Chapter 5

CONCLUSIONS

Findings of the present study are summarised in this chapter, followed by a discussion on the managerial and research implications of the findings. Limitations of the present study, contribution of this study to available body of knowledge, and suggestions for further research on the subject are also highlighted. This chapter is organised as follows:

- Section 5.1 Summary of findings,
- Section 5.2 Managerial and research implications,
- Section 5.3 Limitations of the present study,
- Section 5.4 Contribution of the present study, and
- Section 5.5 Suggestions for further research.

5.1 SUMMARY OF FINDINGS:

The degree of clients' Overall Satisfaction (OS) with services of their advertising agency was found to be quite high. Fifty-seven respondents (36.3%) were found to be extremely satisfied, while 44 respondents (28.1%) were moderately satisfied, and 24 respondents (15.3%) were slightly satisfied with services of their ad agency. Moreover, 20 respondents (12.7%) were slightly dissatisfied, 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. The mean value of clients' Overall Satisfaction with services of their ad agency was found to be 63.98 and the standard deviation was 15.30. Findings of the present study in this regard are similar to that reported by Ryan and Colley (1967), Wackman, Salmon, and Salmon (1986), and Henke (1995).
The Repurchase Intention of clients regarding services of their ad agency was found to be quite favourable. Fifty-one respondents (32.5%) were extremely likely or probable to reappoint their current ad agency, while 45 respondents (28.7%) were moderately likely or probable, and 28 respondents (17.8%) were slightly likely or probable to reappoint their current ad 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 respondents (1.3%) were neither likely/probable nor unlikely/improbable to reappoint their current ad agency. The mean value and the standard deviation of the Repurchase Intention of clients were found to be 15.72 and 5.13 respectively.

Similarly, the Word-of-Mouth Intention of clients regarding services of their ad agency was also found to be quite favourable. Fifty-five respondents (34.9%) were extremely likely or probable to recommend the name of their current ad agency to their 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 respondents (8.9%) were moderately unlikely or improbable, and 14 respondents (8.9%) were extremely unlikely or improbable to recommend the name of their current ad agency. Three respondents (1.9%) were neither likely/probable nor unlikely/improbable to recommend the name of their current ad agency. The mean value of the Word-of-Mouth Intention of clients was found to be 15.20 and the standard deviation was found to be 5.58.
The intensity and range of clients' Complaining Behaviour regarding services of their ad agency were found to be moderate. For 17 respondents (10.8%), value of the Index of Complaining Behaviour was found to be more than hundred. It was found to be 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%). The mean value of the Index of client's Complaining Behaviour was found to be 57.24 and the standard deviation was found to be 29.44.

High degree of positive correlation was found between clients' Overall Satisfaction (OS) and their Repurchase Intention ($r = 0.75$), and between clients' Overall Satisfaction (OS) and their Word-of-Mouth Intention ($r = 0.76$). However, the correlation of clients' Overall Satisfaction with Index of their Complaining Behaviour was found to be moderately negative ($r = -0.38$).

Findings of this study regarding the relationship of clients' Overall Satisfaction (OS) with its consequences, namely clients' Repurchase Intention (RI), their Word-of-Mouth Intention (WOM), and Index of their Complaining Behaviour (CB) are consistent with that of studies by Bearden and Teel (1983), Churchill and Surprenant (1982), Cronin and Taylor (1992), Droge and Halstead (1991), Patterson (1993), Oliver and Swan (1989a), and Gotlieb et al. (1994).

Principal Components 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. The six factors are: Creativity factor, Interpersonal Relations factor, Efficiency factor, Public Relations skill factor, Research factor, and Leadership factor.
Among the six factors, Creativity factor emerged as a prime factor with the highest eigenvalue of 20.32 and it explained 53.5% of the total variance. Similarly, Interpersonal Relations factor had the second highest eigenvalue of 1.96 and it explained 5.2% of the total variance. Efficiency factor had the third highest eigenvalue of 1.61 and it explained 4.2% of the total variance. Public Relations skill factor had the fourth highest eigenvalue of 1.39 and it explained 3.7% of the total variance. Research factor had the fifth highest eigenvalue of 1.24 and it explained 3.3% of the total variance. And finally, 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 by Verbeke (1988); Michell (1986); and Michell, Cataquet, and Hague (1992).

For ensuring conceptual clarity of the scale-items, sixteen advertising service attributes whose highest factor loading on any rotated factor was less than 0.60 were dropped from further analysis. The remaining 22 advertising service attributes were classified into six groups on the basis of their highest factor loading. Names of the six factors and attributes composing each of them are as follows:

a. Creativity Factor (7 attributes):
   1. Creative ability of agency personnel.
   2. Quality of creative ideas and plans.
   3. Quality of creative development and execution.
   4. Image strength / image effectiveness of advertising campaigns produced by the agency.
   5. Sales promotion ideas and capabilities.
   6. Quality of advertising production/execution.
   7. Creative and marketing philosophy of the agency.

b. Efficiency Factor (4 attributes):
   1. Giving realistic cost estimates to the client.
   2. Agency's responsiveness to ideas and suggestions from the client.
3. Quality of media space and time bought by the agency for clients.
4. Agency's ability to work within specified brief and strategy agreed upon.

c. Interpersonal Relations Factor (3 attributes):
1. Warmness of day-to-day working relationship between client and agency personnel.
2. Inter-personal compatibility between client and agency personnel.
3. Synergy between client and agency personnel.

d. Public Relations Factor (3 attributes):
1. Agency's clout with the media.
2. Experience of the agency in handling advertising of a wide range of products and brands.
3. Socialisation skills of agency personnel.

e. Research Factor (3 attributes):
1. Agency's ability to measure effectiveness of its advertising campaigns.
2. Quality of advertising research.
3. Productivity of advertising expenditure/spend.

f. Leadership Factor (2 attributes):
1. Quality of leadership at the agency.
2. Extent of participation by agency's higher management in client-servicing.

Responses to items in all the six factors were found to be uni-dimensional. As a result, they were added to form six new variables, namely: Creativity, Efficiency, Interpersonal Relations, Public Relations skill, Research, and Leadership.

In the multiple regression analysis, Creativity, Leadership, Public Relations skill, and Efficiency were found to be significant predictors of clients' Overall Satisfaction (OS) at 0.05 level and the adjusted value of R² was found to be 0.74. Variables that were not found to be significant predictors of clients' Overall Satisfaction (OS) are Interpersonal Relations skill of the agency, and Research of the agency. Clients' satisfaction with Creativity of the agency was found to be the most important predictor of their Overall Satisfaction. Leadership at the
agency emerged as the second most important predictor of clients' Overall Satisfaction, followed by Public Relations skill of the agency, and Efficiency of the agency. Findings of the present study in this regard are consistent with that of studies by Verbeke (1988), Henke (1995), Advertising & Marketing (1990), Advertising & Marketing (1996), and FE BrandWagon (1996).

In t-tests and one-way ANOVA analysis, significant differences were found among the following groups at 0.05 level:

1. The Repurchase Intention of respondents in privately/closely held companies was significantly higher as compared to their counterparts in publicly held limited companies.

2. The Word-of-Mouth Intention of respondents in privately/closely held companies was significantly higher as compared to their counterparts in publicly held limited companies.

3. The Word-of-Mouth Intention of respondents in multi-national companies was significantly lower than respondents in government organisations/departments.

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

5. The Index of Complaining Behaviour of respondents in privately/closely held companies was significantly higher as compared to their counterparts in government organisations/departments.

6. The Index of Complaining Behaviour of respondents in multi-national companies was significantly higher than respondents in Indian companies and government organisations/departments.

Results of t-tests and one-way ANOVA analysis further indicated that no significant difference existed in clients' Overall Satisfaction, their Repurchase Intention, their Word-of-Mouth
Intention, and Index Of their Complaining Behaviour on the basis of other client and relationship characteristics.

5.2 MANAGERIAL AND RESEARCH IMPLICATIONS:

It is often said that advertising is nothing but creativity. Findings of the present study support this observation since Creativity was found to be a salient predictor of clients' Overall Satisfaction with beta value of 0.54. The high value of beta obtained for Creativity also confirms the power of 'big idea' in advertising. Other significant predictors of clients' Overall Satisfaction (OS) with advertising services include Leadership at the agency (beta value = 0.18), Public Relations skill of the agency (beta value = 0.15), and Efficiency of the agency (beta value = 0.13). Attributes that failed to serve as predictors of clients' Overall Satisfaction are Interpersonal Relations skill of the agency and Research of the agency. The adjusted value of R² was found to be 0.74. This implies that Creativity, Leadership, Public Relations skill, and Efficiency explain 74% of the total variance in clients' Overall Satisfaction (OS) with advertising services. As a result, agency management should concentrate all their resources and skills in improving clients' satisfaction with agency's Creativity, Leadership, Public Relations skill, and Efficiency for increasing the Overall Satisfaction of their clients. Furthermore, as Creativity has emerged as a salient predictor of clients' Overall Satisfaction, agency management should assign the highest priority to improvement of clients' satisfaction with agency's creativity.

Result of correlation analysis indicates that high degree of positive correlation exists between clients' Overall Satisfaction (OS) and their Repurchase Intention (r value = 0.75), and between clients' Overall Satisfaction (OS) and their Word-of-Mouth Intention (r value =
Moreover, the correlation between clients' Overall Satisfaction and Index of their Complaining Behaviour is moderately negative (r value = -0.38). This implies 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, and more likely they are to recommend the name of their ad agency to their friends. It also implies that higher the Overall Satisfaction of clients with services of their advertising agency, lower will be the frequency and range of their Complaining Behaviour. Similarly, lower the Overall Satisfaction of clients with services of their advertising agency, less likely they are to reappoint their ad agency for another term, less likely they are to recommend the name of their ad agency to their friends, and higher will be the frequency and range of their Complaining Behaviour. As a result, agency management should increase the Overall Satisfaction of clients for improving their behavioural intentions and loyalty towards the advertising agency.

Using t-tests and one-way ANOVA analysis it was ascertained that respondents in multi-national companies complained more about services of their ad agency as compared to others. Clients having very large account at the agency's local branch also complained more as compared to others. This suggests that multi-national clients and clients having very large account are more vocal in registering their complaints. Moreover, it was found that respondents in privately held companies complained more as compared to their counterparts in public sector organisations/government departments. As a result, agency management should devise proper complaint redressal procedures for their multi-national clients, clients having very large account at the agency's local branch, and privately held corporate clients. Similarly, the Repurchase Intention and the Word-of-Mouth Intention of respondents in publicly held limited companies were less favourable as compared to those in privately held companies. The
Word-of-Mouth Intention of respondents in multinational companies was also less favourable than respondents in public sector organisations/government departments. To correct this problem, agency management should take necessary steps to improve the behavioural intentions of agency's publicly held corporate clients and multinational clients.

The research implications of this study are as far reaching as the managerial implications. This study fills several important gaps in the marketing literature. One of the most important reason why the present study was undertaken is that there was a lack of literature on the subject with reference to a developing country like India. Very few, if at all any, studies have been conducted in India on client satisfaction by academicians or scholars working in the area. An exhaustive review of literature yielded only four studies on the subject (refer section 2.7.3 of this thesis), all conducted by professional marketing research organisations either as a syndicated study or for publications. Furthermore, the four studies mentioned above lack in methodological and statistical rigour. As a result, a strong need was felt for a comprehensive study on client satisfaction with advertising services with reference India. The present study fills this vital gap in the literature.

Another important gap in marketing literature is that the post-satisfaction phase of clients' behaviour has not been researched till date. The present study fills this crucial link missing in the literature by studying the relationship between clients' Overall Satisfaction (OS) and their Complaining Behaviour (CB), their Repurchase Intention (RI), and their Word-of-Mouth Intention (WOM) regarding services of their ad agency. Similarly, differences in the degree of clients' Overall Satisfaction and its consequences arising because of differences in various client and relationship characteristics have not been researched comprehensively. The present
study fills this void as significant differences in the degree of clients' Overall Satisfaction (OS), their Complaining Behaviour (CB), their Repurchase Intention (RI), and their Word-of-Mouth Intention (WOM) due to various client and relationship characteristics were ascertained in this study.

**5.3 LIMITATIONS OF THE PRESENT STUDY:**

No research study, however elaborate and detailed, can ever be perfect. The present study is no exception to this universal rule. Limitation of this study that needs to be highlighted is its scope. The present study was undertaken with reference to advertising commissioned for marketing of products/services and for corporate image building. Advertisements for legal and financial announcements, recruitment of personnel, and tenders were excluded from the scope of this study. Because of constraints imposed by time, availability of finance, and lack of administrative assistance, the geographical scope of this study was restricted to Chennai region (formerly Madras). Advertisers having their marketing head-office or office in-charge of advertising function in or around Chennai were only included in this study. Moreover, advertisers with ad spend of less than Rs. 50 lakhs per annum were excluded from the scope of this study in order to eliminate small and infrequent advertisers from the purview of this research. The restricted geographical and functional scope of this study is its limitation.

**5.4 CONTRIBUTION OF THE PRESENT STUDY:**

The present study has contributed to the body of marketing literature and knowledge mainly in two spheres. They are: Scales used for this study, and Findings of this study. Contribution of the present study in this regard is as follows:
5.4.1 Scales used in this study:

Comprehensive multi-item scales with high reliability and validity were used in this study to assess the degree of clients' Overall Satisfaction with services of their ad agency, their satisfaction with advertising service attributes, their Complaining Behaviour, their Repurchase Intention, and their Word-of-Mouth Intention. In order to assess clients' satisfaction with advertising service attributes, an attribute satisfaction scale with thirty-eight items was developed for use in this study on the basis of extensive research. The thirty-eight items of attribute satisfaction scale were selected from a comprehensive list of 216 ad service attributes on an objective basis. In the first stage of scale development, a total of 216 advertising service attributes were identified through literature review and interviews with clients using the Critical Incident Technique. In the second stage, an expert panel with eleven members was used to short-list 99 ad service attributes from a total of 216 attributes. In the third stage of scale development, the short-listed 99 attributes were included in a preliminary study. Responses were sought from thirty clients about their level of satisfaction for each of the 99 attributes and their Overall Satisfaction with agency's services. Item-to-Overall Satisfaction correlation was computed for each of the 99 attributes. Sixty attributes were selected for further analysis on the basis of level of significance of the correlation co-efficient. Responses to the 60 short-listed attributes were factor analysed and 38 service attributes were chosen for inclusion in the attribute satisfaction scale on the basis of their factor loadings. Development of the attribute satisfaction scale with 38 items is a major contribution of this study to the body of marketing literature.

Similarly, the Complaining Behaviour scale and the index of client's Complaining Behaviour were developed for use in this study on the basis of extensive research. The Complaining
Behaviour scale consisted of five-items. Weights were assigned to five items of the scale as per the opinion of a panel of eleven experts. The index value of client's Complaining Behaviour was computed by adding weighted scores of response to items of the scale. This index represents the extent of client's Complaining Behaviour considering the frequency and range of complaining activity undertaken by the client in the preceding one year. Development of the five-item scale with good reliability and validity to measure clients' Complaining Behaviour and formulation of the index of client's Complaining Behaviour are important contribution of the present study.

For measuring the Overall Satisfaction of clients, their Repurchase Intention, and their Word-of-Mouth Intention, scales reported in the literature were suitably adapted for use in this study. To measure the degree of clients' Overall Satisfaction with services of their ad agency, a twelve-item Likert-type summated rating scale was used. This scale was originally developed by Westbrook and Oliver (1981) for studying customer satisfaction with cars and calculators. It was suitably adapted for use in this study to assess clients' Overall Satisfaction with services of their advertising agency. The Repurchase Intention scale used in this was originally developed by Fishbein and Ajzen (1975) and was used by Gotlieb et al. (1994) to study the relationship between consumer satisfaction and perceived quality. Similarly, the Word-of-Mouth Intention scale used in this study was developed by Boulding et al. (1993). Both the scales referred above were semantic differential scales with three items. They were suitably adapted and used in the present study to assess the Repurchase Intention and the Word-of-Mouth Intention of clients regarding advertising services. Adaptation of the Overall Satisfaction scale, the Repurchase Intention scale, and the Word-of-Mouth Intention scale for
use in this study concerning advertising services are also important contributions of the present study to the body of marketing literature.

5.4.2 Findings of this study:

In addition to the development and adaptation of scales, findings of the present study have also contributed to the marketing literature. In this study, clients' Overall Satisfaction with services of their advertising agency was assessed. Advertising service attributes that lead to Overall Satisfaction of clients with services of their advertising agency were also identified on the basis of results of Principal Components factor analysis and Step-wise multiple regression analysis. Clients' Repurchase Intention and their Word-of-Mouth Intention regarding services of their ad agency were ascertained, and their Complaining Behaviour was studied. An index representing the intensity and range of client's Complaining Behaviour was also formulated. Moreover, relationship between Overall Satisfaction of clients and its consequences, like clients' Repurchase Intention, their Word-of-Mouth Intention, and Index of their Complaining Behaviour were established using the Pearson's correlation coefficient. Significant differences in the degree of clients' Overall Satisfaction, their Repurchase Intention, their Word-of-Mouth Intention, and Index of their Complaining Behaviour due to differences in various client and relationship characteristics were ascertained using t-tests and one-way ANOVA analysis.

On the basis of findings of this study, decision-makers in advertising agencies can explain and predict why some clients are more satisfied and some less with services of their ad agency. They can also explain the relationship between clients' Overall Satisfaction and its consequences like clients' Repurchase Intention, their Word-of-Mouth Intention, and their Complaining Behaviour. Besides, differences in the degree of clients' Overall Satisfaction, their Repurchase Intention, their Word-of-Mouth Intention, and their Complaining Behaviour can
be better understood and explained. Furthermore, as the advertising service attributes that lead to clients' Overall Satisfaction have been identified, agencies can concentrate their limited resources for improving clients' satisfaction for these attributes, thereby improving the Overall Satisfaction of their clients. Thus, findings of the present study are of critical importance to managers and executives on both sides of the agency-client relationship as they promote understanding about the fundamentals of this relationship and help foster better agency-client relationship.

5.5 SUGGESTIONS FOR FURTHER RESEARCH:

Creativity has emerged as a salient predictor of clients' Overall Satisfaction with advertising services in this study. Qualitative and quantitative studies can be conducted to better understand the role of different aspects of agency's creativity in the Overall Satisfaction of clients. Similar studies can also be conducted for different aspects of agency's Leadership, its Public Relations skill, and its Efficiency which have also been found to be significant predictors of clients' Overall Satisfaction in this study.

The relationship between clients' Overall Satisfaction and its consequences, like clients' Repurchase Intention, their Word-of-Mouth Intention, and Index of their Complaining Behaviour can be studied using causal path analysis and modelling. And last but not the least, any future study of client satisfaction with advertising services should be extended to more than one geographical region. Preferably, a study covering clients in all the important business centres in India, like Mumbai (formerly Bombay), Delhi, Calcutta, and Bangalore apart from Chennai (formerly Madras) should be carried out in future.
LIST OF REFERENCES