UNIT 7 : EVALUATING ADVERTISING EFFECTIVENESS

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7.1 LEARNING OBJECTIVES

By the end of this unit, you will be able to:

- explain the reach, frequency and impact of advertising
- describe copy testing
- discuss the advertising recognition and recall tests
- elaborate the issues in assessing impact of advertising
- analyze the performance of an advertising agency.

7.2 INTRODUCTION

An advertisement, in order to be effective, must be designed keeping in mind the age group of the targeted customers, the geographic location and also the cultural aspect. In this unit we will discuss briefly, reach, frequency, copy testing, performance of advertising agencies etc.

7.3 DECIDING ON REACH, FREQUENCY AND IMPACT

7.3.1 Advertising Reach

It is important for an advertiser to understand the target segment of customers before advertising the product or service. In marketing, the concept of segmenting, targeting and positioning are important and need to be constantly taken into consideration by the advertiser. It is important for the advertiser to know the probable customers for whom the product will be advertised. An advertisement will be effective only when the advertiser have knowledge of the demographic, cultural and geographic segments of the target customers.

For example, in terms of age, Pampers, a baby product is advertised in a manner keeping in view the requirement of the baby. Similarly, HFDC Life insurance in its advertisement had advertised its post retirement plans with the tag “jiyo sar utha ke”.

Also, we have seen that “Coke” had involved film star Aamir Khan in its earlier advertisement to market its product in a unique way for the rural customers. Moreover, in order to ensure that its product reaches the rural customers, “Chota Coke’ was introduced.

Advertisers therefore must understand the customers and thereafter try to position their products or services in the minds of their targeted segments.

7.3.2 Advertising Frequency

It is indeed important for the advertiser to know when and how often he should advertise the product. For example, some household products are advertised during the day, preferably during noon so that the homemakers may be targeted. However, most products are advertised during the prime time, i.e. preferably during the evening hours so as to attract most of the customers. Moreover,

there are certain products that are advertised only on popular sports channels so as to target mostly the young customers who are attracted towards sports or adventure. Also products advertised in certain magazines in the business class inside flights are not found in other common magazines. The reason is to attract the HNI customers.

In advertising, we know are familiar with the three concepts of selective attention, selective distortion and selective retention. Every moment the customers come across different types of advertisements. Certain advertisements are able to attract them while most are avoided. In order to sustain in the competition, advertisers must frequently advertise their products in such a way so that it can attract the customers. However, it must be ensured that the products so advertised should be in such a way that it is able to meet the customers' expectations or else the amount invested will be wasted.

7.3.3 Advertising Impact

That the advertisement has been able to create an impact can be judged by the number of preferences it got from the customers. That means customer response for the product. In order to gain a positive and wide response from the customers, the advertiser must create an ad that is able to satisfy the most unmet need of the customer.

For example, Reliance Jio has been able to meet the most unmet need of the customers. It is a perfect example of advertising reach, frequency and impact. Standing on the Digital India campaign, the company has reached the targeted customers in a significant way which is highlighted in the high and positive response from the customers.

7.4 COPY TESTING

Copy testing refers to checking the effectiveness of an advertisement in terms of recall, content and how well the message was comprehended.

As the company has to bear a huge advertising expense therefore the ad should be such that the targeted audiences are persuaded to buy the product or service being advertised. Therefore, copy testing is a tool to check the effectiveness of an advertisement. Copy testing can be performed before and after releasing the advertisement in the media. In the first case, it is termed as pre testing and in the second case it is termed as post testing. The results obtained in the pre-tests are used to make improvements if required in the final advertisement. Post-tests, on the other hand, reveal how the advertisement was perceived by the target audiences, i.e. whether it was successful or not. In copy testing, the advertisement is shown to the audience and their reactions are studied. This helps in evaluating the appeal of the advertisement to the target customer and whether the message was communicated properly.

7.5 ADVERTISING RECOGNITION AND RECALL TESTS

Recognition test is a special type of tests in advertising that is used to measure the awareness level of the target audience regarding an advertisement to which he has been exposed to. In this an advertisement is shown or described to the respondents and his verbal responses are noted. If the respondent has seen the advertisement, then he is asked questions regarding the copy of the message, name of the brand etc. Tests which are used to check the recognition are:

a) **Mail Survey:** In this a questionnaire containing the description of an advertisement and a few questions regarding the advertisement is mailed to the target audience. The brand name is not revealed and the respondents have to identify it. Respondents are then required to fill up the questionnaire and mail back the filled up forms. Such surveys are also conducted to measure the recognition for radio and TV commercials.

b) **Starch Tests:** This test is intended to find out whether a reader has observed a particular advertisement in a magazine. Daniel Starch, a

psychologist had invented this test in 1923 to measure the effectiveness of print ads. The pre-condition for such a test is that the respondents should have already read the same issue of the magazine in normal conditions as a regular reading. During the test, the respondents are asked whether he has seen or read the advertisement before. Depending on the responses, the advertisement in the magazine are divided into three categories:

i. **Read Most:** The respondents read half or more of the copy.

ii. **Seen Associated**: The respondents read only that part of the advertisement which describes the brand or service.

iii. **Noted:** The respondents remember seeing the advertisement.

Starch scores obtained in such a manner are found to be highly reliable. This test also reveals that the recognition of an advertisement also depends on the product class, variable of the copy (size, colour, etc) and media used.

Recall is defined as the process of remembering something or recovering information by mental effort. It is based on the theory that the commercial leaves an impression on the mind of the person who has seen it. Recall tests are designed to measure an advertisement's impact by asking respondents to recall particular components of an advertisement.

Depending on the amount of help given to the respondents to recall the advertisement, the recall is classified as unaided recall and aided recall. In unaided recall the respondent is not prompted with any elements of the advertisement. He is given only the name of the product or service. It involves the respondent questions like 'name the soft drinks he knows'. In aided recall, the respondent is prompted with the brand name or some pictures of a commercial. It involves questions like 'have you heard of a soft drink called Mountain dew?'

Day-After-recall tests

Day-after-recall (DAR) test was designed by George Gallup in 1940. This test is conducted 24 hours to 72 hours after the telecast of the commercial. The respondents are selected randomly and are contacted by

telephone. They are asked if they remember watching any advertisement of the product category. If the respondent replies with the correct brand name, then the response is called unaided recall. Otherwise the respondent is given some more information about the commercial.



CHECK YOUR PROGRESS

Q 1: An advertisement will be effective only when the advertiser have knowledge of the ....., ... and ..... segments of the target customers.

Q 2: In advertising, we know are familiar with the three concepts of ....., ... and .....

Q 3: Define Copy testing.

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Q 4: What is Recognition tests?

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Q 5: What is Recall tests?

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7.6 ISSUES IN ASSESSING IMPACT OF ADVERTISING

Advertising today have become a part of our day to day lives. This 21st century can be rightly called as the age of advertising. Advertising has been able to cast a deep impact in the social as well as the economic aspect of our day-to-day activities.

Social Aspect of Advertising

Though the main aim of advertising is to enhance the sales and generate profit for the organization yet today with the passage of time, it has

become an indispensible part of our modern society. Some people are of the opinion that advertising has both positive as well as negative impact on the society. That advertising have had a positive and effective role in the society can be assessed by whether the advertisement has any message for the welfare of the society or whether it is able to improve the standard of living of the people, has been able to highlight the cultural values of the society etc. A society consists of people with diverse habits, customs, attitudes, beliefs, rituals and values. An advertiser must understand these factors well before advertising a product or a service. Similarly, advertising and culture are indispensible. An advertisement must be able to link the product or the service with the culture, values and customs of a society. It will not be entirely wrong to say that the cultural norms, beliefs and values are the basis for selecting and evaluating the goods and services.

Economic Aspect of advertising

Sahni, N.K., and Gupta, M., (2011); "Advertising and Sales Management (Text and Cases)", have mentioned that advertising is a sub-system of the economic system. It is indirectly the backbone of any economic activity as it touches and influences the life of each and everyone within the society. Not only that advertising has an impact on the production and distribution costs but also on the consumer prices of various products as well. It is indeed true that the prices of different goods and services would have been otherwise low if there would have no advertisement at all. The expenditure incurred on advertising the products and services are in some way passed on to the customer who will have to bear the burden of it in the form of high cost of the products. But it is also known that effective advertising will also enhance sales volume and will therefore indirectly lead to reduction in cost of production and distribution.

7.7 MEASURING THE PERFORMANCE OF AN ADVERTISING AGENCY

An advertising agency is an integral part in the world of advertising. It is bestowed with the responsibility of creatively designing an ad to its successful implementation so as not only to persuade the target customers

towards the products but also to enhance the sales volume and net profit of the respective company. A company has to make significant investment for the success of an ad campaign. Here, the role of an agency is significant. In order to stand up to the high customer expectations and also to sustain in the cut throat competition, an advertising agency has to come up with some sort of inquisitiveness in designing an ad. The effectiveness of an agency can be measured and known by the number of responses that the ad campaign receives. From the company's point of view, the success of an agency would be highlighted if there is a significant rise in the sales volume of the product. Its performance becomes even more prominent during the festive season, when they come up with much more creativity in the ads that they design for the company because it is mostly during such times that there is a possibility of high sales.

For example, most of the ads in case of consumer durables companies are prepared by the advertising agencies wherein the names of the dealers and distributors of the company are incorporated so that the customers can contact them regarding product related information. Therefore the company sales people often visit the dealers to know about the status of their products in terms of the sales volume. Moreover, an advertising agency must also take into consideration that the ad is cost effective as well.

Overall, the work of an advertising agency will be considered successful, if it is able to attract the target customers well and is able to generate greater awareness about the products through the ad which will bring in more revenue for the company and is cost effective.



7.8 LET US SUM UP

- An advertiser to understand his target segment of customers before advertising the product or service.
- Selective attention, selective distortion and selective retention are the three concepts of advertising
- Advertisers must frequently advertise their products in such a way so that it can attract the customers.

- A good advertisement is one where targeted audiences are persuaded to buy the product or service being advertised.
- Recognition and Recall tests are used to measure the effectiveness advertisement.
- The main aim of advertising is to enhance the sales and generate profit for the organization
- Advertising has both positive as well as negative impact on the society.
- Advertising has an impact on the production cost, distribution cost and on the consumer prices of goods and services.



7.9 FURTHER READINGS

1) Wells, Moriarty and Burnett (2007), *Advertising- Principle and Practice* Seventh Edition, Pearson education



7.10 ANSWERS TO CHECK YOUR PROGRESS

Ans to Q No 1: An advertisement will be effective only when the advertiser have knowledge of the demographic, cultural and geographic segments of the target customers.

Ans to Q No 2: In advertising, we know are familiar with the three concepts of selective attention, selective distortion and selective retention.

Ans to Q No 3: Copy testing is a process to check the effectiveness of advertisements in terms of recall, content and how well the message was comprehended

Ans to Q No 4: Recognition test is a special type of tests in advertising that is used to measure the awareness level of the target audience regarding an advertisement to which he has been exposed to.

Ans to Q No 5: Recall test is defined as the process of remembering

something or recovering information by mental effort. It is based on the theory that the commercial leaves an impression on the mind of the person who has seen it.

The effectiveness of an advertising agency can be assessed by the increase in the sales volume of the products, customer response, revenue generation for the company and cost effectiveness.



7.11 MODEL QUESTIONS

A: Short Questions (answer in around 150 words)

Q 1: Write short notes on–

a) Advertising fewquency b) Spcial aspect of advertising.

Q 2: What is the meaning of advertising reach?

B : Long Questions (answer in around 300-500 words)

Q 1: Discuss the concept of advertising reach, frequency and impact with examples.

Q 2: Why Copy testing is important?

Q 3: Explain Recognition and Recall test of advertising.

Q 4: "Advertising has both positive and negative effect on the society"- Explain.

Q 5: How can the performance of an advertising agency be assessed?

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