



## AN EFFECTIVENESS OF ADVERTISEMENT: A COMPARATIVE STUDY OF TWO WHEELER VEHICLE COMPANIES

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### ABSTRACT

In this paper I have compare the effectiveness of advertising of two motor vehicle companies. Consumer is the central point in every business. In marketing, the organization strives to use all the available resources in order to give maximum satisfaction to the consumers. It is the problem of every organization or a ground for struggle that how they provide maximum satisfaction for getting the specified objectives of the organization. Advertising is an important marketing tool to influence the potential customers located at different geographical market area. Advertising is used for communicating business information to the present and prospective customers in a wider range of area. Furthermore, advertising is a paid form of non-personal presentation and promotion of goods or services or idea by identified customers

### KEYWORDS :

#### 1. INTRODUCTION-

In today's business world consumer is the key person whose needs, desires and preferences drive every strategy of the businesses- may it be a small gift shop or a multi-national corporation. Companies are constantly working on newer, better and improved products which offer higher value for money. And in an effort to reach customer and inform them about these products, they are sparing a hefty sum for the advertisement. With the developing print media, electronic media and multimedia, companies are approaching target customers in more than one way and much faster than a decade ago. Advertisement of a product/service to the geographically dispersed markets is now as easy as it is in a local market. Effectiveness of advertisement is an indication of the usefulness of the available resources and organization in the stiff competitive market place. Evaluating advertisement-effectiveness enables the business units to keep in touch with latest trends in advertising. Advertising styles do not remain static. An advertisement may be good a few years back, but it may not be good today. Each and every business player wants to evaluate advertisement-effectiveness which can help in sensing the new trends in advertising and to know the public image. However, Evaluation of advertisement-effectiveness helps to know the saturation point of advertising by comparing marginal revenue generated by advertisement with the amount spent on advertising (i.e. marginal cost). The company should stop further spending on advertising when its marginal revenue is equal to or less than its marginal cost. In order to test or measure the effectiveness of advertising the present study has selected the two automobiles company namely Bajaj and TVS (two wheelers) for evaluation of their advertising and its impact on their sales as well as communication.

#### 2. OBJECTIVE OF THE STUDY-

The purpose of advertisement, exclusively or collectively is to further the relationship with the target audience, or to create favorable impression in their minds.

#### In a nutshell, the advertisement objectives are:

1. Building awareness about a newly launched brand/product.
2. Advertising new value additions of already known products.
3. Generating leads
4. Stimulating quick responses.
5. Generating curiosity
6. Helping customers in choosing a product over competitors' product.
7. Developing trust in brands

#### 3. Effectiveness Of Advertisement

Effectiveness of advertisement is an indication of the usefulness of the available resources and organization in the

stiff competitive market place. Evaluating advertisement-effectiveness enables the business units to keep in touch with latest trends in advertising. Advertising styles do not remain static. An advertisement may be good a few years back, but it may not be good today. Each and every business player wants to evaluate advertisement-effectiveness which can help in sensing the new trends in advertising and to know the public image. However, Evaluation of advertisement-effectiveness helps to know the saturation point of advertising by comparing marginal revenue generated by advertisement with the amount spent on advertising (i.e. marginal cost). The company should stop further spending on advertising when its marginal revenue is equal to or less than its marginal cost. In order to test or measure the effectiveness of advertising the present study has selected the two automobiles company namely Bajaj and TVS (two wheelers) for evaluation of their advertising and its impact on their sales as well as communication.

#### 4. Need Of Measuring Effectiveness Of Advertisement-

Every business tries to know the exact return on the investment it makes in any activity of business- may it be purchase of plant or the marketing of the market- ready products.

The returns on investments in all other functions of the business are relatively easier to estimate than on marketing/ advertisement. And unless companies know the effectiveness of the advertisement, they will not have a stable ground for advertisement budgets.

Hence, the measurement of advertisement-effectiveness of business units will support these organization as well as the prospective customers in the following ways.

##### 4.1. To evaluate Advertisement copy:-

Advertisement is any form of paid, non-personal presentation of ideas, goods or services for the purpose of inducing people to buy the product. If audiences are not able to understand the brand name or appeal made in advertising, then such advertisement can not bring good results to organization. By evaluating advertisement-effectiveness, the business firms come to know the strength and weakness of its messages.

##### 4.2. Right Media Planning:-

Not all the media vehicles/ media mix are appropriate for all the advertisement objectives; for example, billboard are most effective in helping "recall" advertisement than providing information. Broadly, media planning involves advertisement budgeting and media selection depending on the objectives, previous campaigns, messages and target audience. Advertisement budgets are based on expected sales revenue. High advertisement spend is not a guarantee for a campaign

to be effective and the low spent is not always a failure. Thus, the right media planning is critical for advertisement to be effective.

### 5. Issues In Measuring Effectiveness Of Advertisement-

Advertising being a paid form of non-personal presentation and promotion of goods or services entails considerable amount of money to be spent on it. Companies are spending heavily on advertisement of their product to survive in stiff marketing place and keep sales up to cover the investment in the product development and marketing while keeping the ultimate goal of earning profits in their mind. But the total return on money spent in advertisement has been a debatable issue since there is no mathematical/statistical tool to establish a direct correlation between the two. Secondly, the companies setting advertisement budget are generally at a loss while calculating the ROI from this investment or the "Effectiveness of Advertisement."

Roaser Reeves once said *"Advertising to me is really one of the mysteries of American business...I can figure my taxes, estimate my depreciation, determine my sales cost, derive return per share. Yet there are times when I spend as much as \$ 18,000,000 a year on advertising-and have no idea what I'm really getting for my money."*

### 6. Pact Principles Of Advertising

#### 6.1. Advertisement Evaluation-

1. Is related to advertisement objectives.
2. Consists of several measures to ensure performance of advertisement.
3. Is based on human responses to stimuli- communication of stimuli, comprehension of stimuli and responses thereto.
4. Clears about results expected through each test.
5. Clear about whether the stimulus is to be repeated.
6. Acknowledges that the more finished the copy is, the better is the testing. Therefore, alternative executions should have the same degree of finish.
7. Provides controls to filter the biased effects.
8. Clear about sampling.
9. Demonstrate reliability and validity empirically.

#### 6.2. DAGMAR Approach-

The task of measuring advertisement effectiveness will be quite easy if we clearly spell out the advertising goals. Russell. H. Colley (1961) pioneered an approach known by the acronym DAGMAR-Defining advertising goals for measured Advertising results, where to establish an explicit link between advertisement goals and advertisement results. Colley distinguished 52 advertising goals that might be used with respect to a single advertisement, a year's campaign for a product or a company's entire advertising philosophy.

**These goals may pertain to sales, image, attitude and awareness. Some of goals are-**

- Persuade a prospect to visit a store and ask for a demonstration.
- Build up the morale of the company's sales force.
- Facilitate sales by correcting false impression, misinformation and other obstacles.
- Announce a special reason for "Buying now" (price, discount, premium and so on.)
- Make the brand identity known and easily recognizable.
- Provide information or implant attitude regarding benefits and superior features of brand.

#### 6.3. Pre-testing Print Media Advertisement

**Some popular techniques to pretest print media advertisement are-**

1. order of merit test
2. Paired comparison

3. Portfolio Test
4. Mock Magazine tests
5. Perceptual Meaning studies
6. Focus group

#### 6.4. Order of merit test-

The advertisements are ranked se per preference by the jurors or potential prospects. Reasonably six advertisement copies can be tested with accuracy by this method; later the accuracy decreases. The consensus emerges about the best advertisement copy at the end. But the best may be the best amongst the worst ones.

#### 6.5. Paired comparison-

Here at a time two advertisement copies are compared. It is one to one comparison amongst test advertisement. More than six advertisement copies can also be compared by this method. Every single advertisement is compared with all others, but only two (a pair) is considered at one point of time. Scores are recorded on cards. They are summed up. The winner gets the highest score. The other advertisements are rated according to their scores after summation. This technique is easier than order of merit. Till ten copies, there is good accuracy; which later decreases. The number of comparisons one is required to make with the help of the following formula.

$$\text{Number of comparison} = \frac{n(n-1)}{2}$$

Where n l the number of advertisement to be tested, Suppose 8 advertisement are being tested, the number of comparisons would be-

$$= \frac{n(n-1)}{2} = \frac{8(8-1)}{2} = \frac{8(7)}{2}$$

$$= \frac{56}{2} = 28.$$

#### 6.6. Portfolio Test

In this, some dummy advertisement re mixed with regular advertisement. A number of dummy advertisement are put l a folio along with the advertisement copy to be tested. The consumer sample sees the folio. The consumer is then asked bout what he has seen in each advertisement. The advertisement giving minimum playback is considered the best. It is verified whether the adjudged advertisement is dummy or regular. In case it is dummy, the actual advertisement is improved on the same lines.

### 7. Scope Of The Study-

The undertaken study will focus on Post-testing of advertisement as the access to unpublished/ unaired advertisements of the Bajaj and TVS is not possible. So the post testing will be the subject for the study. The published/ aired advertisements (print/broadcast & Multimedia) of Bajaj and TVS will be evaluated for the effectiveness and later on a comparison will be done on the basis of overall impact of advertisement in terms of sales, recognition/recall and intention to buy.

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