



Measuring Advertising Effectiveness

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ABSTRACT

Everybody in the modern world seems to be influenced by advertisements. Organizations have realized that the key to success is the ability to communicate effectively and efficiently to the target audience. Advertisements carry huge amount of money and having incurred huge expenses and not considering the effectiveness of the advertising does not yield expected results. Measuring the effectiveness of the promotional program has become a vital element in the promotional planning process.

Before measuring advertising effectiveness there is lot many questions to be answered:

How many of us actually watch ads?

Do we understand?

Do we judge?

Even if we watch, understand and judge how is the information reaching to the advertiser or who's keeping a track of our liking and disliking.

It's quite difficult to answer right?

Let us try and understand how our information is reaching to the advertiser and make advertising a two way communication than one way.

Keywords : Employee Retention, Talent Management, Training

Introduction

Advertising is a paid form of non personal communication by an identified sponsor. Advertising is not a new concept it's having a history of 5000 yrs. As we know artisans and craftsman placed their mark on the goods to get identified with respect to the skill they possess. Even today we can see trade marks on gold ornaments, sickles, hammers etc...



Town criers are also not new they are paid to go around streets of the town and make announcements, for example:

announcement about new movies upcoming in the town, a minister's arrival, panchayat gathering etc. The announcers used tonga or drums to announce. It is now that people in towns are using cycle and loud speakers to advertise and the practice is still sustained in rural India. Apart from the old practice the modern and foremost media vehicles used in our country today to advertise are: radio, television, newspapers, magazines, direct mail, internet etc... Then there are hosts of unconventional media such as Point of Purchase (POP) or shop advertising like window displays, calendars, diaries, ads on transportation vehicles, shopping bags, road dividers etc...

Importance of measuring advertising effectiveness

As soon as the advertising campaign is done, a need generally arises to measure the effectiveness of the campaign. The design of an advertising message helps to determine whether people will pay attention to it, whether they will look at it or hear it, whether they will understand it, whether they will remember it and most importantly whether, it has achieved the desired results i.e. desired sales profitability or results in terms of the change in customer behavior in bringing goodwill to the company's product which will naturally, affect the future sales of the product.

Important issues

The measurement of advertising effectiveness involves two different problems. The first problem is that of measuring effectiveness of advertisements or advertising messages. The second problem is that of measuring the effectiveness of media which expose the advertising messages to consumers. *Issues raised in effectiveness are – Media vehicle, reach, coverage, circulation, readership, frequency, continuity, gross rating point, target rating point.*

Media vehicle: Media vehicle is the mode by which the message is transmitted. Specific print or electronic medium employed in an advertising campaign. E.g. Newspapers, TV, radio etc...

Reach: Reach refers to the total number of different people or households exposed at least once, to a medium during a given period. It is just the number of people who are exposed to the medium and therefore have an opportunity to see or hear the ad or commercial.

Coverage: Coverage indicates the degree to which the information reaches the market, it is expressed as percentage. The greater the coverage, the greater the number of people exposed to the message. E.g. If a newspaper has circulation of three lakh households in the area covered, where the total number of household is 10 lakhs, then the newspaper coverage is said to be 30%.

$$\text{Coverage} = \frac{\text{Circulation}}{\text{Total no. of households}} = \frac{300,000}{10,00,000} = 30\%$$

The above coverage does not indicate the actual audience size of the newspaper. This brings us the difference between "circulation" and "readership".

Circulation: circulation refers to the total number of copies sold to a particular newspaper or a magazine. It applies only to the press media. Circulation only indicates the potential audience size of a newspaper or a magazine. It does not necessarily mean that this number of people actually read the publication.

Readership: Readership should not be confused with the circulation. It refers to the number of persons, who actually read the publication.

Frequency: Frequency refers to the number of times a person or a household is exposed to the same advertising message in a programme during a given period.

$$\text{Frequency} = \frac{\text{Total no. of exposure}}{\text{Reach}}$$

Gross Rating point: GRP is a term used to measure the size of an audience reached by a specific media vehicle. It is the product of the percentage of the target audience reached by an advertisement and the frequency they see it in a given campaign. The media buyer typically uses a numerical indicator to know how many potential audience members may be exposed to a series of commercials.

$$\text{GRP} = \text{Reach} * \text{Frequency}$$

Target/Television Rating Points (TRP): A television programme or a commercial sent over the air, on a cable system, or direct from a satellite is available for viewing by millions of viewers. A panel is constituted. Each panel member is given a diary to record the channel he watched. He is called "primary audience", because he owns the T. V. Those who do not own the receiver set but watch the TV are known as secondary audience. One TRP is considered equal to 1% of audience. In this case, if 70 people watch the specific TV programme, then TRP is 70% of audience watched the TV programme.

The main reasons for measuring effectiveness are:

- To determine the effect of each advertising campaign: Helps in knowing what type of ad was liked by audience which media and medium to select for advertising.
- To avoid costly mistakes: Company would like to know whether the money spent on advertising is effective or not. Suppose, if that ad does not create any effect, then it would turn out to be a costly mistake. In order to avoid such hiccups, the companies would prefer to check the effectiveness periodically.
- Evaluating alternative strategies: companies often test alternative versions of ad in different cities and different media to determine which ad communication is most effective.

- To increase the efficiency of the advertising: Most of the time audience will not understand what the advertiser is trying to communicate example Zoo Zoo ads which are non verbal. From my personal experience I have come across people who confessed that they take lot of time to understand Zoo Zoo ads or somebody should explain what it is all about and in case of a lay man he may not even understand but yes he will definitely enjoy the characters. That is why accountability is required in advertisements, and hence there is a need to measure the effectiveness of the same.

Various tests to measure advertising effectiveness:

The paper focuses on the post testing of advertisements. The advertisers are interested in finding out the overall communication impact of a completed advertising campaign, where it has increased awareness, comprehension, preference etc., about the brand. There are two categories of post tests (a) tests not based on respondent's memory (b) tests based on respondent's memory.

Tests not based on respondent's memory

- Inquiry tests:** This test is used in consumer marketing as well as B2B marketing. This method involves the measuring of advertising effectiveness on the basis of inquiries generated from offers or coupon advertisement appearing in different print media. The number of inquiries received indicates the ad effectiveness. Inquiry may be for more details or demonstrations.
- Sales effect test:** In this test, the sales response to advertisement is measured. It is difficult to ascertain or correlate whether there is any sales increase due to a particular advertisement. Increase in sales may not be a true reflection of advertising effectiveness; sometimes the basic need generates sales.
- Stimulated sales test:** In this test, the customers are exposed to alternative pieces of copy, for example, the copy to be tested can be in the form of stores display material. Two groups of identical store may be chosen. Copy A, pop display is placed in first group and copy B in the second group. Product sales are measured before and after the introduction of display material. The group which has the biggest sales increase is supposed to have the best ad copy.

Tests based on respondent's memory

- Recognition test:** Researcher shows the respondents – the issue of newspaper/magazine, which she claims to have read. They are asked to recognize the ad; this test is used to determine the incidence and intensity of reading an advertisement which is inserted. If the magazine in which the ad is inserted is a bimonthly then, test will commence three to six days after the magazine has been released for sale. The test goes on for about two-three weeks. Recognition tests, however, are not final measure of advertising effectiveness. In fact, recognition is very easy to achieve by using attention-getting devices like catchy visuals, unusual headlines, bizarre or odd shapes, flashy and vivid color etc. and recognition alone does not ensure purchase by consumers.
- Recall test:** The recall test is a kind of a memory test that attempts to measure the impression or penetration made by an advertisement on the readers or viewers mind. It evaluates the memorability of an advertisement by contacting audience and asking them what they remember about it. As a test of memory, recall is more demanding and difficult than recognition. Various recall tests differ in the subject matter they deal with and the aid-to-memory they provide. Some deal with print ads while others deal with broadcast ads. Some recall tests use aids to help audience like showing cover page of the magazine, showing slides or cards to remember while others do not use such aids.

c) Triple association test: In this test, the advertiser makes an attempt to know the consumer's association with brands and their benefits. The main aim of the test is to assess customer's abilities to associate with the triplets, namely product category, brand name and copy theme. One or two of the triplets are read or shown to the respondents and asked to tell the remaining part of the triplets. In case of Nerolac Paints, which was endorsed by Amitabh Bachchan, around 80% of the respondents were asked to associate Bachchan with any paint and the respondents associated him with Asian Paints, which is the biggest competitor of Nerolac. This helped the company to know where they are going wrong and take necessary steps to change the theme of the ad.

ing. 13 years of IPA Advertising Effectiveness Awards have proved beyond doubt that advertising does affect consumers. In order to measure advertising effectiveness, methods such as surveys, questions that invite people to recall, recognize and associate things are used. A growing number of advertisers, notably in the consumer goods industry, conduct regular post-tests to assess the performance of their ad campaigns. Yet, advertising pose new and difficult challenges related to the measurement and its effectiveness. No doubt measuring the effectiveness of an ad is really a complicated process but when done in a proper format contributes a lot to boost the sales of the product and giving publicity to the company.

Conclusion:

Advertising simply makes obvious that the consumer must be the focal point for understanding the effectiveness of advertis-

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