Measuring advertising effectiveness.

Advertising can be defined as any paid form of non personal presentation or promotion of ideas, goods or services by an identified sponsor. Most of the managers believe that the advertisement directly affects the sales volume and hence they evaluate the effectiveness of the advertising campaign by the increase in the sales volume.

There are two types of measures:
- Direct measures and,
- Indirect measures.

1. Direct Measures of Advertising Effectiveness.

These measures establish a relationship between advertising and sales. A comparison of sales of two periods of time or two markets may be done and the comparative changes may be noted. The following are some of the methods that are generally used in the measurements.

1. Historical Sales Method.
   Effectiveness of past advertising may be obtained by measuring the relationship between the advertising expenditure and the total sales of the product. A multiple regression analysis of advertising expenditure and sales over several time periods may be calculated.

2. Experimental Control.
   A casual relationship between advertising and sales is established in this method. One experimental approach to measuring the sales effectiveness of advertising is test marketing.
   - Before-after with Control Group Design: Before the advertisement is shown, sales figures are measured and after the exposure to the advertisements, sales figures are measured. The effect of advertising campaign, can then, be measured by subtracting the amount of post campaign figure of sale from the pre campaign sale figures in test cities. The control group is also present here to neutralize the effects of extraneous factors.
Multivariable Experimental Designs: Multivariable designs produce explanations to the success and failures of the campaign and are, therefore, used by some very large firms because of their diagnostic value. For any single medium, eight possible geographic areas have been exposed and eight have not been exposed. Thus, in this experimental model it is possible to evaluate how each individual medium behaves alone and in all possible combinations with other media.

2. Indirect Measures of Advertising Effectiveness

Factors such as customer awareness or attitude or customer recall of advertising message affect the sales or profits or goals of the business indirectly. They are measured in indirect ways here.

- **Exposure to Advertisement**: The advertiser is concerned about the number of target audiences who see or hear the organization message set in the advertisement. Without exposure, advertisement is bound to fail. It is also known as reach and frequency factors.

- **Attention or Recall of Advertising Message Content**: Under this measure, a recall of the message content among a specified group or groups or prospective customers is measured within 24 hours of the exposure of the advertisement. Attention value is the chief quality of the advertising copy the advertisements cannot be said to be effective unless they attract the attention of the target consumers. There are two methods for evaluating the attention getting value of the advertisements. One is pre-test and the other is post-test.

- **Brand Awareness**: The marketers who rely heavily on advertising often appraise its effectiveness by measuring the customer’s awareness about the particular product or brand. The assumption of this type of measure is that there is a direct relationship between the advertisements and the awareness.

- **Comprehension**: Consumers here are asked to comprehend the message of advertisements. Various tests like recall tests, asking questions etc. are used to measure comprehension.
- **Attitude Change**: The results of attitude changes are important because of advertisements are measured in terms of attitudes among groups exposed to advertising communication.

- **Action**: The action of purchasing or behaviour towards purchasing is measured because of the advertisements here.

Thus, these above measures (direct or indirect) are used to evaluate the effectiveness of advertisements. It seems from the analysis of the above methods of measuring effectiveness that directly or indirectly changes in sales or profits are taken as the measuring rod of the effectiveness of the advertising.

There are several reasons for measuring or not measuring advertising effectiveness as given below.

**Reasons to measure advertisement effectiveness.**

- Increase efficiency of advertising in general.
- Determining if objectives are achieved.
- Avoid costly mistakes.
- Evaluate alternative strategies.

**Reasons not to measure effectiveness.**

- Cost of measurement.
- Problems with research.
- Lack of time.
- Disagreement about what to test.
- Objections of creative personnel.