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# UNIT 8 MEASURING ADVERTISING EFFECTIVENESS DEFINITIONS AND TECHNIQUES

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## Objectives

After reading this unit you should be able to

- formulate measurable objectives for advertising campaigns
- decide on what factors the campaign should be evaluated on
- brief a research agency on advertising campaign evaluation study
- evaluate the campaign and also the quality of the research

## Structure

- 8.1 Introduction
- 8.2 Measures of effectiveness
- 8.3 Issues in Measurement
- 8.4 Awareness and Knowledge
- 8.5 Recall
- 8.6 Liking and Attitude
- 8.7 Preference
- 8.8 Sales
- 8.9 Methods
- 8.10 Summary
- 8.11 Self Assessment Questions
- 8.12 Further Readings

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## 8.1 INTRODUCTION

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In this unit we review the tools and techniques used to measure advertising effectiveness. Effectiveness is the measure of the gap between results and objectives. Lower the gap, higher the effectiveness. Thus it is an evaluation of the advertising process. The advertising evaluation process is frequently called accountability. Management wants the advertising managers to identify exactly what results were obtained for the advertising investment and to provide evidence of the return on investment. After all, advertising uses the scarce resources that could be invested in a number of ways. Therefore, the question that management poses is, "Is advertising the best way to use those funds?" And it is the job of the advertising campaign planner to be able to answer that question. To do so usually requires some form of advertising evaluation.

Evaluation of advertising campaign effectiveness is a form of research though it is somewhat different from other forms. Most advertising research is used to predict what might occur in the market place. Effectiveness research, on the other hand is used to determine exactly what did happen. Although this information might be used as a basis for future actions, its basic purpose is to measure what occurred as a result of the advertising campaign and, therefore, what return was received on the investment made.

In short, the reasons to evaluate the advertising campaign are as follows :

1. To determine if the objectives set for the advertising campaign were met. This of course presupposes that measurable objectives were set in the first



place. And that these objectives are in line with the overall marketing objectives and strategies. The first success of any effectiveness research would be that it forces managers to think clearly and put down on paper, for themselves and others, what they expect the advertising to do.

2. To quantify the return on the campaign investment. By knowing what was achieved, management can relate that information to opportunity cost of money and determine cost effectiveness of the advertising campaign. Of course this is an ideal situation. Measurement of advertising results are seldom precise enough to make this quantification possible .
3. To use the results of effectiveness research to make changes, additions, or completely alter course for future campaigns. No advertising campaign is ever totally successful.

It can always be improved. Evaluations of previous campaigns are a great help in improving and refining the elements and makeup of future campaigns.

In most Indian firms, the question is not whether to measure the results of the campaign, but whether it can be done and how . We attempt to provide a framework in this chapter.

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### Activity 1

Go through any documents related to advertising campaigns in your organisation. Find out if objectives for the campaign were clearly set . In your opinion are these objectives measurable?

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## 8.2 MEASURES OF EFFECTIVENESS

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**The golden rule of effectiveness research : Evaluate results against objectives.**

The purpose of advertising is not necessarily sales. Each campaign has its own objectives. The advertising campaign must be evaluated against the objectives of the advertising plan. Thus, if the objective of the campaign was to generate direct sales, then the measurement of success of the campaign must be sales. If the goals established for a business-to-business campaign involved obtaining leads for the sales force, then leads obtained as a direct result of the campaign should be measuring stick. It is all too easy for the advertising manager or researcher to fall into the trap of attempting to measure the total marketing efforts of the organizations and relate them to the advertising campaign, rather than to measure the actual effects of the advertising that appeared. The rule is simple: Measure and evaluate the advertising campaign on the basis of the objectives contained in the advertising plan. The research on effectiveness completes the loop of campaign planning, from marketing objectives to end results. Thus it should be treated as an integral part of the campaign planning process itself. The importance of setting specific measurable advertising objectives for the advertising campaign is critical.

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## 8.3 ISSUES IN MEASUREMENT

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**MOST ADVERTISING MUST HAVE SOFT OBJECTIVES.** Unlike the hard physical measurement that can be made of the metres of cloth woven in a loomshed, the objectives of most advertising campaigns are much softer and subject to interpretation. Interpretations present an inherent problem when any measurement is made on people, particularly when the objectives are communication effects, such as awareness, knowledge, liking, or even past



purchase recall. Although measurements for advertising often can't be precise as those for sales promotion and direct marketing, objectives can be set and measured.

**MEASUREMENT OVER TIME.** Because most advertising campaigns run over several weeks or even a year, it is often difficult to pinpoint the exact results of the campaign. In many instances the campaign effects may build over time. In addition, there is the Jagged effect of advertising. A 'stock' of previous advertising has effects which cannot be overlooked.

**MULTIPLE ADVERTISING AND MARKETING VARIABLES.** Even when measuring the communication effects of the advertising campaign, there is a problem in differentiating what is advertising and what is not. One cannot also ignore the fact that advertising is but one variable in the marketing mix and other variables too could have a communication effect. For example if a luxury car makes an offer of '3 for the price of 2' can we attribute any recall of this message purely to great creative or media planning efforts? Or if the advertising sales message is carried on the product package and the consumer sees the package and remembers it but not the actual media advertising itself, should that then be credited to the advertising campaign? Questions such as these make the measurement of advertising effects very difficult. Often they really can't be separated from the other marketing efforts on behalf of the brand. Of course in an integrated promotional effort, you may be more interested in the effects of the combined marketing elements, and so such separation may not be needed or even desirable.

**THE PROBLEMS OF HUMAN MEMORY.** Human beings simply don't remember everything. And they certainly don't remember all the advertising they have seen or been exposed to. Although more and more is being learned about how the human mind works, it still is almost impossible to say whether advertising goes into short term memory, long term memory, is dismissed, is stored, or what happens to advertising impressions. Until there is a better understanding of how human memory works, it is difficult to say exactly what should be measured, and even if the use of recall and memory is the best way to evaluate advertising impressions.

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## 8.4 AWARENESS AKNOWLEDGE

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The lowest level of communication effect of advertising or the first objective if the sales message is the awareness or knowledge of either the brand being advertised or the advertising message itself. When the product is new or unknown, the objective of the campaign may be simply to make consumer aware that the brand exists. Awareness of either the brand or the sales message is the simplest measure and, therefore, is the most widely used.

For an existing or known brand, the advertising task usually is to develop awareness or knowledge within the target market about a specific benefits a brand provides or the consumer problem it may solve. These measures do not necessarily attempt to determine whether the message has a communication effect. The assumption is made that if the consumer is aware of the message or has gained knowledge about the brand, the advertising has achieved its basic objective.

Under the assumption that the advertising message for the brand was unknown prior to the start of the campaign, the awareness measure can be made at any time after the campaign starts. The usual qualification is a determination of how many persons are aware of or recognize the product, the campaign theme, the benefit of promises made, or in some manner can identify, the sales message.

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## 8.5 RECALL

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The second level of advertising effectiveness is recall. Persons exposed to the advertising Campaign can repeat or play back certain portions or ideas they may have seen or heard. They "recall" the advertising message. Again, no measure is made of the value of the advertising message or the impact it may have had on the



target market. Three types of recall are used in advertising evaluation, top of mind (TOM), unaided and aided.

1. In unaided recall, respondents are asked if they remember having seen or heard advertising recently for any brand in a certain product category. No further clues are given to help identify the sponsor, the brand, or the message. The brand mentioned first or at least first in its product category qualifies for top of mind recall.
2. In aided recall, certain clues are given to help the respondent remember the advertising. For example, rather than asking only if the advertising for a certain product has been seen or heard, the question might be phrased in such a way as to see if the respondent is able to recall which brand or what advertiser used a certain graphic device or made a certain claim in his or her advertising. Thus, the hints or suggestions "aid" in recalling the advertising.

Both aided and unaided recall are used in evaluating an advertising campaign. Unaided recall is believed to be the stronger, however, because the respondent is asked only about the product category and is expected to spontaneously recall or remember the advertising. The assumption is that a longer lasting impression has been made.

The strongest effect of campaign at this level is specific information about the brand. If consumers learn from advertising that only one brand of skin cream has the advantage of dual action - for example, it is both stringent and anesthetic - and that the product with these properties is brand X then the assumption is made that some knowledge has been communicated. It is assumed this sales message will have some effect on the future purchase behaviour of the consumer, although that relationship is somewhat tenuous. Measures of awareness, recall and knowledge of the brand, the message or the benefits probably make up the bulk of the campaign evaluation. Most effectiveness studies do not go beyond these.

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## **8.6 LIKING AND ATTITUDE**

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The third level of advertising effect is linking the brand. Liking assumes the consumer is aware of the brand and has some knowledge of it either from the advertising or from actual use. Often, it is difficult to separate advertising knowledge from experience, which makes taking its measure more difficult. In the liking measure, it is assumed that advertising has had an effect on the consumer's mental condition or that some sort of attitudinal change has occurred. The consumer has moved beyond the awareness or knowledge stage and has formed a positive opinion about the product. Liking does not mean that the consumer will purchase the product. It simply means that the positive feeling or impressions exist.

An example of the "liking" measure is having a consumer name several acceptable brands of products in a category. The assumption is made that if the products are acceptable, they are liked. Although liking is an important step in evaluating the results of an advertising campaign, the measure still does not assume a purchase action. A consumer may like many products but only purchase a few.

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## **8.7 PREFERENCE**

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The fourth communication effect to be considered is preference, that is, that among a certain number of brands within a category one is preferred over the others. In terms of campaign evaluation, an assumption is made that the advertising message has created a level of acceptance for a specific brand, so that among available alternatives the advertised brand is preferred and is likely to be purchased.

Because preference indicates that, all things being equal, certain brands will probably be purchased over others, preference is one of the stronger measures of the effect of advertising. If advertising is one of the major decision making factors and if there is certain product preference, the campaign is usually considered successful whether or not any actual sales result.



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## 8.8 SALES

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If the advertising message that has been communicated is successful and market conditions and other marketing variables are favourable, the final step in purchasing process is behaviour or actual purchase of the brand. This effect is of course the most difficult to study, as actual purchase depends on much more than advertising. Factors internal to the consumer are whether she has used the brand earlier and the rewards she has got in the form of practical benefit, sensory benefit, ego satisfaction or social approval. For example in cases of repeat purchase one of the most important influences could come from the immediate past brand experience. Factors which are external to the consumer include all variables of the marketing mix that is variables like price, distribution, packaging and product quality, and promotions. Promotions include both 'below the line' activities like trade schemes and consumer schemes and 'above the line' activity like mass media advertising. Of course one must never lose sight of the fact that competition from within the product category and from without is always present. Each competing brand has its own marketing mix variables. So, in a real world situation, outside of labs is it possible at all to define let alone measure the effect of advertising on sales?

Attempts made to measure the sales effect of advertising in any systematic manner have been few. They have primarily been in the area of measuring the required number of exposures for a campaign to have effect. Colin McDonald's study in the UK in the 1960s is considered to be one of the pioneering works in the area. He primarily studied the effect of advertising on brand switching. His studies led to the popular 'minimum two exposures' practice of campaign planning. More recently, John Philip Jones has measured the short term effect of advertising on purchase. He has defined the term 'STAS', Short Term Advertising Strength. The conclusions are that ads work even with number of exposures as small as one. Moreover campaigns which are effective in the short run are also effective in the long run. This research and the learning from it, if replicated elsewhere, is likely to affect the way in which advertising is planned, executed and evaluated

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## 8.9 METHODS

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We describe here three methods used to conduct advertising effectiveness research.

**Day after recall (DAR) :** Day after recall studies are most commonly used to evaluate the impact of the creative execution especially for new brands or new campaigns. These are most commonly used for television campaigns though nothing in the methodology prevents them from being used for any other media too. A group of respondents is queried on a random survey the day after the commercial is released on TV. People who have seen the program or programs on which the commercial appeared are questioned to determine top of mind recall, unaided recall and aided recall. Some surveys extend the DAR to include questions on liking and preference though the validity of such extension has not been established.

**Coincidental Studies :** Coincidental studies attempt to measure and evaluate consumer exposure and reaction to the advertising as it appears. It is particularly effective with broadcast advertising.

The most common type of coincidental study is the telephone interview. For example, an advertiser may want to determine if the advertising message is reaching the correct target market and to learn how and what information is being conveyed. Telephone calls are made to members of the target market while the advertising is being broadcast on either radio and television. By learning what station or shows are being watched or heard, the advertiser then knows whether or not the target audience is receiving the message, and if so, what information or meaning is attached to it. Because coincidental surveys are designed to furnish only very basic data, little information about the campaign other than a quick reading of message distribution and general information content.



**Tracking Studies :** Studies of this type usually consist of a series of interviews during the course of the campaign. The purpose-is to determine the levels of exposure and effect that are being achieved by the advertising campaign. Because it is commonly agreed that advertising effects build over time, studies are usually conducted in "waves" or predetermined schedule. An example may help:

Assume that on January 1 a new advertising campaign for XYZ tea is started. The campaign is to run upto June 1. Tracking studies using a telephone survey format are planned for February 1 and April 1.

On February 1, a series of telephone calls are made to randomly selected customers. Face to face interviews could replace phone calls. The sample size is sufficiently large so that reasonable assumptions may be made about the results. Questions are asked such as:

Question 1: Have you seen or heard any advertising for tea category? If yes

Question 2: What brand was it for? Follow -up questions include:

Question 3: Where did you see or hear the advertising?

Question 4: What did the advertising say?

Question 5: What brand of tea do you normally buy?

This first study establishes a benchmark for the campaign. In addition it spotlights the problems, such as lack of exposure with prospects, misunderstanding of message, and misidentification of the sponsor, that might be occurring. Based on this first "wave" the advertiser can then make any necessary adjustments.

On April 1 another series of random calls is made and the same questions are asked. It is assumed that the two samples are comparable . The second "wave" is compared with the first to see if a change in consumer response has occurred and to determine if the changes made after the first study have corrected the problems they were aimed at. Tracking studies of this kind can be conducted at any time during the campaign at normal intervals of about sixty days. For some product categories, a shorter or longer time period may be required.

**Single Source Research :** One of the ambitions of any researcher in the field of advertising and marketing has been to directly link advertising to purchase. McDonald's study was one of the first reported in this area. He used a diary method . In any such method consumers are asked to keep a diary and note down their purchases and exposure to media over a period of time, The appearance of advertising is tracked independently. The method is very elaborate and cumbersome and becomes increasingly difficult in an era of multiple channels of media. The more recent `scanner' method solves many of the difficulties. Respondents have a TV Peoplemeter attached to their television sets. This tracks their exposure to commercials, at least those that appear over TV and are watched at home. In addition these same respondents are also given Scanners which read Bar codes on all the purchases that they make. Thus data capture is completely electronic. The two streams of data are collated and correlated to arrive at conclusions about advertising effectiveness. John Philip Jones used a similar method to arrive at his conclusions.

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## 8.10 SUMMARY

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The focus of this unit is on the tools and techniques available to measure the effectiveness of the advertising by the manager and take necessary decisions accordingly. Issues in measurement have been listed and discussed. At the end we have discussed the methods to be used to conduct research specific to the effectiveness of advertising.



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## 8.11 SELF ASSESSMENT QUESTIONS

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1. After the execution of a full campaign, is it necessary to measure its effectiveness. Give justifications in support of your answer.
2. What are the major issues in measurement of advertising effectiveness. Discuss each briefly.
3. Does 'Sales' is a good method of measuring advertising effectiveness? Discuss some of its drawbacks.

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## 8.12 FURTHER READINGS

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Jones John Philip ( 1995) : When ads work : new proof that advertising triggers sales, Lexington Books, New York.

McDonald, Colin (1970), Relationships between advertising exposure and purchasing behaviour, Journal of the Marketing Research Society, pp. 89-91.