

## Chapter 12

# Measuring Advertising Effectiveness

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Every year companies spend huge sums of money on advertising. Advertisers would want to measure the effectiveness of advertising to justify spending large sums of money on advertising. John Wanamaker's famous quote, "I know that half of my advertising money is wasted... I just don't know which half", calls upon the advertisers to evaluate their advertising campaigns to avoid any costly mistakes in advertising. In other words, it is important to determine how well the advertising campaign is working and to measure its performance against predetermined advertising objectives.

### MEANING

Measuring advertising effectiveness refers to evaluation of advertising results against the predetermined standards of performance or objectives. Advertising effectiveness can be measured either before launching the advertisement (pre-testing) or after launching the advertisement (post-testing). Measuring advertising effectiveness is supposed to be one of the most difficult tasks in advertising.

Advertising objectives can be sales or communication objectives. In the evaluation process, it is estimated to what extent the advertising campaign has been able to achieve its sales or communication objectives. Thus, *the evaluation of an advertising campaign should focus on two key areas:*

- **Evaluating the Communication Effects of advertising** – is the intended message being communicated effectively to the intended audience?
- **Evaluating the Sales Effect of advertising** – has the campaign generated the intended sales growth?

If advertising fails to achieve the desired results, the money spent on advertising will go waste.



### Measuring Advertising Effectiveness

- Determining whether an advertising campaign accomplishes its advertising objectives.
- Difficult to determine the effectiveness of advertising because -
  - ads may have several objectives,
  - ads work over extended time periods, and
  - results may not be observable
- Thus, one of the most difficult tasks in advertising
- Effectiveness can be measured either before launching the advertisement (pre-testing) or after launching the advertisement (post-testing).
- Evaluation of advertising effectiveness may aim at evaluating the communication effect and/or sales effect of advertising.

### NEED AND IMPORTANCE OF MEASURING ADVERTISING EFFECTIVENESS

The need and importance of measuring advertising effectiveness arises due to the following reasons.

1. **To justify the cost of advertising:** Advertising is a costly affair. Evaluation of advertising effectiveness helps the advertising manager to justify the amount spent on advertising. Thus, the advertising manager carries out a cost-benefit analysis of advertising in which costs of advertising is compared with the benefits of advertising. If benefits of advertising are more than the costs, the advertising manager can justify the amount spent on advertising to the top management.
2. **To exercise control on advertising campaign:** Evaluation of advertising effectiveness helps to exercise control over advertising campaign. Through evaluation, the advertising manager comes to know whether advertising results are in accordance with advertising objectives. In case advertising results are not in accordance with advertising objectives, timely corrective action can be taken by making necessary adjustments in ad campaigns.
3. **For evaluation of advertising copy:** Measuring advertising effectiveness helps to evaluate the advertising copy and the messages given in the ad. Sometimes, advertisements may be well-remembered and liked by the audience, but if the audience is not able to remember the brand name, or understand the message or the appeal used in the ad then such advertising cannot bring desired results to the organisation. By evaluating ad effectiveness, the advertiser can find out the weaknesses in the message content, appeals, etc. so that in future a more effective ad copy can be designed.



4. **For effective media planning and media scheduling:** Evaluation of advertising effectiveness helps to know the impact of advertising in different media on the target audience. Consequently, the advertiser can take better decisions regarding media selection and media scheduling like selecting suitable media vehicles, time of issuing the ad, their frequency, appropriate television channels, television programmes, size of a print ad (full page or half page), etc.
5. **To reduce wastage in the amount spent on advertising:** By evaluating advertising effectiveness, the advertiser can come to know which ad is not effective in increasing sales or in communicating the message to the target audience. Such ads can then be discontinued. Thus, wasteful advertising expenditures can be reduced.

### EVALUATING COMMUNICATION EFFECTS OF ADVERTISING

The communication effects of advertising can be evaluated by carrying out communication-effect research. One main objective of advertising is to communicate the desired message to the target audience. The effectiveness of advertising depends on the effectiveness of communication. *Communication-effect research seeks to determine whether an ad is communicating effectively.*

The communication effect can be measured in terms of effect of an ad on memory, knowledge or attitude of consumers. According to the communication-effect approach, if an ad is able to communicate the message to the target audience effectively, then the ad is evaluated as effective. If more viewers and readers are able to recall/recognize/identify the ad message, then it indicates that the ad is able to communicate the message effectively. Also called copy testing, communication-effect research can be done before an ad is put into media or after it is printed or broadcasted.

### PRE-TESTING TECHNIQUES

Pre-testing of advertisements is done before an ad is put into media. The following are the major methods of pre-testing the ads.

1. **Portfolio Tests:** Portfolio tests ask consumers to view or listen to a portfolio of advertisements. Consumers are then asked to recall all the ads and their contents. The recall level of an ad indicates its ability to stand out and have its message understood and remembered.
2. **Consumer Feedback Method:** The consumer feedback method asks consumers for their reactions to a proposed ad. They respond to questions such as-
  - What is the main message you get from this ad?
  - How does the ad make you feel?
  - What happened in the commercial?
  - What thoughts came to your mind?



- Is there anything in the ad you don't understand?
- What do you like or dislike in the ad?
- What do you remember seeing in the ad?
- What brand is being advertised in this ad?
- Do you intend to try it or buy it?

3. **Laboratory Tests:** Laboratory tests use equipments to measure physiological reactions (like heartbeat, pupil dilation, perspiration, blood pressure, etc.) to an ad. These tests attempt to capture changes in the nervous system or emotional arousal during exposure to an ad. Several kinds of physiological instruments and methods are used to observe reactions to advertisements. These are explained below.

- **Eye camera** – This is an instrument that photographs eye movements, either by photographing a small spot of light reflected from the eye or by taking a motion picture of eye movement. The device can be used to record the point on a print advertisement where the eye focuses a lot of times. Analysis can determine what the reader saw, what part of the ad he or she returned to and what point was fixed upon.
- **Pupillometrics** – Pupillometrics deals with eye dilation. Eyes widen when something interesting or pleasant is seen, and contract when confronted with unpleasant, distasteful, or uninteresting things. An interesting application is the use of pupillometrics in evaluating television ads.
- **Brain Waves** – Some companies test ads by means of the amount, nature, and distribution of the brain waves evoked. Consumers are placed into seats and have electrodes placed on different parts of their scalps. As the ad is shown to them, the brain wave activity in various regions of their brains is recorded. These measures cover various frequency ranges and are averaged over time and normalized for each individual being tested. Analysis of the frequency and the amplitude of this activity can be interpreted to check the attention-getting power of different parts of the commercial, as well as of the ad as a whole.

4. **Copy Tests:** These tests are used for testing the advertising copy. Copy tests are done to evaluate different executions of an advertising campaign. Copy tests are useful for selecting one out of many different advertising executions, or for making adjustments to improve comprehension or the tone of the ad. Copy tests use test ads that are moderately to highly close to the finished execution.

5. **Pre-testing Techniques for Broadcast Ads:** The following tests have been suggested for testing the effectiveness of broadcast ads.

- (a) **On-air tests:** In this test, the respondents are recruited to watch a programme on a television channel during the test commercial or are selected based on

they having viewed the programme. They are then asked questions about commercial recall.

- (b) **In-home tests:** A videotape of commercials is taken to the homes of target consumers who then view the commercials. They are then questioned about the commercial.
- (c) **Theatre tests:** Consumers are invited to a theatre to view a potential new television programme or a movie along with some commercials. Before the show begins, the consumers indicate their preferred brands in different categories. After viewing the show, consumers are again asked to choose their preferred brands in different categories. Preference changes are assumed to measure the commercial's persuasive power.
- (d) **Trailer tests:** In this test, the shoppers in a shopping centre are shown a series of commercial and are given coupons to be used in the shopping center in a simulated shopping situation. By evaluating redemption, advertisers can estimate the commercial's influence on purchase behaviour.