</td>
<td>0.18</td>
<td>0.20</td>
<td>0.71</td>
</tr>
<tr>
<td>3</td>
<td><strong>Efficiency Factor:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3 (a)</td>
<td>Giving realistic cost estimates to the client.</td>
<td>0.23</td>
<td>0.12</td>
<td><strong>0.79</strong></td>
<td>0.15</td>
<td>0.08</td>
<td>0.12</td>
<td>0.73</td>
</tr>
<tr>
<td>3 (b)</td>
<td>Agency's responsiveness to suggestions from the client.</td>
<td>0.30</td>
<td>0.30</td>
<td><strong>0.64</strong></td>
<td>0.12</td>
<td>0.29</td>
<td>0.01</td>
<td>0.69</td>
</tr>
<tr>
<td>3 (c)</td>
<td>Quality of media space and time bought by the agency for clients.</td>
<td>0.25</td>
<td>0.15</td>
<td><strong>0.62</strong></td>
<td>0.39</td>
<td>0.06</td>
<td>0.29</td>
<td>0.69</td>
</tr>
<tr>
<td>3 (d)</td>
<td>Agency's ability to work within specified brief and strategy agreed upon.</td>
<td>0.27</td>
<td>0.33</td>
<td><strong>0.60</strong></td>
<td>0.11</td>
<td>0.00</td>
<td>0.18</td>
<td>0.59</td>
</tr>
<tr>
<td>3 (e)</td>
<td>Commitment of the agency to its clients.</td>
<td>0.40</td>
<td>0.38</td>
<td><strong>0.57</strong></td>
<td>0.22</td>
<td>0.14</td>
<td>0.09</td>
<td>0.70</td>
</tr>
<tr>
<td>3 (f)</td>
<td>Shrewdness of media buying leading to savings in costs.</td>
<td>0.07</td>
<td>0.13</td>
<td><strong>0.56</strong></td>
<td>0.42</td>
<td>0.39</td>
<td>0.19</td>
<td>0.71</td>
</tr>
<tr>
<td>S.No.</td>
<td>List of Advertising Service Attributes</td>
<td>Factor 1</td>
<td>Factor 2</td>
<td>Factor 3</td>
<td>Factor 4</td>
<td>Factor 5</td>
<td>Factor 6</td>
<td>Communality of the attribute</td>
</tr>
<tr>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>4</td>
<td>Public Relations skill Factor:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4 (a)</td>
<td>Agency's clout with the media.</td>
<td>0.10</td>
<td>0.15</td>
<td>0.19</td>
<td>0.77</td>
<td>0.10</td>
<td>0.17</td>
<td>0.71</td>
</tr>
<tr>
<td>4 (b)</td>
<td>Experience of the agency in handling advertising of a wide range of products and brands.</td>
<td>0.36</td>
<td>0.11</td>
<td>0.27</td>
<td>0.69</td>
<td>0.15</td>
<td>0.04</td>
<td>0.71</td>
</tr>
<tr>
<td>4 (c)</td>
<td>Socialization skills of agency personnel.</td>
<td>0.21</td>
<td>0.27</td>
<td>0.09</td>
<td>0.65</td>
<td>0.22</td>
<td>0.08</td>
<td>0.60</td>
</tr>
<tr>
<td>5</td>
<td>Research Factor:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5 (a)</td>
<td>Agency's ability to measure effectiveness of its advertising campaigns.</td>
<td>0.34</td>
<td>0.07</td>
<td>0.14</td>
<td>0.23</td>
<td>0.76</td>
<td>0.05</td>
<td>0.77</td>
</tr>
<tr>
<td>5 (b)</td>
<td>Quality of advertising research.</td>
<td>0.24</td>
<td>0.17</td>
<td>0.04</td>
<td>0.30</td>
<td>0.74</td>
<td>0.22</td>
<td>0.78</td>
</tr>
<tr>
<td>5 (c)</td>
<td>Productivity of advertising expenditure / spend.</td>
<td>0.22</td>
<td>0.29</td>
<td>0.40</td>
<td>-0.01</td>
<td>0.62</td>
<td>0.19</td>
<td>0.72</td>
</tr>
<tr>
<td>6</td>
<td>Leadership Factor:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6 (a)</td>
<td>Quality of leadership at the agency.</td>
<td>0.33</td>
<td>0.15</td>
<td>0.20</td>
<td>0.23</td>
<td>0.17</td>
<td>0.75</td>
<td>0.82</td>
</tr>
<tr>
<td>6 (b)</td>
<td>Extent of participation by agency’s higher management in client-servicing.</td>
<td>0.28</td>
<td>0.29</td>
<td>0.20</td>
<td>0.10</td>
<td>0.19</td>
<td>0.75</td>
<td>0.81</td>
</tr>
</tbody>
</table>

| | Eigenvalue | 20.32 | 1.95 | 1.61 | 1.39 | 1.24 | 1.10 |
| | Percent Variance explained | 53.5% | 5.2% | 4.2% | 3.7% | 3.3% | 2.9% |
| | Cumulative Percent Variance explained | 53.5% | 58.6% | 62.9% | 66.6% | 69.8% | 72.7% |
of 7.7 and it explained 38.8% of the total variance. *Quality* factor had the second highest eigenvalue of 2.0 and it explained 10.1% of the total variance, followed by *Personal relationship* factor (eigenvalue of 1.4 and explained 7.2% of the total variance), *Research* factor (eigenvalue of 1.00 and explained 5.2% of the total variance), *Assignment of functions* factor (eigenvalue of 0.9 and explained 4.8% of the total variance), and *Full-service* factor (eigenvalue of 0.8 and explained 4.3% of the total variance). Comparison of factors obtained in the present study with that of study by Verbeke indicates a high degree of similarity among items of *Interpersonal Relations/Personal Relationship* factor and *Research* factor of both the studies. Moreover, items of *Transaction cost* factor reported by Verbeke compare favourably with that of the *Efficiency* factor of this study, thereby supporting the results obtained in this study.

Cagley and Roberts (1984) have also conducted a similar study to determine the quantitative factors used by advertisers to assess capability of prospective advertising agencies. Cagley and Roberts have factor analysed clients' responses concerning the relative strength of their beliefs about each of the 25 proposed ad agency attributes. This resulted in extraction of four factors with eigenvalue of more than 1.00. The four factors are: *Market planning* factor, *Scale of operation* factor, *Inter-personal relations* factor, and *Veracity* factor. The *Market planning* factor had the highest eigenvalue of 5.64 and it explained 41.1% of the total variance. It consisted of following four attributes: Marketing analysis and consultation, Assistance in developing marketing plans, Ability of agency to handle all marketing research for the client, and Quality of agency research and degree to which agency integrates research with the creative and media. The *Scale of operations* factor had the second highest eigenvalue of 2.14 and it explained 15.6% of the total variance. It consisted of three attributes: Billing growth
and record of performance, Ability of agency to buy media at favourable rates, and Size, range, and balance of agency's accounts. The *Inter-personal Relations* factor had the third highest eigenvalue of 1.66 and it explained 12.1% of the total variance. It consisted of two attributes: Management chemistry/synergism, and Compatibility of agency and client personnel. And finally, the *Veracity* factor had eigenvalue of 1.17 and it explained 8.5% of the total variance. It consisted of two attributes: Tailoring of compensation plan to fit advertiser needs/desires, and Willingness of agency to make recommendations and to object to advertiser decisions when the agency believes them to be wrong. The four factors together explained 77.3% of the total variance. Comparison of factors obtained in this study with that reported by Cagley and Roberts indicates a high degree of similarity among items of the *Inter-personal Relations* factor of both the studies. Moreover, items of the *Research* factor and *Efficiency* factor obtained in this study compare favourably with items of the *Market planning* factor and *Scale of operations* factor obtained by Cagley and Roberts, thus supporting the results obtained in the present study.

Michell (1986) has factor analysed clients' responses about the importance of thirty-five advertising service attributes in agency switching decision. This resulted in extraction of an eleven-factor solution that explained 66.1% of the total variance. *Dissatisfaction with agency performance* emerged as the single most important factor with eigenvalue of 5.87 and it explained 16.8% of the total variance. List of thirteen advertising service attributes that had significant loading on the *dissatisfaction* factor is given in table-2.10. Names of other important factors that were extracted, their eigenvalue, and the extent of total variance explained by them are given below: *Failed marketing strategies* (3.79, 10.8%); and *Changes in agency personnel* (2.68, 7.7%). Comparison of factors obtained in the present study with
that obtained by Michell indicates that items of the *Creativity* factor are consistent with items of the *Failed marketing strategies* factor. Moreover, items of the *Interpersonal Relations* factor and *Changes in agency personnel* factor compare favourably. Michell; Cataquet; and Hague (1992) have used factor analysis to determine the underlying dimensions that cause disaffection in agency-client relations. Michell *et al.* have obtained a nine-factor solution that explained 67.1% of the total variance. *Dissatisfaction with agency performance* was found to be the main underlying factor with eigenvalue of 8.51 and it accounted for 25% of the total variance. List of eight advertising service attributes that had significant loading on the *dissatisfaction* factor is given in table-2.12. Names of other important factors that were extracted, their eigenvalue, and the extent of total variance explained by them are as follows: *Changes in agency management* (3.46, 10.2%); *Change/failure of client marketing strategies* (2.77, 8.1%); and *Changes in client personnel* (1.73, 5.1%). Comparison of factors obtained in the present study with that obtained by Michell *et al.* indicates that items of *Creativity* factor and *Dissatisfaction with agency performance* factor compare favourably. Moreover, items of *Interpersonal Relations* factor and *Changes in agency management* factor also compare well. Thus, results obtained in the present study are consistent with that obtained by Michell (1986) and Michell; Cataquet; and Hague (1992).

4.6.2 Short-listing of advertising service attributes:

In order to ensure conceptual clarity of the scale items, attributes with highest factor loading of less than 0.60 on any rotated factor were dropped from further analysis as suggested by Churchill (1979), Michell (1986), Brown and Swartz (1989), and Teas and Wong (1991). This resulted in elimination of 16 advertising service attributes out of a total of 38. The remaining 22 advertising service attributes were included in the final analysis. They were classified into six groups/factors on the basis of their highest factor loading. The six factors are as follows:
a. Creativity factor:

The *Creativity* factor consisted of seven items. These include: Quality of creative development and execution, Creative ability of agency personnel, Quality of creative ideas and plans, Image strength/image effectiveness of advertising campaigns produced by the agency, Quality of advertising production/execution, Creative and marketing philosophy of the agency, and Sales promotion ideas and capabilities.

b. Interpersonal Relations factor:

Similarly, the *Interpersonal Relations* factor comprised of following three items: Inter-personal compatibility between client and agency personnel, Warmness of day-to-day working relationship between client and agency personnel, and Synergy between client and agency personnel.

c. Efficiency factor:

The *Efficiency* factor consisted of four items. They are: Giving realistic cost estimates to the client, Quality of media space and time bought by the agency for clients, Agency's responsiveness to ideas and suggestions from the client, and Agency's ability to work within specified brief and strategy agreed upon.

d. Public Relations skill factor:

Three items comprised the *Public Relations skill* factor. These include: Agency's clout with the media, Socialization skills of agency personnel, and Experience of the agency in handling advertising of a wide range of products and brands.

e. Research factor:

*Research* factor consisted of three items. They are: Agency's ability to measure effectiveness of its advertising campaigns, Quality of advertising research, and Productivity of ad spend.
f. Leadership factor:

And finally, the *Leadership* factor consisted of two items. They are: Extent of participation by agency's higher management in client-servicing, and Quality of leadership at the agency.

As an additional structural validation procedure, Principal Components factor analysis of responses to items in each of the six factors were carried out. This resulted in extraction of a single factor solution for each of the six factors/groups. Results of the factor analysis are given below:

### 4.6.3 Factor analysis of items of the Creativity Factor:

Factor analysis of seven items of the *Creativity* factor resulted in extraction of a single factor with eigenvalue of more than 1.00 and the extracted factor explained 74.3% of the total variance. Eigenvalue of the extracted factor was found to be 5.21. Loadings of seven items on the factor ranged from 0.94 to 0.81 (*refer table-4.18 given below*).

**Table - 4.18**

<table>
<thead>
<tr>
<th>S.No.</th>
<th>Items of Creativity factor</th>
<th>Factor Loading</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Quality of creative development and execution.</td>
<td>0.94</td>
</tr>
<tr>
<td>2.</td>
<td>Creative ability of agency personnel.</td>
<td>0.91</td>
</tr>
<tr>
<td>3.</td>
<td>Quality of creative ideas and plans.</td>
<td>0.89</td>
</tr>
<tr>
<td>4.</td>
<td>Image strength / image effectiveness of advertising campaigns produced by the agency.</td>
<td>0.85</td>
</tr>
<tr>
<td>5.</td>
<td>Quality of advertising production / execution.</td>
<td>0.82</td>
</tr>
<tr>
<td>6.</td>
<td>Creative and marketing philosophy of the agency.</td>
<td>0.81</td>
</tr>
<tr>
<td>7.</td>
<td>Sales promotion ideas and capabilities.</td>
<td>0.81</td>
</tr>
<tr>
<td></td>
<td><strong>Eigenvalue</strong></td>
<td>5.21</td>
</tr>
<tr>
<td></td>
<td><strong>Percent Variance explained</strong></td>
<td>74.3%</td>
</tr>
</tbody>
</table>

As responses to seven items of the creativity factor were found to be uni-dimensional, they were added to form a new variable, namely *Creativity*. 
4.6.4 Factor analysis of items of the Interpersonal Relations Factor:

Similarly, factor analysis of three items of the Interpersonal Relations factor also resulted in extraction of a single factor solution with eigenvalue of more than 1.00. The extracted factor explained 79.0% of the total variance and its eigenvalue was found to be 2.37. Loadings of three items on the factor ranged from 0.91 to 0.86 (refer table-4.19 given below).

Table - 4.19
Factor loadings of three items of the Interpersonal Relations factor

<table>
<thead>
<tr>
<th>S.No.</th>
<th>Items of Interpersonal Relations factor</th>
<th>Factor Loading</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Inter-personal compatibility between client and agency personnel.</td>
<td>0.91</td>
</tr>
<tr>
<td>2.</td>
<td>Warmness of day-to-day working relationship between client and agency personnel.</td>
<td>0.91</td>
</tr>
<tr>
<td>3.</td>
<td>Synergy between client and agency personnel.</td>
<td>0.86</td>
</tr>
<tr>
<td></td>
<td><strong>Eigenvalue</strong></td>
<td>2.37</td>
</tr>
<tr>
<td></td>
<td><strong>Percent Variance explained</strong></td>
<td>79.0%</td>
</tr>
</tbody>
</table>

As responses to three items of the Interpersonal Relations factor were found to be uni-dimensional, they were added to form a new variable, namely Interpersonal Relations.

4.6.5 Factor analysis of items of the Efficiency Factor:

Factor analysis of four items of the Efficiency factor resulted in extraction of a single factor with eigenvalue of more than 1.00, and it explained 66.5% of the total variance. Eigenvalue of the extracted factor was found to be 2.66. Loadings of three items on the factor ranged from 0.83 to 0.79 (refer table-4.20 given below).

Table - 4.20
Factor loadings of four items of the Efficiency factor

<table>
<thead>
<tr>
<th>S.No.</th>
<th>Items of Efficiency factor</th>
<th>Factor Loading</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Giving realistic cost estimates to the client.</td>
<td>0.83</td>
</tr>
<tr>
<td>2.</td>
<td>Quality of media space and time bought by the agency for clients.</td>
<td>0.83</td>
</tr>
<tr>
<td>3.</td>
<td>Agency's responsiveness to ideas and suggestions from the client.</td>
<td>0.81</td>
</tr>
</tbody>
</table>
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<table>
<thead>
<tr>
<th>S.No.</th>
<th>Items of Efficiency factor</th>
<th>Factor Loading</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.</td>
<td>Agency's ability to work within specified brief and strategy agreed upon.</td>
<td>0.79</td>
</tr>
</tbody>
</table>

Eigenvalue 2.66
Percent Variance explained 66.5%

As responses to four items of the Efficiency factor were found to be uni-dimensional, they were added to form a new variable, namely **Efficiency**.

4.6.6 Factor analysis of items of the Public Relations skill Factor:

Factor analysis of three items of the **Public Relations skill factor** resulted in extraction of a single factor with eigenvalue of more than 1.00. The extracted factor explained 68.9% of the total variance and its eigenvalue was found to be 2.07. Loadings of all three items on the factor were found to be 0.83 (refer table-4.21 given below).

Table - 4.21
Factor loadings of three items of the Public Relations skill factor

<table>
<thead>
<tr>
<th>S.No.</th>
<th>Items of Public Relations skill factor</th>
<th>Factor Loading</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Agency's clout with the media.</td>
<td>0.83</td>
</tr>
<tr>
<td>2.</td>
<td>Socialization skills of agency personnel.</td>
<td>0.83</td>
</tr>
<tr>
<td>3.</td>
<td>Experience of the agency in handling advertising of a wide range of products and brands.</td>
<td>0.83</td>
</tr>
</tbody>
</table>

Eigenvalue 2.07
Percent Variance explained 68.9%

As responses to three items of the Public Relations skill factor were found to be uni-dimensional, they were added to form a new variable, namely **Public Relations skill**.

4.6.7 Factor analysis of items of the Research Factor:

Factor analysis of three items of the **Research factor** yielded a single factor with eigenvalue of more than 1.00. The extracted factor explained 73.4% of the total variance and its eigenvalue
was found to be 2.21. Loadings of three items on the extracted factor ranged from 0.88 to 0.82 (refer table-4.22 given below).

Table - 4.22
Factor loadings of three items of the Research factor

<table>
<thead>
<tr>
<th>S.No.</th>
<th>Items of Research factor</th>
<th>Factor Loading</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Agency’s ability to measure effectiveness of its advertising campaigns.</td>
<td>0.88</td>
</tr>
<tr>
<td>2.</td>
<td>Quality of advertising research.</td>
<td>0.87</td>
</tr>
<tr>
<td>3.</td>
<td>Productivity of advertising expenditure / spend.</td>
<td>0.82</td>
</tr>
<tr>
<td></td>
<td><strong>Eigenvalue</strong></td>
<td>2.21</td>
</tr>
<tr>
<td></td>
<td><strong>Percent Variance explained</strong></td>
<td>73.4%</td>
</tr>
</tbody>
</table>

As responses to three items of the Research factor were found to be uni-dimensional, they were added to form a new variable, namely Research.

4.6.8 Factor analysis of items of the Leadership Factor:

And finally, factor analysis of two items of the Leadership factor resulted in extraction of a single factor with eigenvalue of more than 1.00. The extracted factor explained 88.7% of the total variance and its eigenvalue was found to be 1.77. Factor loadings of both items on the extracted factor were found to be 0.94 (refer table-4.23 given below).

Table - 4.23
Factor loadings of two items of the Leadership factor

<table>
<thead>
<tr>
<th>S.No.</th>
<th>Items of Leadership factor</th>
<th>Factor Loading</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Extent of participation by agency's higher management in client-servicing.</td>
<td>0.94</td>
</tr>
<tr>
<td>2.</td>
<td>Quality of leadership at the agency.</td>
<td>0.94</td>
</tr>
<tr>
<td></td>
<td><strong>Eigenvalue</strong></td>
<td>1.77</td>
</tr>
<tr>
<td></td>
<td><strong>Percent Variance explained</strong></td>
<td>88.7%</td>
</tr>
</tbody>
</table>

As responses to two items of the Leadership factor were found to be uni-dimensional, they were added to form a new variable, namely Leadership.
Thus, on the basis of results of factor analysis, twenty-two distinct advertising service attributes were selected from a total of thirty-eight attributes and they were classified into six groups. Responses to items of the six groups/factors were added to form six new variables. These six variables were used as independent variables in the multiple regression analysis, result of which is discussed in the following section.

4.7 MULTIPLE REGRESSION ANALYSIS OF AD SERVICE ATTRIBUTES:

In order to predict clients' overall satisfaction as a function of their satisfaction with advertising service attributes, a step-wise multiple regression analysis was performed using clients' Overall Satisfaction (OS) as the dependent variable and Creativity, Efficiency, Interpersonal Relations, Public Relations skill, Research, and Leadership as independent variables. To facilitate replication and industry application, summated scores of responses to the scale items were used as independent variables in the regression analysis (Pedhazur, 1982; Brown and Swartz, 1989; Bitner, 1990; Wee and Cheong, 1991; Pollay and Mittal, 1993). Pearson's Correlation coefficients were computed to make a preliminary study of the relationship of Overall Satisfaction with Creativity, Efficiency, Interpersonal Relations, Public Relations skill, Research, and Leadership. The highest correlation coefficient of 0.83 was found between Overall Satisfaction and Creativity. Similarly, the lowest correlation coefficient of 0.55 was between Overall Satisfaction and Research. As correlation of Overall Satisfaction with all the six variables was found to be significant at 0.001 level, all of them were included in the regression analysis as independent variables. Among the six variables, the highest correlation coefficient of 0.65 was found between Creativity and Efficiency. Similarly, the lowest correlation coefficient of 0.48 was between Public Relations skill and Leadership (matrix of inter-correlations among variables in the regression analysis given in table-4.24).
Tests of multicollinearity suggested by Lewis-Beck (1980) indicated that multicollinearity among the independent variables was not a problem in the present study (refer section 3.5.4 of this thesis).

In the stepwise regression analysis, clients' Overall Satisfaction with services of their ad agency (OS) was specified as the dependent variable. Independent variables in the multiple regression analysis were clients' satisfaction with agency's Creativity, satisfaction with agency's Efficiency, satisfaction with agency's Interpersonal Relations skill, satisfaction with agency's Public Relations skill, satisfaction with agency's Research, and satisfaction with Leadership at the agency. The PIN (probability of $F$ to enter) and POUT (probability of $F$ to remove) stipulated for the step-wise multiple regression analysis were 0.05 and 0.10 respectively. Creativity was the first variable to enter the regression equation with Beta-In value of 0.83. The coefficient of multiple determination ($R^2$) value in the first step of regression analysis was found to be 0.68 and the F-value was found to be 330.62 ($p < 0.001$). Leadership was the second variable to enter regression equation with Beta-In value of 0.24. Value of $R^2$ in the second step of regression analysis was found to be 0.72 and the F-value was found to be 193.20 ($p < 0.001$). Variable to enter the regression equation in the third step was Public Relations skill. Its Beta-In value was found to be 0.18. Value of $R^2$ in the third step of regression analysis was 0.74. F-value in the third step was found to be 142.58 ($p < 0.001$). Efficiency entered the regression equation in the fourth step with Beta-In value of 0.13. The $R^2$ value in the fourth step of multiple regression analysis was found to be 0.75 and the F-value was found to be 110.92 ($p < 0.001$). Given the PIN limit of 0.05, variables that did not enter the regression equation are Interpersonal Relations and Research (Stepwise summary statistics of multiple regression analysis is given in table-4.25 on the following page).
Table - 4.24
Pearson’s coefficient of Correlation for variables in the Regression analysis

<table>
<thead>
<tr>
<th>S.No.</th>
<th>Name of the Variable</th>
<th>Creativity</th>
<th>Efficiency</th>
<th>Interpersonal Relations</th>
<th>Public Relations skill</th>
<th>Research</th>
<th>Leadership</th>
<th>Overall Satisfaction (OS)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Creativity</td>
<td>1.00</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.</td>
<td>Efficiency</td>
<td>0.65</td>
<td>1.00</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.</td>
<td>Interpersonal Relations</td>
<td>0.55</td>
<td>0.61</td>
<td>1.00</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.</td>
<td>Public Relations skill</td>
<td>0.58</td>
<td>0.57</td>
<td>0.53</td>
<td>1.00</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5.</td>
<td>Research</td>
<td>0.63</td>
<td>0.53</td>
<td>0.49</td>
<td>0.53</td>
<td>1.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6.</td>
<td>Leadership</td>
<td>0.63</td>
<td>0.54</td>
<td>0.54</td>
<td>0.48</td>
<td>0.51</td>
<td>1.00</td>
<td></td>
</tr>
<tr>
<td>7.</td>
<td>Overall Satisfaction (OS)</td>
<td>0.83</td>
<td>0.67</td>
<td>0.58</td>
<td>0.62</td>
<td>0.55</td>
<td>0.66</td>
<td>1.00</td>
</tr>
</tbody>
</table>

Note: All the coefficients were found significant at 0.001 level (one-tailed significance)

Table - 4.25
Step-wise summary statistics of the Multiple Regression analysis

<table>
<thead>
<tr>
<th>Step No.</th>
<th>Name of the Variable entered in Regression Equation</th>
<th>Beta-In Value</th>
<th>R^2 Value</th>
<th>Change in R^2 compared to previous step</th>
<th>Adjusted R^2 Value</th>
<th>F-value</th>
<th>Significance of F-value</th>
<th>Standard Error of the Equation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Creativity</td>
<td>0.83</td>
<td>0.68</td>
<td>0.68</td>
<td>0.68</td>
<td>330.62</td>
<td>0.0000</td>
<td>8.67</td>
</tr>
<tr>
<td>2.</td>
<td>Leadership</td>
<td>0.24</td>
<td>0.72</td>
<td>0.04</td>
<td>0.71</td>
<td>193.20</td>
<td>0.0000</td>
<td>8.22</td>
</tr>
<tr>
<td>3.</td>
<td>Public Relations skill</td>
<td>0.18</td>
<td>0.74</td>
<td>0.02</td>
<td>0.73</td>
<td>142.58</td>
<td>0.0000</td>
<td>7.93</td>
</tr>
<tr>
<td>4.</td>
<td>Efficiency</td>
<td>0.13</td>
<td>0.75</td>
<td>0.01</td>
<td>0.74</td>
<td>110.92</td>
<td>0.0000</td>
<td>7.83</td>
</tr>
</tbody>
</table>
Thus, four out of six independent variables entered the regression equation in the step-wise multiple regression analysis. After the fourth step, the Multiple R value and the Coefficient of multiple determination ($R^2$) values that were obtained in this study are 0.87 and 0.75 respectively. Adjusted $R^2$ of the regression equation was found to be 0.74. F-value of the regression equation was found to be 110.92 and it was significant at 0.001 level. The standard error of the regression equation was found to be 7.83. To determine if any of the underlying assumptions of multiple regression analysis had been violated, analysis of the residuals was carried out. It was observed that the normal probability plot (P-P plot) of regression standardised residual fell along the 45 degree slope line, thereby supporting the normality assumption. Scatter plot of residual also showed that the assumption of homoskedasticity was adhered to (Lewis-Beck, 1980; Norusis, 1990a, Norusis, 1990b). As a result, there was no violation of any of the underlying assumptions of regression analysis. Final statistics of regression analysis, namely the Beta value, the T-value, and the significance level of T-value for variables in the regression equation are given below in table-4.26.

Table - 4.26  
Final statistics of variables in the Multiple Regression Equation

<table>
<thead>
<tr>
<th>S.No.</th>
<th>Variable Name</th>
<th>Standardised Regression Coefficient ($Beta$)</th>
<th>T-value</th>
<th>Significance of T-value</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Creativity</td>
<td>0.54</td>
<td>8.56</td>
<td>0.0000</td>
</tr>
<tr>
<td>2.</td>
<td>Leadership</td>
<td>0.18</td>
<td>3.33</td>
<td>0.0011</td>
</tr>
<tr>
<td>3.</td>
<td>Public Relations skill</td>
<td>0.15</td>
<td>2.86</td>
<td>0.0048</td>
</tr>
<tr>
<td>4.</td>
<td>Efficiency</td>
<td>0.13</td>
<td>2.22</td>
<td>0.0278</td>
</tr>
<tr>
<td>5.</td>
<td>(Constant term/value)</td>
<td>-3.81</td>
<td>-1.02</td>
<td>0.3109</td>
</tr>
</tbody>
</table>

In the multiple regression analysis, Creativity, Leadership, Public Relations skill, and Efficiency were found to be significant predictors of clients' Overall Satisfaction (OS) with services of their advertising agency at 0.05 level. The coefficient of multiple determination
(R^2) was found to be 0.75 and the adjusted value of R^2 was found to be 0.74. This indicates that four variables in the regression equation, namely Creativity, Leadership, Public Relations skill, and Efficiency explain 74% of the total variance in Overall Satisfaction (OS) of clients with services of their ad agency. Moreover, clients' satisfaction with Creativity of their advertising agency was found to be the most important predictor of their Overall Satisfaction since the beta value (standardised regression co-efficient) of Creativity was found to be 0.54. Leadership at the agency emerged as the second most important predictor of clients' Overall Satisfaction with beta value of 0.18. Public Relations skill of advertising agency was found to be the third most important predictor of clients' Overall Satisfaction with beta value of 0.15, and Efficiency of ad agency emerged as the fourth most important predictor of clients' Overall Satisfaction since its beta value was found to be 0.13. Value of the constant term that was obtained in the regression analysis is -3.81. Variables that were not found to be significant predictors of clients' Overall Satisfaction (OS) with services of their ad agency are Interpersonal Relations skill of the agency and Research of the agency. In the multiple regression analysis, the T-value of Interpersonal Relations skill was found to be 0.85, which was significant at p = 0.40. Similarly, the T-value of Research was found to be 1.03 and it was significant at p = 0.30. For both the variables, the significance level of T-value was higher than specified PIN of 0.05. As a result, they were not found to be significant predictors of clients' Overall Satisfaction (OS).

Findings of the present study in this regard are consistent with that of studies reported in literature. In a similar study conducted in the Netherlands, Verbeke (1988) found three out of six factors to be significant predictors of clients' Overall Satisfaction at 0.05 level. These three factors and their beta values are: Quality factor (0.80), Transaction cost factor (0.62), and
Research factor (0.29) (refer table-2.07 for the beta value, t-value and significance of t-value of the six factors). The Quality factor consisted of three advertising service attributes, namely Quality of the creative work, Agency personnel is experienced, and Agency shows strong leadership. Similarly, the Transaction cost factor consisted of eight advertising service attributes, namely Agency makes deadlines, Agency operates within agreed-upon strategy, Agency stays within the budget limitations, Agency meetings are productive and efficient, Agency charges fairly, Agency is burdened with too many levels of approval, Agency reacts quickly to changes in the environment, and Easy to get in touch with the people of the agency. Finally, the Research factor consisted of two items. They are: Quality of the marketing research, and Quality of the advertising research. Factors that were not found significant predictors of clients' Overall Satisfaction at 0.05 level by Verbeke are Personal Relationship factor, Assignment of functions factor, and Full-service factor (refer table-2.06 for a list of advertising service attributes constituting the six factors).

Verbeke has found the Quality factor to be the most important predictor of clients' Overall Satisfaction with beta value of 0.80, followed by the Transaction cost factor with beta value of 0.62. Items of the Quality factor reported by Verbeke are similar to that of Creativity factor and Leadership factor obtained in this study. In the present study, the beta value of Creativity and Leadership were found to be 0.54 and 0.18 respectively, supporting the results obtained by Verbeke. Similarly, items of the Transaction cost factor obtained by Verbeke are similar to that of Efficiency factor of the present study. Efficiency was found to be a significant predictor of clients' Overall Satisfaction in the present study thereby supporting findings of the study by Verbeke. The Interpersonal Relationship factor was not found to be a significant predictor of clients' Overall satisfaction in both the studies. However, Verbeke has found the
Research factor to be a significant predictor of clients' Overall Satisfaction at 0.05 level with beta value of 0.29. Whereas in the present study, it was not found to be a significant predictor clients' Overall Satisfaction as significance of its T-value was found to be 0.30. This may be because clients in India perceive 'research' to be a specialised function, separate from other traditional areas of advertising, to be handled by a professional marketing research agency and not an advertising agency. This is one of the reason why marketing research is a well developed, well organised and rapidly expanding industry in India with several large marketing research agencies like ORG-MARG, IMRB, and Mode Research (Kohli and Paul, 1997). Furthermore, Gagnard and Swartz (1988) have reported that clients in the United States perceive the research skills of their ad agency to be some what less up-to-date, less effective and not money's worth as compared to other outside suppliers of research services like syndicated companies or research boutiques. There may be a similar perception among clients in India about the research skills of their advertising agency. As a result, research was not found to be a significant predictor of clients' Overall Satisfaction in the present study.

In a longitudinal study of client satisfaction and ad agency performance conducted in the United States, Henke (1995) found agency's creative skill to be the most important advertising service attribute, followed by agency's proven track record of results, agency's media skills, and agency's marketing skills and strategic planning capabilities (refer table-2.03 for importance ratings of seventeen advertising service attributes). Henke has performed discriminant analysis to determine which combination of variables best predicted an agency switch. Satisfaction measures and importance ratings were among the variables that were specified as predictor variables in the forward stepwise discriminant analysis. Variables that were found to be significant predictors of a decision to switch ad agencies at 0.0001 level and
their discriminant function coefficients are as follows: Importance and satisfaction with agency's creative skills (0.72 and 0.53 respectively), agency's ability to win awards (0.49), satisfaction with agency's media skills (0.62), satisfaction with the size of clients' account relative to agency's other accounts (0.88), and unaided awareness of ad agencies (0.78).

Results obtained by Henke compare favourably with that obtained in the present study as Creativity was found to be a salient predictor of clients' Overall Satisfaction in this study with beta value of 0.54. Moreover, satisfaction with agency's media skills was part of the Efficiency factor in this study which was found to be a significant predictor of clients' Overall Satisfaction with beta value of 0.13, thereby supporting the result obtained by Henke.

Result of the multiple regression analysis obtained in this study is also consistent with that of other studies on agency performance and client satisfaction conducted in India. In a study conducted by the Marketing and Research Group during 1989 (Advertising & Marketing, 1990), Quality of advertising output was found to be the most important characteristic of 'best advertising agency' as it was stated by 79% of clients. 59% of those who mentioned quality of advertising to be the most important characteristic indicated that it was the quality of creative that they looked at, and 26% felt that it was the performance of ads that mattered.

In a similar study conducted in 1996 by the Marketing and Research Group (Advertising & Marketing, 1996), 63% respondents indicated that quality of creative was the most critical advertising service attribute. Other advertising service attributes that were found important include prompt servicing (mentioned by 57% respondents), professionalism (33% respondents), product experience (22% respondents), scientific media planning (21% respondents), and media negotiation skills (20% respondents).
Findings of the present study are consistent with that of studies reported above. Quality of advertising production and effectiveness of advertising campaigns constitute the Creativity factor in this study along with five other advertising service attributes (refer table-4.17), and Creativity has emerged as the most important predictor of clients' Overall Satisfaction in this study with beta value of 0.54. Moreover, prompt servicing, professionalism, product experience, scientific media planning, and media negotiation skills constitute either the Efficiency factor or the Public Relations skill factor in this study. Both, Efficiency and Public Relations skill have been found to be significant predictors of clients' Overall Satisfaction in this study with beta values of 0.13 and 0.15 respectively. Thus, findings of the present study support results of two other studies on the subject conducted in India.

In a study to identify factors that influence advertisers in their selection of ad agencies (FE BrandWagon, 1996), it was found that Skill and qualification of people in the creative and servicing was the most important criteria for selection of an ad agency by clients. Credit worthiness and financial stability of the agency was found to be the second most important criteria, and Image of agency's top management was found to be the third most important criteria for selecting an ad agency. Other agency selection criteria that were rated highly are: media buying abilities, agency's experience in related product categories, and size of the agency. Findings of the study cited above compare favourably with that of the present study as Creativity of agency has been found to be the most important advertising service attribute for clients' Overall Satisfaction in this study too. Similarly, Leadership at the agency has emerged as the second most important predictor of clients' Overall Satisfaction in the present study, whereas in the study cited above Image of agency's top management was found to be the third most important criteria for agency selection by clients. Other important agency selection
criteria reported in the FE Brandwagon study constitute either the Efficiency factor (*media buying abilities*) or the Public Relations skill factor (*agency's experience in related product categories*) in this study, both of which have been found to be significant predictors of clients' Overall Satisfaction.

Thus, result of the multiple regression analysis obtained in the present study is similar to that of studies reported in the literature. Comparison of findings of this study with that of other studies indicate that Creativity of the agency, Leadership at the agency, Public Relations skill of the agency, and Efficiency of the agency are found to determine clients' Overall Satisfaction not only in India but also in the developed markets of north America and western Europe.

### 4.8 T-TEST AND ONE-WAY ANOVA ANALYSIS:

T-test and one-way ANOVA analysis with Scheffe's range procedure were used in the present study to ascertain if there are any significant differences in the degree of clients' Overall Satisfaction (OS), their Repurchase Intention (RI), their Word-of-Mouth Intention (WOM), and Index of their Complaining Behaviour (CB) regarding services of their advertising agency for the following classification variables:

- a) number of ad agencies employed by the client,
- b) type of ad agency employed by the client,
- c) relative size of client's account at the agency's branch,
- d) method of agency compensation followed by the client,
- e) nature of ownership of the client organisation,
- f) domicile status of the client organisation,
- g) nature of business of the client,
- h) length of unbroken relationship between agency and the client,
- i) total sales revenue of the client organisation,
- j) total ad expenditure of the client organisation,
- k) sales revenue of client's brand/s handled by the agency, and
- l) ad expenditure on client's brand/s handled by the agency.
Results of t-test and one-way ANOVA analysis obtained in this study are as follows:

4.8.1 Number of ad agencies employed by the client:

One hundred and fifty-seven respondents to the questionnaire were classified into two sub-groups for t-test using the variable number of ad agencies employed by the respondent's organisation for advertising and related services. They are: Clients employing one advertising agency (76 respondents), and Clients employing more than one ad agency (81 respondents).

The mean, the standard deviation and the t-value are given below in table-4.27:

<table>
<thead>
<tr>
<th>Name of the Variable</th>
<th>Group 1</th>
<th>Group 2</th>
<th>T-value and (significance of t-value)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Clients employing one ad agency (n = 76)</td>
<td>Clients employing more than one agency (n = 81)</td>
<td></td>
</tr>
<tr>
<td>Overall Satisfaction (OS)</td>
<td>Mean = 62.03</td>
<td>Mean = 65.83</td>
<td>-1.56 (p = 0.120)</td>
</tr>
<tr>
<td></td>
<td>S. D. = 16.76</td>
<td>S. D. = 13.65</td>
<td></td>
</tr>
<tr>
<td>Repurchase Intention (RI)</td>
<td>Mean = 14.96</td>
<td>Mean = 16.43</td>
<td>-1.81 (p = 0.073)</td>
</tr>
<tr>
<td></td>
<td>S. D. = 5.75</td>
<td>S. D. = 4.41</td>
<td></td>
</tr>
<tr>
<td>Word-of-Mouth Intention (WOM)</td>
<td>Mean = 14.50</td>
<td>Mean = 15.86</td>
<td>-1.54 (p = 0.127)</td>
</tr>
<tr>
<td></td>
<td>S. D. = 6.12</td>
<td>S. D. = 4.99</td>
<td></td>
</tr>
<tr>
<td>Index of Complaining Behaviour (CB)</td>
<td>Mean = 57.41</td>
<td>Mean = 57.09</td>
<td>0.07 (p = 0.946)</td>
</tr>
<tr>
<td></td>
<td>S. D. = 30.65</td>
<td>S. D. = 28.47</td>
<td></td>
</tr>
</tbody>
</table>

As indicated by the significance level of t-values given in the last column of table, no significant differences were found among the two groups at 0.050 level for any of the four variables. This suggests that no significant difference exists in the degree of clients' Overall Satisfaction, their Repurchase Intention, their Word-of-Mouth Intention, and their Complaining Behaviour on the basis of number of ad agencies employed by them for advertising and related services.
4.8.2 Type of ad agency employed by the client:

For t-test using the variable type of ad agency employed by client's organisation, respondents were classified into two sub-groups. They are: Agency offering full range of services (134 respondents), and Others (23 respondents). The mean, the standard deviation and the t-value are given below in Table-4.28:

<table>
<thead>
<tr>
<th>Name of the Variable</th>
<th>Group 1 Agency offering full range of services (n = 134)</th>
<th>Group 2 Other types of agency (n = 23)</th>
<th>T-value and (significance of t-value)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall Satisfaction (OS)</td>
<td>Mean = 64.49 S. D. = 14.93</td>
<td>Mean = 61.08 S. D. = 17.41</td>
<td>0.98 (p = 0.327)</td>
</tr>
<tr>
<td>Repurchase Intention (RI)</td>
<td>Mean = 15.93 S. D. = 5.09</td>
<td>Mean = 14.47 S. D. = 5.35</td>
<td>1.26 (p = 0.211)</td>
</tr>
<tr>
<td>Word-of-Mouth Intention (WOM)</td>
<td>Mean = 15.50 S. D. = 5.48</td>
<td>Mean = 13.43 S. D. = 5.99</td>
<td>1.65 (p = 0.100)</td>
</tr>
<tr>
<td>Index of Complaining Behaviour (CB)</td>
<td>Mean = 56.46 S. D. = 29.67</td>
<td>Mean = 61.78 S. D. = 28.27</td>
<td>-0.80 (p = 0.425)</td>
</tr>
</tbody>
</table>

For the classification variable type of ad agency employed by client's organisation, no significant differences were found among the two groups at 0.050 level for any of the four variables. This implies that no significant difference exists in the degree of clients' Overall Satisfaction, their Repurchase Intention, their Word-of-Mouth Intention, and their Complaining Behaviour because of differences in the type of ad agency employed by them for advertising and related services.

4.8.3 Relative size of client's account at the agency's branch:

Similarly, respondents were classified into three sub-groups for one-way ANOVA analysis using the variable relative size of respondent's account at the agency's branch. The three sub-groups are: Clients having small & medium account (43 respondents), Clients having large
account (74 respondents), and Clients having very large account (40 respondents). The mean, the standard deviation and the F-ratio are given below in Table-4.29:

Table - 4.29
One-way ANOVA analysis for relative size of client's account

<table>
<thead>
<tr>
<th>Name of the Variable</th>
<th>Group 1 (Clients with small &amp; medium account (n = 43))</th>
<th>Group 2 (Clients with large account (n = 74))</th>
<th>Group 3 (Clients with very large account (n = 40))</th>
<th>F-ratio and (significance of F-ratio)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall Satisfaction (OS)</td>
<td>Mean = 60.90</td>
<td>Mean = 66.22</td>
<td>Mean = 63.15</td>
<td>1.74</td>
</tr>
<tr>
<td></td>
<td>S. D. = 16.40</td>
<td>S. D. = 14.61</td>
<td>S. D. = 15.06</td>
<td>(p = 0.178)</td>
</tr>
<tr>
<td>Repurchase Intention (RI)</td>
<td>Mean = 15.23</td>
<td>Mean = 15.94</td>
<td>Mean = 15.82</td>
<td>0.27</td>
</tr>
<tr>
<td></td>
<td>S. D. = 5.70</td>
<td>S. D. = 4.82</td>
<td>S. D. = 5.16</td>
<td>(p = 0.763)</td>
</tr>
<tr>
<td>Word-of-Mouth Intention (WOM)</td>
<td>Mean = 15.02</td>
<td>Mean = 15.58</td>
<td>Mean = 14.70</td>
<td>0.35</td>
</tr>
<tr>
<td></td>
<td>S. D. = 5.93</td>
<td>S. D. = 5.21</td>
<td>S. D. = 5.95</td>
<td>(p = 0.704)</td>
</tr>
<tr>
<td>Index of Complaining Behaviour (CB)</td>
<td>Mean = 53.72</td>
<td>Mean = 53.52</td>
<td>Mean = 67.90</td>
<td>3.63</td>
</tr>
<tr>
<td></td>
<td>S. D. = 31.18</td>
<td>S. D. = 25.98</td>
<td>S. D. = 31.63</td>
<td>(p = 0.028)</td>
</tr>
</tbody>
</table>

As indicated by the significance level of F-ratios given in the last column of table, no two groups were found to be significantly different at 0.050 level for clients' Overall Satisfaction (OS), their Repurchase Intention (RI), and their Word-of-Mouth Intention (WOM). However, the significance level of F-ratio for Index of client's Complaining Behaviour (CB) was found to be 0.028, indicating that significant differences existed between groups for the variable. Scheffe's multiple comparison test was used to determine which groups were significantly different from others. Scheffe's test was used in the present study as it requires larger difference between means for significance than most of the other methods (Norusis, 1990a). As a result, Scheffe's test is more conservative and it minimises the probability of type I error (Cramer, 1994).
In the multiple comparison test, it was found that the *Index Of Complaining Behaviour* of clients with *very large* account at agency's local branch was significantly higher (mean = 67.90) as compared to clients whose account sizes was *small & medium* (mean = 53.72), and clients whose account sizes was *large* (mean = 53.52). This implies that clients having *very large* account at the agency's branch are more active and vocal in complaining about services of their ad agency as compared to clients whose account size is either *small & medium* or *large*.

### 4.8.4 Method of agency compensation followed by the client:

For t-test using the variable *method of agency compensation followed by client*, respondents were classified into two sub-groups, namely Clients following the standard 15% commission method (133 respondents), and Clients following other methods of agency compensation (24 respondents). The mean, the standard deviation and the t-value are given below in *table-4.30*:

**Table - 4.30**  
T-test for Method of agency compensation

<table>
<thead>
<tr>
<th>Name of the Variable</th>
<th>Group 1 Standard 15% commission method (n = 133)</th>
<th>Group 2 Other methods of agency compensation (n = 24)</th>
<th>T-value and (significance of t-value)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall Satisfaction (OS)</td>
<td>Mean = 63.65 S. D. = 15.58</td>
<td>Mean = 65.83 S. D. = 13.80</td>
<td>-0.64 (p = 0.523)</td>
</tr>
<tr>
<td>Repurchase Intention (RI)</td>
<td>Mean = 15.73 S. D. = 5.19</td>
<td>Mean = 15.62 S. D. = 4.93</td>
<td>0.10 (p = 0.922)</td>
</tr>
<tr>
<td>Word-of-Mouth Intention (WOM)</td>
<td>Mean = 15.23 S. D. = 5.58</td>
<td>Mean = 15.04 S. D. = 5.69</td>
<td>0.15 (p = 0.878)</td>
</tr>
<tr>
<td>Index of Complaining Behaviour (CB)</td>
<td>Mean = 57.04 S. D. = 29.65</td>
<td>Mean = 58.33 S. D. = 28.87</td>
<td>-0.20 (p = 0.844)</td>
</tr>
</tbody>
</table>

As indicated by the significance level of t-values given in the last column of table, no significant differences were found among the two groups at 0.050 level for any of the four variables. This implies that no significant difference exists in the degree of clients' Overall
Satisfaction, their Repurchase Intention, their Word-of-Mouth Intention, and their Complaining Behaviour because of differences in the method of agency compensation followed by clients.

4.8.5 Nature of ownership of the client organisation:

One-way ANOVA analysis for the variable nature of ownership of the client's organisation was carried out by classifying respondents into three sub-groups. They are: Publicly held limited companies (88 respondents), Privately/closely held companies (41 respondents), and Government organisations/departements (28 respondents). The mean, the standard deviation and the F-ratio are given below in *table-4.31*:

<table>
<thead>
<tr>
<th>Name of the Variable</th>
<th>Group 1 Publicly held limited companies (n = 88)</th>
<th>Group 2 Privately/ Closely held companies (n = 41)</th>
<th>Group 3 Government organisations/ Departments (n = 28)</th>
<th>F-ratio and (significance of F-ratio)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall Satisfaction (OS)</td>
<td>Mean = 61.97 S. D. = 15.80</td>
<td>Mean = 67.21 S. D. = 13.82</td>
<td>Mean = 65.57 S. D. = 15.28</td>
<td>1.84 (p = 0.161)</td>
</tr>
<tr>
<td>Repurchase Intention (RI)</td>
<td>Mean = 14.26 S. D. = 5.66</td>
<td>Mean = 16.88 S. D. = 3.97</td>
<td>Mean = 16.39 S. D. = 4.61</td>
<td>3.58 (p = 0.029)</td>
</tr>
<tr>
<td>Word-of-Mouth Intention (WOM)</td>
<td>Mean = 14.12 S. D. = 6.22</td>
<td>Mean = 16.73 S. D. = 4.26</td>
<td>Mean = 16.35 S. D. = 4.46</td>
<td>3.91 (p = 0.022)</td>
</tr>
<tr>
<td>Index of Complaining Behaviour (CB)</td>
<td>Mean = 58.42 S. D. = 29.34</td>
<td>Mean = 65.09 S. D. = 33.10</td>
<td>Mean = 46.42 S. D. = 21.23</td>
<td>3.69 (p = 0.026)</td>
</tr>
</tbody>
</table>

As indicated by the significance level of F-ratios given in the last column of table, no two groups were found to be significantly different at 0.050 level for clients' *Overall Satisfaction* (OS) because of difference in the nature of ownership of clients' organisation. However, significance level of the F-ratio for clients' *Repurchase Intention* (RI), their *Word-of-Mouth Intention* (WOM), and *Index of their Complaining Behaviour* (CB) were found to be 0.029, 0.022, and 0.026 respectively, indicating that significant differences existed between groups
for the variables. Scheffe’s multiple comparison test was used to determine which groups were significantly different from others.

In the Scheffe’s multiple comparison test, it was found that the Repurchase Intention of respondents in the privately/closely held companies was significantly higher (mean = 16.88) as compared to their counterparts in the publicly held limited companies (mean = 14.26). It was also found that the Word-of-Mouth Intention of respondents in the privately/closely held companies was significantly higher (mean = 16.73) as compared to their counterparts in the publicly held limited companies (mean = 14.12). Moreover, the Index of Complaining Behaviour of respondents in the privately/closely held companies was found to be significantly higher (mean = 65.09) as compared to their counterparts in the government organisations/departments (mean = 46.42). This suggests that the Repurchase Intention and the Word-of-Mouth Intention of clients in privately/closely held companies were more favourable as compared to those in publicly held limited companies, but they complained more about services of their agency as compared to respondents in government organisations/departments.

4.8.6 Domicile status of the client organisation:

Respondents were classified into three sub-groups for one-way ANOVA analysis using the variable domicile status of client's organisation. The three sub-groups are: Indian companies (112 responses), Multi-national companies (17 responses) and Government organisations/departments (28 responses). The mean, the standard deviation and the F-ratio are given below in table-4.32:
Table - 4.32
One-way ANOVA analysis for Domicile status of client organisation

<table>
<thead>
<tr>
<th>Name of the Variable</th>
<th>Group 1 Indian companies (n = 112)</th>
<th>Group 2 Multinational companies (n = 17)</th>
<th>Group 3 Government organisations/departments (n = 28)</th>
<th>F-ratio and (significance of F-ratio)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall Satisfaction (OS)</td>
<td>Mean = 63.96 S. D. = 15.39</td>
<td>Mean = 61.52 S. D. = 15.32</td>
<td>Mean = 65.57 S. D. = 15.28</td>
<td>0.37 (p = 0.694)</td>
</tr>
<tr>
<td>Repurchase Intention (RI)</td>
<td>Mean = 15.58 S. D. = 5.36</td>
<td>Mean = 15.52 S. D. = 4.54</td>
<td>Mean = 16.39 S. D. = 4.61</td>
<td>0.29 (p = 0.748)</td>
</tr>
<tr>
<td>Word-of-Mouth Intention (WOM)</td>
<td>Mean = 15.25 S. D. = 5.73</td>
<td>Mean = 12.34 S. D. = 5.88</td>
<td>Mean = 16.36 S. D. = 4.46</td>
<td>3.82 (p = 0.024)</td>
</tr>
<tr>
<td>Index of Complaining Behaviour (CB)</td>
<td>Mean = 56.19 S. D. = 28.71</td>
<td>Mean = 81.94 S. D. = 33.37</td>
<td>Mean = 46.42 S. D. = 21.23</td>
<td>8.72 (p = 0.003)</td>
</tr>
</tbody>
</table>

No two groups were found to be significantly different at 0.050 level for clients' Overall Satisfaction (OS) and their Repurchase Intention (RI) due to difference in the domicile status of clients' organisation. However, significance level of the F-ratio for clients' Word-of-Mouth Intention (WOM), and Index of their Complaining Behaviour (CB) were found to be 0.024 and 0.003 respectively, indicating that significant differences existed between the groups. Scheffe's multiple comparison test was used to determine which groups were significantly different from others.

In the Scheffe's multiple comparison test, it was found that the Word-of-Mouth Intention of respondents in the multi-national companies (mean = 12.34) was significantly lower than respondents in the government organisations/departments (mean = 16.36). Furthermore, it was also found that the Index of client's Complaining Behaviour for respondents in the multi-national companies (mean = 81.94) was significantly higher than respondents in Indian companies (mean = 56.19) and government organisations/departments (mean = 46.42). This implies that respondents in multi-national companies complained more about services of their
ad agency than their counterparts in Indian companies and government organisations/departments. Moreover, the Word-of-Mouth Intention of respondents in multi-national companies was also less favourable than respondents in government organisations/departments.

4.8.7 Nature of business of the client:

One-way ANOVA analysis for the variable *nature of client's business* was carried out by classifying respondents into four sub-groups. They are: Manufacturing/Marketing Consumer durable goods (30 responses), Manufacturing/Marketing Consumer non-durable goods (44 responses), Manufacturing/Marketing Industrial goods (32 responses), and Services (51 responses). The mean, the standard deviation and the F-ratio are given below in *table-4.33*:

<table>
<thead>
<tr>
<th>Name of the Variable</th>
<th>Group 1 Mfg/Mkting Consumer Durable Goods (n = 30)</th>
<th>Group 2 Mfg/Mkting Consumer Non-durable Goods (n = 44)</th>
<th>Group 3 Mfg/Mkting Industrial Goods (n = 32)</th>
<th>Group 4 Services (n = 51)</th>
<th>F-ratio and (significance of F-ratio)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall Satisfaction (OS)</td>
<td>Mean = 63.33 S. D. = 18.04</td>
<td>Mean = 67.06 S. D. = 11.95</td>
<td>Mean = 61.06 S. D. = 14.47</td>
<td>Mean = 63.54 S. D. = 16.58</td>
<td>1.01 (p = 0.387)</td>
</tr>
<tr>
<td>Repurchase Intention (RI)</td>
<td>Mean = 15.26 S. D. = 5.48</td>
<td>Mean = 16.25 S. D. = 4.53</td>
<td>Mean = 15.25 S. D. = 5.66</td>
<td>Mean = 15.82 S. D. = 5.17</td>
<td>0.32 (p = 0.806)</td>
</tr>
<tr>
<td>Word-of-Mouth Intention (WOM)</td>
<td>Mean = 15.06 S. D. = 5.98</td>
<td>Mean = 15.63 S. D. = 5.01</td>
<td>Mean = 14.31 S. D. = 6.16</td>
<td>Mean = 15.47 S. D. = 5.53</td>
<td>0.40 (p = 0.753)</td>
</tr>
<tr>
<td>Index of Complaining Behaviour (CB)</td>
<td>Mean = 60.53 S. D. = 30.65</td>
<td>Mean = 54.90 S. D. = 27.09</td>
<td>Mean = 59.15 S. D. = 32.06</td>
<td>Mean = 56.11 S. D. = 29.61</td>
<td>0.28 (p = 0.837)</td>
</tr>
</tbody>
</table>

As indicated by the significance level of F-ratios, no two groups were found to be significantly different at 0.050 level for any of the four variables. This implies that no significant difference
exists in the degree of clients' Overall Satisfaction, their Repurchase Intention, their Word-of-Mouth Intention, and their Complaining Behaviour because of differences in the nature of their business.

4.8.8 Length of unbroken relationship between agency and the client:

One-way ANOVA analysis for the variable length of unbroken relationship between agency and the client was carried out by classifying respondents into three sub-groups. These include: 2 years or less (70 responses), 2.1 to 5.0 years (47 responses), and More than 5 years (40 responses). The mean, the standard deviation and the F-ratio are given below in table-4.34:

<table>
<thead>
<tr>
<th>Name of the Variable</th>
<th>Group 1</th>
<th>Group 2</th>
<th>Group 3</th>
<th>F-ratio and (significance of F-ratio)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall Satisfaction (OS)</td>
<td>Mean = 64.32 S. D. = 15.25</td>
<td>Mean = 63.06 S. D. = 15.10</td>
<td>Mean = 64.47 S. D. = 15.96</td>
<td>0.12 (p = 0.885)</td>
</tr>
<tr>
<td>Repurchase Intention (RI)</td>
<td>Mean = 15.91 S. D. = 4.94</td>
<td>Mean = 15.31 S. D. = 5.15</td>
<td>Mean = 15.85 S. D. = 5.54</td>
<td>0.20 (p = 0.816)</td>
</tr>
<tr>
<td>Word-of-Mouth Intention (WOM)</td>
<td>Mean = 15.61 S. D. = 5.43</td>
<td>Mean = 14.82 S. D. = 5.46</td>
<td>Mean = 14.92 S. D. = 6.07</td>
<td>0.34 (p = 0.712)</td>
</tr>
<tr>
<td>Index of Complaining Behaviour (CB)</td>
<td>Mean = 58.09 S. D. = 31.08</td>
<td>Mean = 57.92 S. D. = 27.92</td>
<td>Mean = 54.97 S. D. = 28.85</td>
<td>0.16 (p = 0.854)</td>
</tr>
</tbody>
</table>

For the classification variable length of unbroken relationship between agency and the client, no two groups were found to be significantly different at 0.050 level for any of the four variables. This implies that no significant difference exists in the degree of clients' Overall Satisfaction, their Repurchase Intention, their Word-of-Mouth Intention, and their Complaining Behaviour because of differences in the length of unbroken relationship between agency and the client.
4.8.9 Total sales revenue of the client organisation:

Respondents were classified into three sub-groups for one-way ANOVA analysis using the variable total annual sales revenue of respondent's organisation. The three sub-groups are: Clients with total annual sales revenue of less than Rs. 100 crore (63 responses), Clients with total annual sales revenue of Rs. 100 to Rs. 399 crore (52 responses), and Clients with total annual sales revenue of Rs. 400 crore or more (42 responses). The mean, the standard deviation and the F-ratio are given below in table-4.35:

<table>
<thead>
<tr>
<th>Name of the Variable</th>
<th>Group 1 Sales revenue of less than Rs. 100 crore (n = 63)</th>
<th>Group 2 Sales revenue of Rs. 100 to Rs. 399 crore (n = 52)</th>
<th>Group 3 Sales revenue of Rs. 400 crore or more (n = 42)</th>
<th>F-ratio and significance of F-ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall Satisfaction (OS)</td>
<td>Mean = 66.11 S. D. = 13.82</td>
<td>Mean = 61.04 S. D. = 16.76</td>
<td>Mean = 64.45 S. D. = 15.31</td>
<td>1.60 (p = 0.205)</td>
</tr>
<tr>
<td>Repurchase Intention (RI)</td>
<td>Mean = 16.14 S. D. = 4.88</td>
<td>Mean = 14.96 S. D. = 5.54</td>
<td>Mean = 16.02 S. D. = 5.01</td>
<td>0.85 (p = 0.429)</td>
</tr>
<tr>
<td>Word-of-Mouth Intention (WOM)</td>
<td>Mean = 15.79 S. D. = 5.45</td>
<td>Mean = 14.46 S. D. = 5.74</td>
<td>Mean = 15.23 S. D. = 5.61</td>
<td>0.81 (p = 0.447)</td>
</tr>
<tr>
<td>Index of Complaining Behaviour (CB)</td>
<td>Mean = 54.84 S. D. = 26.98</td>
<td>Mean = 58.02 S. D. = 30.01</td>
<td>Mean = 59.88 S. D. = 32.58</td>
<td>0.39 (p = 0.676)</td>
</tr>
</tbody>
</table>

As indicated by the significance level of F-ratios given in the last column of table, no two groups were found to be significantly different at 0.050 level for any of the four variables. This suggests that no significant difference exists in the degree of clients' Overall Satisfaction, their Repurchase Intention, their Word-of-Mouth Intention, and their Complaining Behaviour because of differences in the total sales revenue of clients' organisation.

4.8.10 Total advertising expenditure of the client organisation:

One-way ANOVA analysis for the variable total annual ad expenditure of client's organisation was carried out by classifying respondents into three sub-groups. They are:
Clients with total annual ad expenditure of Rs. 0.50 crore to Rs. 1.99 crore (66 responses), Clients with total annual ad expenditure of Rs. 2.00 crore to Rs. 4.99 crore (47 responses), and Clients with total annual ad expenditure of Rs. 5.00 crore or more (44 responses). The mean, the standard deviation and the F-ratio are given below in Table 4.36:

| Table 4.36 |
|---|---|---|---|
| One-way ANOVA analysis for Total ad expenditure of client organisation |

<table>
<thead>
<tr>
<th>Name of the Variable</th>
<th>Group 1 Ad Exp. of Rs. 0.50 to Rs. 1.99 crore (n = 66)</th>
<th>Group 2 Ad Exp. of Rs. 2.00 to Rs. 4.99 crore (n = 47)</th>
<th>Group 3 Ad Exp. of Rs. 5.00 crore or more (n = 44)</th>
<th>F-ratio and significance of F-ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall Satisfaction (OS)</td>
<td>Mean = 63.37 S. D. = 14.85</td>
<td>Mean = 62.63 S. D. = 16.31</td>
<td>Mean = 66.34 S. D. = 14.93</td>
<td>0.75 (p = 0.473)</td>
</tr>
<tr>
<td>Repurchase Intention (RI)</td>
<td>Mean = 15.13 S. D. = 5.46</td>
<td>Mean = 16.44 S. D. = 4.69</td>
<td>Mean = 15.81 S. D. = 5.11</td>
<td>0.90 (p = 0.407)</td>
</tr>
<tr>
<td>Word-of-Mouth Intention (WOM)</td>
<td>Mean = 14.77 S. D. = 5.78</td>
<td>Mean = 15.80 S. D. = 5.43</td>
<td>Mean = 15.20 S. D. = 5.51</td>
<td>0.47 (p = 0.627)</td>
</tr>
<tr>
<td>Index of Complaining Behaviour (CB)</td>
<td>Mean = 53.78 S. D. = 27.00</td>
<td>Mean = 58.40 S. D. = 34.03</td>
<td>Mean = 61.18 S. D. = 27.74</td>
<td>0.88 (p = 0.415)</td>
</tr>
</tbody>
</table>

For the classification variable total annual ad expenditure of client's organisation, no two groups were found to be significantly different at 0.050 level for any of the four variables. This suggests that no significant difference exists in the degree of clients' Overall Satisfaction, their Repurchase Intention, their Word-of-Mouth Intention, and their Complaining Behaviour because of differences in clients' total annual ad expenditure.

4.8.11 Sales revenue of client's brand/s handled by the agency:

Respondents were classified into three sub-groups for one-way ANOVA analysis using the variable annual sales revenue of client's brand/s handled by the agency. The three sub-groups are: Clients with annual sales revenue of Rs. 50 crore or less (61 responses), Clients with annual sales revenue of Rs. 51 to Rs. 200 crore (54 responses), and Clients with annual sales
revenue of Rs. 201 crore or more (42 responses). The mean, the standard deviation and the F-ratio are given below in table-4.37:

Table - 4.37
One-way ANOVA analysis for Sales revenue of client's brand/s handled by the agency

<table>
<thead>
<tr>
<th>Name of the Variable</th>
<th>Group 1 Sales revenue of Rs. 50 crore or less (n = 61)</th>
<th>Group 2 Sales revenue of Rs. 51 to Rs. 200 crore (n = 54)</th>
<th>Group 3 Sales revenue of Rs. 201 crore or more (n = 42)</th>
<th>F-ratio and significance of F-ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall Satisfaction (OS)</td>
<td>Mean = 64.32 S. D. = 14.02</td>
<td>Mean = 62.68 S. D. = 17.45</td>
<td>Mean = 65.16 S. D. = 14.34</td>
<td>0.33 (p = 0.718)</td>
</tr>
<tr>
<td>Repurchase Intention (RI)</td>
<td>Mean = 16.05 S. D. = 4.62</td>
<td>Mean = 14.72 S. D. = 6.07</td>
<td>Mean = 16.52 S. D. = 4.40</td>
<td>1.67 (p = 0.191)</td>
</tr>
<tr>
<td>Word-of-Mouth Intention (WOM)</td>
<td>Mean = 15.52 S. D. = 5.27</td>
<td>Mean = 14.43 S. D. = 6.24</td>
<td>Mean = 15.73 S. D. = 5.14</td>
<td>0.81 (p = 0.445)</td>
</tr>
<tr>
<td>Index of Complaining Behaviour (CB)</td>
<td>Mean = 57.01 S. D. = 29.09</td>
<td>Mean = 54.35 S. D. = 27.36</td>
<td>Mean = 61.28 S. D. = 32.62</td>
<td>0.65 (p = 0.520)</td>
</tr>
</tbody>
</table>

As indicated by the significance level of F-ratios given in the last column of table, no two groups were found to be significantly different at 0.050 level for any of the four variables. This suggests that no significant difference exists in the degree of clients' Overall Satisfaction, their Repurchase Intention, their Word-of-Mouth Intention, and their Complaining Behaviour because of differences in annual sales revenue of client's brand/s handled by the agency.

4.8.12 Advertising expenditure on client's brand/s handled by the agency:

One-way ANOVA analysis for the variable annual ad expenditure on client's brand/s handled by the agency was carried out by classifying respondents into three sub-groups. These include: Clients with annual ad expenditure of Rs. 0.50 crore to Rs. 0.99 crore (48 responses), Clients with annual ad expenditure of Rs. 1.00 crore to Rs. 1.99 crore (55 responses), and Clients with annual ad expenditure of Rs. 2.00 crore or more (54 responses). The mean, the standard deviation and the F-ratio are given below in table-4.38:
One-way ANOVA analysis for Ad exp. on client’s brand/s handled by the agency

<table>
<thead>
<tr>
<th>Name of the Variable</th>
<th>Group 1</th>
<th>Group 2</th>
<th>Group 3</th>
<th>F-ratio and significance of F-ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Ad Exp. of Rs. 0.50 to Rs. 0.99 crore (n = 48)</td>
<td>Ad Exp. of Rs. 1.00 to Rs. 1.99 crore (n = 55)</td>
<td>Ad Exp. of Rs. 2.00 crore or more (n = 54)</td>
<td></td>
</tr>
<tr>
<td>Overall Satisfaction (OS)</td>
<td>Mean = 62.00 S. D. = 15.01</td>
<td>Mean = 64.41 S. D. = 14.53</td>
<td>Mean = 65.31 S. D. = 16.40</td>
<td>0.63 (p = 0.536)</td>
</tr>
<tr>
<td>Repurchase Intention (RI)</td>
<td>Mean = 15.60 S. D. = 4.93</td>
<td>Mean = 15.52 S. D. = 5.12</td>
<td>Mean = 16.02 S. D. = 5.41</td>
<td>0.14 (p = 0.869)</td>
</tr>
<tr>
<td>Word-of-Mouth Intention (WOM)</td>
<td>Mean = 15.10 S. D. = 5.31</td>
<td>Mean = 15.03 S. D. = 5.65</td>
<td>Mean = 15.46 S. D. = 5.84</td>
<td>0.09 (p = 0.915)</td>
</tr>
<tr>
<td>Index of Complaining Behaviour (CB)</td>
<td>Mean = 50.33 S. D. = 24.38</td>
<td>Mean = 58.85 S. D. = 30.83</td>
<td>Mean = 61.74 S. D. = 31.47</td>
<td>2.06 (p = 0.131)</td>
</tr>
</tbody>
</table>

For the classification variable *annual ad expenditure on client's brand/s handled by the agency*, no two groups were found to be significantly different at 0.050 level for any of the four variables. This implies that no significant difference exists in the degree of clients' Overall Satisfaction, their Repurchase Intention, their Word-of-Mouth Intention, and their Complaining Behaviour because of differences in annual ad expenditure by client's on their brand/s handled by the agency.

Thus, results of t-test and one-way ANOVA indicate that significant differences exist for the following groups at 0.05 level:

1. The Repurchase Intention of respondents in the *privately/closely held companies* was significantly higher (mean = 16.88) as compared to their counterparts in the *publicly held limited companies* (mean = 14.26).

2. The Word-of-Mouth Intention of respondents in the *privately/closely held companies* was significantly higher (mean = 16.73) as compared to their counterparts in the *publicly held limited companies* (mean = 14.12).
3. The Word-of-Mouth Intention of respondents in the *multi-national companies* (mean = 12.34) was significantly lower than respondents in the *government organisations/departments* (mean = 16.36).

4. The Index Of Complaining Behaviour of respondents with very large account at the agency's local branch was significantly higher (mean = 67.90) as compared to those whose account sizes were *small & medium* (mean = 53.72), and *large* (mean = 53.52).

5. The Index of Complaining Behaviour of respondents in the *privately/closely held companies* was significantly higher (mean = 65.09) as compared to their counterparts in the *government organisations/departments* (mean = 46.42).

6. The Index of Complaining Behaviour of respondents in the *multi-national companies* (mean = 81.94) was significantly higher than respondents in *Indian companies* (mean = 56.20) and *government organisations/departments* (mean = 46.42).

Results of t-test and one-way ANOVA further indicate that no significant difference exists in clients' Overall Satisfaction, their Repurchase Intention, their Word-of-Mouth Intention, and their Complaining Behaviour for other groups/classification variables.

Finding of this study suggests that respondents in multi-national companies complained more about services of their ad agency as compared to their counterparts in Indian companies and government organisations/departments. Their Word-of-Mouth Intention was also less favourable than respondents in government organisations. The Repurchase Intention and the Word-of-Mouth Intention of respondents in privately/closely held companies were more favourable as compared to those in publicly held limited companies. Moreover, respondents in privately/closely held companies complained more about services of their ad agency as compared to respondents in government organisations/departments. Clients having very large account at agency's local branch also complained more as compared to others.
Results of the present study are summarised in the concluding chapter of this thesis. It is followed by a discussion on the limitations of the study, managerial and research implications of the findings, contribution of this study to the available body of knowledge, and suggestions for further research on the subject.
CHAPTER 5

CONCLUSIONS