Topic: ASM 16 Measure Advertising Effectiveness

ENG APS44

Duration: 17:09

1. Welcome students over the subject of advertising and sales promotion.

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1. We will discuss measuring advertising effectiveness.
2. As you understand that anything we do, we actually like to measure it and to see the effectiveness of this.
3. In fact, I should say, when a child writes the examination paper, he has to see the result come with it.

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1. Maybe so that he comes to know where he is wrong and where he should pay more attention.
2. This will help him work better in the future.
3. The work is not complete, if the effectiveness of advertising has not been measured.
4. It is not just the advertisement.
5. It is any work we do.
6. We need to see the effectiveness of them.
7. If you are not able to see the effectiveness, all the efforts go to waste.
8. That is why it is said we should know the effectiveness of our work.
9. This is the only way to know how the advertisement is performing.
10. Is it reaching the targets and is the goal achieved?
11. It is not at all possible to measure advertisement effectiveness accurately.
12. As there may be many factors like making a brand image, increasing the sales, keeping people informed about the product, introducing new products and others, which affect the effectiveness of an advertisement.
13. But there are some traditional and modern tools to measure most of the effectiveness of an advertisement through which the advertiser can or may get more and more information about how their ads and products are performing in the market.
14. So, these are some of the tests, which are available for measuring advertising effectiveness.

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1. There are different tests and several techniques in each of the tests to evaluate advertising effectiveness.
2. Test depends on the aspects to be evaluated.
3. Based on Philip Kotler’s views, let us discuss some of the classification of tests where we can look into the evaluation of advertising effectiveness.
4. We have a pretest and post test, then communication and sales effect test, laboratory and field test, experiment and survey test, and then message and media effect test.
5. Pretest and post test.
6. Pretest implies testing advertising messages before it's sent to specific media.
7. So we try to find out whether it will work in that specific media or not.
8. And then the post test implies testing the impact of an advertising message after it is published, or run in any of the media.
9. Obviously, if we do not know whether the impact of advertising is coming, after it's been published in a particular media, whether it's a TV, whether it's a newspaper, whether it's a magazine, or maybe on Facebook or wherever it is, how will we go about that particular advertisement?
10. If it has no impact, we should change it; we should remove it and put in something else which will catch the attention of the customer.
11. Then we come to the communication and sales effect test, which is very important.
12. Communication test measure communicability means ability to communicate the message.
13. If your message is not able to communicate, what you are actually looking into, all waste.
14. Whereas a sales effect test measures advertising impact on a sales volume.
15. It has been said that if your advertisement is not able to increase your sales, maybe short term or long term, depending on the message, kind of a message you are actually playing in that particular media or publishing in that media, nothing is going to be gained by the marketer.
16. Then we come to the laboratory and field test.
17. Clearly a laboratory test is conducted in a controlled environment on a limited scale.
18. Respondents are invited in a laboratory to state their response.
19. Whereas, quite opposite to a laboratory test, a field test is conducted in the original setting.
20. Artificial climate is not created.
21. It is similar to conducting surveys to measure what consumers think about a company's advertisement.
22. In such cases we send people along with a small survey to find out whether the people actually understand our advertisement.
23. Do they like it or they don't like it or will they buy our product or will not.
24. So that is where we need to understand about this kind of a test.
25. Then we come to the experimental and survey test.
26. Experimental test involves testing advertising effect by conducting a test by manipulating independent variables, which is advertising efforts and measuring the effect of the manipulation on other dependent variables like sales, profit and customer satisfaction.
27. Experimental tests may be laboratory or a field test, where the survey tests include knowing customers' views through a survey method.
28. Then we have a message and a media effect test.
29. A message test involves measuring clarity, contents, believability and action ability of the message.
30. Media test measures effectiveness, suitability of one or more media.
31. Mostly a company is entrusted to measure advertisement’s communication effect and sales effect.
32. Therefore, it is worthwhile to discuss more about communication and sales effect tests.
33. After several tests, the communication test and the sales effect test are more relevant, because of the success of the advertising campaign, attitude and preference of the target customers.
34. In the same way a sales volume is the ultimate aim of all marketing efforts including advertising.
35. Advertising must increase sales.
36. Therefore, evaluation of advertising effectiveness in most cases consists of evaluating communication tests and sales effect tests.

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1. So, let's see what all are the tests available to us when we want to measure communication effect.
2. We have first a direct rating test.
3. Then we have a recall test and we have a portfolio test and then we have a laboratory test.
4. Let’s discuss all of them one by one.

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1. When we want to do a communication test, it seeks to determine whether advertisement is capable of communicating effectively.
2. And for that, we are talking about these types of tests.
3. The first one is a direct rating test.
4. So, what is it?
5. In this method, consumers are asked to rate or rank alternative advertisements.
6. They are exposed to different ads and are requested to rate them.
7. Consumers can consider various criteria to rate the advertisements like message content, message clarity, coordination and overall impression.
8. Then, we have a recall test.
9. Recall, you can understand re and call, where we are saying, we try to call what you have seen in any media with a Do you remember that ad.
10. It actually measures the retention value of ad messages.
11. The consumers are asked to listen and/or view the particular advertisement.
12. Then, they are asked to recall the same.
13. But they may not be told which brand, only particular advertisements.
14. Then they were asked which company or which brand it is.
15. The amount of content and message they recall determines the effectiveness of the advertisement.
16. So, if they remember that particular point which they have seen in an advertisement, that means they have seen the entire advertisement.
17. Or if they remember only one part of the advertisement, that means they didn't like it.
18. They saw the first part and then moved on to some other channel or some other pages of that particular media.
19. They don't recall the entire thing.
20. But if they recall almost seventy to eighty percent, that can be considered a success for advertising efforts.
21. Then we have a portfolio test.
22. Here the consumers are asked to view and/or listen to a portfolio of advertisements.
23. They are given as much time as they need.
24. They are then asked to recall all the ads and their contents.
25. The recall level indicates an advertisement’s ability to affect consumers’ knowledge and arouse interest.
26. In this particular test, they might be shown ten or twelve advertisements in one go.
27. And then they've been given their particular time, how much time they want to take.
28. Ten minutes, fifteen minutes, twenty minutes or maybe half an hour.
29. And then they will be asked to tell the content of these advertisements.
30. What they have seen in the first advertisement, second, third, fourth, fifth, sixth and so on.
31. And what are they able to recall?
32. Are they able to recall the jingle?
33. Are they able to recall the brand line or tagline?
34. Are they able to recall the models who were there?
35. So, what they were saying, it's been actually called a portfolio test, where they have been asked on the basis of showing ten or twelve advertisements.
36. It may more or less depend on the kind of test we are performing.
37. Then we have a laboratory test.
38. The test is conducted in a laboratory.
39. Necessary equipment is used to measure consumers’ physical reaction in terms of heartbeat, blood pressure, perspirations to an ad.
40. So, if someone is being shown a particular advertisement and his heartbeat increases or he liked that ad, and he started smiling or something like that, then that had been considered a particular success for that advertisement.

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1. Then we have a sales effect test method, in which we have two types of methods.
2. One is historical, and the other is experimental.
3. So, let's see what is historical.

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1. As we talk about a sales effect test, the communication effect test measures the communicating ability of the ad, where the sales effect test measures the ad’s ability to influence sales.
2. Ad must affect sales positively.
3. In fact, advertising’s sales effect is difficult to test.
4. Because sales are influenced by many factors, besides advertising, including product’s features, price, availability, competition.
5. So, effect can be measured through these particular two tests, that we’ve just said, historical test and the experimental test.
6. So, let's first discuss the historical test.
7. So, this test involves correlating the past sales to the past advertising expenditure, using advanced statistical techniques.
8. You must have got a bit of idea about this, what test is this?
9. So, it means, if last year, let's say we talk about two thousand fifteen or two thousand sixteen or maybe two thousand fourteen that year we have spent X number of amount for doing advertisement and we got the sales which is x plus one.
10. Then we will try to recall historical data, will pick it up and try to match it with this year's our sale after the advertisement.
11. Is it x plus two, is it x plus one or is it x minus one?
12. The result can reveal how far advertisement was effective in generating or increasing sales.
13. This test can be used for different products, territories, and ad media or in journals.
14. It depends on the marketer which product he would like to.
15. For example, let's say Hindustan lever has fifteen products.
16. So, they might like to go for ten products.
17. Maybe not for five because they understand the five is really doing well.
18. Sale has already been picked up after the advertisement release.
19. So, let's test this only on ten products.
20. Then they might like to go for a different geography.
21. They felt like okay, Northern India is doing pretty well.
22. So, let's go to southern India or western India or eastern India and check how much sales have increased after they had given a particular advertisement in this particular geography or territory.
23. And then the ad can be looked into from a different media also.
24. When we are given an ad as a marketer, in a newspaper, what impact came on sales?
25. Or when we’ve given in a magazine, business magazine or a fashion magazine or a sports magazine, what impact came into that?
26. Or if we have given this on TV, which channel we are giving?
27. Are we giving it in Star TV, Zee TV, MTV, star movies, HBO, news channels or maybe religious channels?
28. So, this can be changed according to the needs of the marketer.
29. Then this test can be performed on different categories, of different products, territories, Ad media or in journals.
30. Then we have the experimental test.
31. Does this sound like something experimental?
32. What is experimental?
33. Experiment is conducted to assess the impact of advertisement on sales.
34. Instead of spending the same percent of sales for advertisement in all territories or products, a company spent a different percentage of sales for advertisement.
35. Companies can easily judge whether high spending territories have resulted in increasing sales or vice versa.
36. So, this is where the experiment has been done.
37. On the basis of that, are we spending the same percent of sales for the advertisement in all territories and products?
38. Or are we doing it differently?
39. As I’ve given an example of Hindustan Lever.
40. So, they have ten products.
41. Are they going to spend the same amount in northern India, eastern India?
42. But will they be spending the same amount in western and eastern India?
43. Of course, it will depend on the product, what product you're selling.
44. Where the target market is more than the other geography.
45. And this is where we understand how we can do experimental tests.
46. So, I will emphasize again, an experiment is conducted to assess the impact of advertising on sales.
47. Companies can easily judge.
48. Don't think that companies can't understand or can't judge whether high spending territories are giving a better result.
49. Or the territory is where we are spending less, but the results are far much better than where we are spending high.
50. So this is what we call an experimental test.
51. And through this we can actually measure the advertising effectiveness.

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1. I hope you're able to understand how the advertising effectiveness can be measured through different tests.
2. And this will also help you to become a better and a wiser marketer to spend money on advertisement.
3. Thank you.