

- *Problem versus Solution.* Should advertising attempt to arouse motivation or should it restrict itself to offering a solution to those already motivated? The consensus among advertisers is that advertising is relatively weak in arousing motives and is better focused on those who already feel the need. However, research has also shown that advertising using a combined approach that first states the problem and then presents a solution can be very effective.
- *Comparative Advertising.* With the encouragement of the Federal Trade Commission, advertising containing explicit comparisons between named competitors has become more common. There is little agreement among practitioners on the desirability of comparative advertising, but it appears to be most useful when the advertiser needs to establish with

consumers who the competitors are against which the product wishes to position, when the product has a distinctive competitive advantage, and when the brand is a lesser known one and can be compared to market leaders.

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## C.3 Advertising Effectiveness Evaluation

### APPROACHES TO ADVERTISING EFFECTIVENESS EVALUATION

For many products, advertising is one of the largest and certainly most prominent expense items, yet the results gained from that expenditure are difficult to see and quantify. Despite the difficulty in evaluating advertising effectiveness, the size of the expenditure and the importance of advertising to success of the brand make an evaluation program essential.

The program for evaluating advertising effectiveness should be prepared as part of the promotion program in the marketing mix. Implementation of the program provides effectiveness feedback that allows the marketer to correct and improve the advertising program.

#### *How is Advertising Effectiveness Measured?*

There are two approaches to the measurement of advertising effectiveness. It can be determined by measuring the sales generated by the advertising or it can be deter-

mined by measuring the communications effects of the advertising.

Most marketers consider that the ultimate goal of advertising is to produce sales. If this is true, the best measure of advertising effectiveness is its ability to generate sales. If the sales effect can be determined, then the profitability of those sales can also be determined by subtracting the costs of the sales. This allows advertising effectiveness to be related to the firm's profit goals and provides a common basis for comparison of the effectiveness of advertising expenditures with the effectiveness of other marketing expenditures.

There are, however, some shortcomings to using sales as the measure of advertising effectiveness. One is that the sales effect of advertising is difficult to measure. If a product relied entirely on advertising to generate sales, such as a mail order marketer might, then all sales could be attributed to advertising. However, for a marketer using a full range of promotional and other marketing tools, it is difficult to separate the sales re-

sulting from advertising from those resulting from personal selling, retailer efforts, sales promotion, publicity, price reductions, or other efforts. Another difficulty is that the full sales effect of an advertisement may not be immediately felt, but may be carried over for several months after an advertisement's appearance. It is difficult to know in what time periods the sales results should be measured.

A second shortcoming of measuring advertising effectiveness in terms of sales is that the goal of advertising may be something other than sales increase. Russell Colley, in an influential advertising book, suggested that advertisers should set specific and measurable communications goals for advertising.<sup>1</sup> Many marketers follow this advice, setting goals for the advertising program to guide its development. For example, goals might be to build awareness of a new product, persuade retailers to stock the product, change attitudes toward a current brand, or build customer traffic in a retail showroom. While it may be true that achieving each of these goals would contribute eventually to an increase in sales, achievement of the near-term communications goal is much more easily measured and more easily attributed to specific advertisements.

This suggests the second approach: measuring advertising's effectiveness through its success in reaching communications goals. As was noted, measurement of communications effects is easier; communications effects are more easily attributable to specific advertisements and carry-over effects are more easily accounted for. Another advantage of this approach is that results tend to contain more diagnostic information than under the sales measurement approach. Communications measures provide insights into why advertising was or was not effective in meeting its goal so that corrective action can be taken.

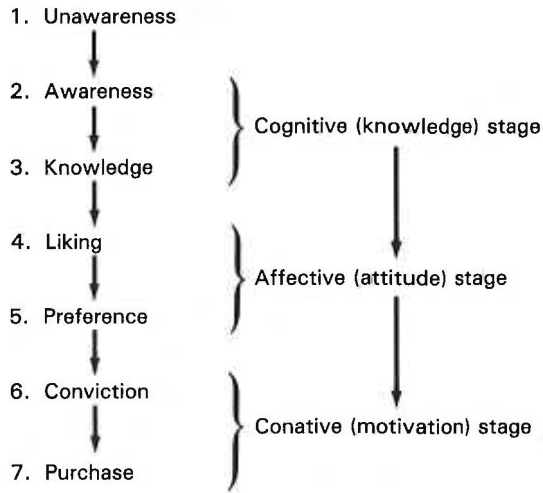


FIGURE C.3-1

## The Hierarchy of Effects

**Evaluation and the Hierarchy of Effects.** The **hierarchy of effects**, first formally proposed by Lavidge and Steiner, models the way in which advertising influences the consumer decision process.<sup>2</sup> It serves as a means of organizing advertising goals and advertising effectiveness measures, including both sales effect measures and communications effect measures.

The model proposes that in deciding to purchase a product, consumers go through a series of steps that begins with their first awareness of the product and ends with purchase. The steps of this proposed hierarchy are shown in Figure C.3-1. The awareness-knowledge steps are the **conative stages** where knowledge is built. Liking and preference are termed the **affective stages** where attitudes are formed, and conviction-purchase are the **conative stage** where motivation is formed.

The model proposes that the role of advertising is to move consumers along the hierarchy, toward purchase. Thus, if con-

<sup>1</sup>See Russell H. Colley, *Defining Advertising Goals for Measured Advertising Results* (New York: Association of National Advertisers, 1961).

<sup>2</sup>Robert J. Lavidge and Gary A. Steiner, "A Model for Predictive Measurements of Advertising Effectiveness," *Journal of Marketing* 25 (October 1961), pp. 59-62.

sumers are unaware of the product, advertising's job is to build product awareness; if they are aware, advertising must build their knowledge about the attributes of the product; and so forth until purchase.

Although the model is a helpful guide, the marketer should be aware that there are exceptions to the hierarchy.

- *Causation.* Fulfilling one step of the hierarchy does not necessarily advance the consumer to the next step. While it might be argued that an increase in knowledge must be preceded by awareness of the product, it does not necessarily follow that becoming aware will motivate the consumer to increased knowledge of the product. Instead, awareness may lead to rejection of the product and no further learning.
- *Completeness.* Consumers frequently skip steps in the hierarchy or move so quickly through them they seem to skip them. For example, Lavidge and Steiner suggest that in an impulse purchase the consumer may skip from initial awareness directly to purchase.<sup>3</sup>
- *Order.* It is believed that there are occasions in which consumers do not follow the order of the hierarchy. For example, in making low-involvement purchase decisions, consumers are thought to move from awareness to purchase to liking and preference. Low-involvement purchases are ones that are unimportant to consumers (see GLOSSARY entry A.2). It is also known that after purchase, consumers are more attentive to information about the product purchased with the result that purchase leads to knowledge.

Despite these limitations, the hierarchy of effects remains a powerful tool in evaluating the effectiveness of advertising. The hierarchy model serves in three ways: (1) It organizes research to determine how many consumers are at what stage in the hierarchy; (2) it provides a framework for defining the communications goals of advertising; and (3) it provides a basis for classifying advertising effectiveness measurement techniques.

***The Advertising Effectiveness Evaluation Process.*** In designing an advertising effectiveness evaluation program, the marketer

must decide what is to be evaluated. It is possible to measure individual elements of the promotional program such as the budget, the advertising copy, or the media selection. It is also possible to measure the overall effectiveness of the total advertising program. Effectiveness evaluation is expensive, thus not everything can be measured. The marketer must pick out the key elements of the advertising program for evaluation.

For each element of the advertising program to be evaluated, the marketer must decide on the timing of the evaluation. Some advertising elements, advertising copy for example, can be pretested so that corrective action can be taken before implementation. Other elements can be evaluated as they are implemented and corrective action taken while the program is in progress. Advertising media purchases are frequently measured in this way with evaluations taking place each time a new rating or audience study is received. Some evaluations have to wait until completion of the program to be conducted. Measurement of the overall effect of an advertising program is usually subject to this form of postevaluation.

The process for evaluating the effectiveness of advertising has three steps.

- *Step 1: Set Evaluation Standards.* Evaluation standards define the results that are expected from the advertising that is to be evaluated. If advertising objectives have been set, they often can be used as evaluation standards. Advertising standards must be specific and measurable so that actual performance can be matched to the standards and an effectiveness conclusion reached.
- *Step 2: Measure Results.* A means of measuring the actual results of the advertising must be designed and implemented. The measurement technique chosen depends upon several factors, including the advertising program element to be evaluated, the level of the measurement in the hierarchy of effects, the timing of the measure, and various technical issues of quality and validity. Widely used measurement approaches are summarized in a later section.
- *Step 3. Corrective Action.* The most important objective of advertising effectiveness evaluation is to improve the advertising. When the

<sup>3</sup>Ibid.

measurement results are received, the actual outcome of the advertising must be compared to the evaluation standards to determine areas of effectiveness and ineffectiveness. In addition, diagnostic information from the measures must be analyzed to determine ways in which the advertising can be improved. Action must be taken to implement those improvements.

### SELECTION OF AN EFFECTIVENESS EVALUATION MEASURE

The most difficult and expensive element in advertising effectiveness evaluation is step 2, measurement of results. There are many approaches to measurement, some of which are available as standardized commercial services and others that must be separately developed and applied by the user.

**Criteria for Selection of Advertising Effectiveness Evaluation Measures.** In selecting an effectiveness measure to use in step 2, the marketer must first determine the requirements of the advertising evaluation task. A measurement technique must then be found that meets the requirements. The measurement requirements serve as criteria for selecting an appropriate measurement technique. Measurement requirements can be defined by answering the questions suggested below.

- *What Is the Advertising to Be Measured?* The measure selected must fit the element of the advertising program that is to be evaluated. Some measures are designed to measure response to advertising copy, while others measure media, budget, or total advertising program response.
- *What Is the Timing of the Measurement?* Different measures are used for pretests than for progress or posttests. The timing requirement of the measure must be determined.
- *What Is the Level in the Hierarchy?* The marketer must determine the level in the hierarchy of effects at which advertising effectiveness is to be measured. Each level in the hierarchy from awareness through purchase or sales calls for a different measure.
- *What Level of Diagnosis Is Needed?* If evaluation is pointed toward development of advertising,

then diagnostic results will be more highly valued and diagnostic measures will be needed. If the measure is mainly used to choose between established alternatives, a quantitative ranking measure will be appropriate.

In addition to these criteria of appropriateness to the advertising being evaluated, effectiveness measures must be examined in terms of their technical quality and validity. A Marketing Science Institute study established seven technical characteristics of the **ideal measurement procedure (IMP)**.<sup>4</sup>

- *Scope.* Ideally the measure should measure multiple rather than single exposures of the advertising.
- *Response.* Purchase is the ideal response to be measured. The closer the response measured is to purchase in the hierarchy of effects, the better the measure.
- *Exposure.* The conditions under which the advertising is exposed to consumers should be in a natural rather than forced environment.
- *Measurement Bias.* The means of measurement should not distort responses. Ideally, consumers would be unaware that measurement was taking place.
- *Sample.* Ideally the sample of consumers measured would be large in number and selected through unrestricted probability methods.
- *Comparison.* The best measures provide a standard for comparison of test outcomes, usually based on measurements derived from other comparable products and advertising.
- *Scoring.* The measurement should result in a quantitative score that, ideally, permits determination of the incremental profits of the alternative tested.

**Characteristics of Alternative Advertising Effectiveness Measures.** There are many proprietary and standardized designs that may be used as advertising effectiveness measures. Figure C.3-2 summarizes the characteristics of some of the better known measures. These characteristics should be matched to the measurement requirements to select an

<sup>4</sup>Homer M. Dalby, Irwin Gross, and Yoram Wind, *Advertising Measurement and Decision Making* (Boston: Allyn & Bacon, 1968), pp. 38-46.

FIGURE C.3-2  
 Characteristics of Advertising Effectiveness Measures

| Measure                 | Prototype                          | Application/<br>Timing              | Level                              | Results                     | Tech. Charac.                      |
|-------------------------|------------------------------------|-------------------------------------|------------------------------------|-----------------------------|------------------------------------|
| Media audience measures | Nielsen ratings                    | media evaluation, pre/progress/post | cognitive                          | quant.                      | exposure opportunity only          |
| Physiological measures  | psychogalvanometer                 | creative, pretest                   | cognitive                          | quant.                      | bypasses defenses, validity?       |
| Readership tests        | Starch                             | creative, post-test, print          | cognitive                          | quant.                      | aided recall                       |
| Recall tests            | Burke DAR                          | creative, post-test, tv             | cognitive                          | quant., limited diagnostics | unaided recall                     |
| Awareness tests         | custom designs                     | total program, posttest             | cognitive                          | quant., trend data          | unaided/aided large teleph samples |
| Opinion tests           | consumer jury                      | creative, pretest                   | affective                          | quant. ranking              | unnatural exposure                 |
| Attitude tests          | image studies                      | total program, posttest             | affective                          | diagnostic                  |                                    |
| Inquiry tests           | custom designs                     | creative, media, posttests          | conative                           | quant.                      | direct mktg technique              |
| Split run tests         | newspaper/magazine services        | creative pretest                    | conative                           | quant.                      | print only, inquiry response       |
| Theatre tests           | Advertising Research Service (ARS) | television creative, pretest        | conative                           | quant., limited diagnos.    | single expos. unnatural viewing    |
| Split cable/split scan  | Test Marketing Group (Adtel)       | television based program            | cognitive<br>affective<br>conative | quant., diagnostic          | television split run               |
| Retail audits           | Nielsen Retail Index               | total program, posttest             | conative                           | quant.                      | retail take-away, distribution     |
| Market tests            | See GLOSSARY entry C.18            |                                     |                                    |                             |                                    |

appropriate effectiveness measure. Further details on measurement techniques can be found in the references provided at the end of this entry.

**SUGGESTIONS FOR FURTHER READING**

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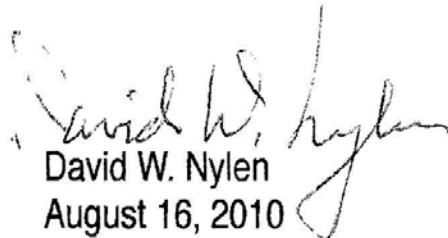
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August 16, 2010