CHAPTER III

CONCEPTUAL FRAME WORK OF EFFECTIVE ADVERTISEMENT

3.1. Introduction

Advertising is multidimensional. It can be viewed as a form of communication, as a component of an economic system, and as a means of financing the mass media. Different kinds of businesses use advertising to motivate different kinds of markets toward different kinds of responses. These include national advertising, retail advertising, industrial advertising, trade advertising, professional advertising, idea advertising, and so on. The advertisements we see and hear are end products of a series of investigations, strategic plans, tactical decisions, and executions that all together comprise the total advertising process. Advertising is a common commercial activity.

It is a paid form of non personal communication about an organization, product, service or idea by an identified sponsor. The pay aspect reflects the fact that the space or time for an advertising message must be bought. The non personal component in advertising refers to the mass media that can transmit a message to a large group of individuals at the same time. The non personal nature of advertising reflects the fact that there is no opportunity for immediate feedback from the message recipient. Advertising is one of the best known and most widely used promotional tool because of its pervasiveness. It is a very important tool, particularly for companies whose products and services are targeted at mass consumer markets.

The studies conducted by Belch & Belch, (2004), Kotler et al., (2002), Pickton & Broderick, (2001) reveal that a company’s total marketing communications mix, called promotional mix, consists of the specific blend of advertising, personal selling, sales promotion, public relations and direct marketing. These tools, according Armstrong and Kotler (2005) are used to pursue its advertising and marketing objectives. The tools are defined below.
- Advertising: Any paid form of non-personal presentation and promotion of ideas, goods of services by an identified sponsor.

- Personal selling: Personal presentation by the firm’s sales force for the purpose of making sales and building customer relationship.

- Sales promotion: Short term incentives to encourage the purchase or sale of a product or service.

- Direct marketing: Direct connections with careful targeted individual consumers to obtain both an intermediate response and cultivate lasting customer relationships. Use of telephone, mail, fax e-mail, the internet and other tools.

- Public relations: Company's building up of good relations with the public by obtaining favorable publicity, building up of a good corporate image. Advertising is one of the important components of Integrated Marketing Communication.

Advertising intends to persuade an audience (viewers, readers or listeners) to purchase or take some action upon products, ideals or services. It includes the name of a product or service and how that product or service could benefit the consumer, to persuade a target market to purchase or to consume that particular brand. These advertisements serve to communicate an idea to the public in an attempt to convince them to take certain action, such as encouraging environment friendly behaviors, and even unhealthy behaviors through food consumption etc. To advertise is to draw the public’s attention usually for the purpose of selling products, or services, through the use of various forms of media, such as print or broadcast and notices.

Advertising is not only used as a means to promote a company's products and services and to drive sales but as a means to build a brand identity and communicate changes of new product /service to the customers. Advertising has become an essential element of the corporate world and it is also the best known mass communication channel. Advertising provides a direct line of communication to the existing and prospective customers about the product or service.
The evaluation of advertising effectiveness is an active area of interest within the advertising research community, and, of course, and the advertisers have the greatest concern for it. And it is one of the most difficult problems faced by the advertisers and the people running the advertising agencies. Various theories and models help in understanding the effectiveness of advertising that are detailed in the present chapter that deals with the salient features of advertising including the conceptual frame work.

3.2. Evolution of Indian Advertising

Advertising in India was pioneered by Dattaram & Company in 1905 from Girgaon, an area in Mumbai. Advertising in 2005 completes 100 years of its existence in India. It has been shaped by the environment. In its long journey from the megaphone-wielding boys, street peddlers and the sandwich men to its present format on TV and Internet, it has grown from being crude and simplistic to suave and sophisticated levels. In India, about 40 advertising agencies are handling about 80 p.c. of business which stands at a staggering Rs 10,000 crore. The rest of the business is shared by about 700 advertising agencies. There are more than 25000 registered publications out of which 200 have respectable circulation. There are 100 plus TV channels out of which around a dozen have significant presence. India has more than 120 radio stations, and a good number of outdoor hoardings.

The foundations of professional advertising business in India were laid by two English companies J. Walter Thompson and D. J. Keymer's. JWT has become the present HTA. It has again become JWT. In 1877, an advertising broker agency-owner William James Carlton sold his firm to James Walter Thomson, a 29-year old bookkeeper, and hence the name. At JWT F.J. Fieldon was the chief, who was assisted by Marc Robinson, Ayaz Peerbhoy and Ms, Nuru Swaminathan. Greg Bathon, John Gaynor and Morols Mathlas followed Fieldon. Then came the turn of Subhash Ghosal. D. J. Keymer closed down. But due to its closure Clarion (Calcutta) and OBM (Bombay) flourished. Indians started Dattaram, National and Slsta's in Bombay and Tom and Bay in Pune. Initially, the agencies were only space buyers. In the mid-50's, JWT, Keymer's, Stronach's, Grant's and Lintas were on the scene.
In the mid-1960s, Kersey Katrak took the centre-stage and nurtured talents like Arun Nanda, Mohammed Khan and Ravi Gupta. MCM was, however, mismanaged and its bubble burst. lyer's too folded up operations. MCM and lyer's merged, but then died a natural death. Stronach closed down in the 60's. Grant's was swallowed up by Contract in the 70's. Lintas: India came on the scene in 1939. It had an Indian chief in 1957, Razni Ahmed, it has now become Lowe.

The collapse of MCM bought on the scene many new agencies. The agencies started professionalization and consolidation process in the seventies. With buoyant economy, the eighties were a period of a big take off for the agencies.

In the 40's, the front pages of many newspapers carried advertisements, relegating the news to inside pages. Even Mahatma's assassination was pushed to an inside page, by the Hindu in 1948 as its front page was replete with ads. However, this was not a result of heavy advertising activity- The budgets were small. Till early fifties the advertisement revenues spent were only Rs 5 crore of which 70% was accounted for by the press. In the forties, India had only infrastructure industries which hardly needed advertising. The manufacturing sector was still nascent. The fifties saw a shortage of products which had to be rationed. Advertising thus was just a drain on resources.

Venkatrao Sista founded in 1934 Sista's advertising agency against this background. He made Khatau, an industrialist, as its chairman; and changed the name of the agency calling it Ad Arts. Khatau's name lent respectability to the firm, and the company could attract business from the ACC and the Tatas in the forties.

Around late twenties, the foreign agencies had started doing business in India JWT was set up in 1926 and O & M in 1928. In the thirties, Lever set up an advertising department which later became Lever International Advertising Service (shortened as LINTAS) in 1939. Other foreign agencies were D.J. Keymer, L.A. Stronach's and Grant Advertising.

Indian agencies also tried to carve out a place for themselves -ASP (Advertising and Sales Promotion) promoted by the Birla, the PSL (Process Syndicate Ltd.) by the Mahindras and Shilpi by the Sarabhais. ASP created the first advertisement for Amul butter with the ever so popular tag line 'Utterly Butterly
Delicious. There were smaller agencies like the Dattaram's, Everest and Allied Advertising. India in the post-independence period had adopted the socialist model and so advertising was supposed to encourage wasteful consumer expenditure. The growth of advertising industry was thus stunted. At the inauguration of an advertising conference in New Delhi in 1962, Nehru denounced advertising as it encouraged consumption.

The public sector undertakings ironically were big advertisers. Most of the private sector advertisements were corporate advertisements. Formerly agencies were just buying media space. But Lintas launched Dalda in 1939 with a well-planned campaign. A film made by Duncan shows a bride's father substituting pure ghee for dalda on economic grounds, without compromising on the taste. Cartoon strips of children brought up on Dalda showed their heroic deeds in print media like Chandamama and Parag. In the mid-fifties agencies which specialized on advertisements of imported goods were affected. D.J. Keymer, Calcutta closed shop as Dunlop, its main account, came under price control. Indian advertisers played a role in import substitution by planning suitable campaigns.

FERA stopped patronizing of agencies having foreign equity by the Government undertakings in 1965. In 1967, radio services were commercialized. Lintas started accepting accounts other than Lever e.g. MRF. Its campaign for Liril Soap for Lever was not acceptable to the Lever team since it made bathing such a fantasy with a bikini-clad model under a waterfall. It was difficult to imagine that India's conservative society would accept such imagery.

It was in the sixties and early seventies that the concept of brand building appeared on the scene. Amul and Made for Each Other campaigns were remarkable. New agencies set shop in the seventies e.g. Rediffusion, Trikaya Grey, Chitra and R.K. Swamy. Mudra started as an in-house agency of Reliance in 1980, but has now become a top-ranking agency handling all kinds of accounts. Media planning became systematic after 1975. In 1977, DD became commercial and this brought about a qualitative change in Indian advertising.

Computer technology has changed the making of art work which can now be made in a matter of hours. Campaigns were attributed to creators. These days even
successful campaigns are not so clearly identified with their creators. A lot of glamour has gone out of the job. The client-agency relationship is also undergoing a change.

Over the years, Indian advertising has had many changing faces. The pre-independence advertisements were mostly about ladies’ goods, gents’ clothes, travelling, eating places and entertainment for the Britishers in India. Motor cars, electricity and lift in houses were luxuries in those years. The Maharajas and princely families were the prized customers. These early advertisements were for hotels, four-wheelers, tea, gramophones, cotton goods, tailoring shops, and their target audience were the Britishers in India, the princely families and the rich strata of society. It was only after Independence and the abolition of the princely order that a new-born middle class received the attention of advertisers.

Since the new customers had a different socio-economic background, post-Independence advertisements shifted from prestigious and luxury products mainly bought by status conscious people to consumer and consumer durable products bought mainly for time - and labor - saving purposes. The middle class people were employed in offices, factories or they were engaged in trading activities. They all worked against the hands of the clock and did not have much spare time. Often, husband and wife both went to work; and, therefore for them, such products as refrigerators, kitchenware, frozen foods or ready-mixes for eatables, etc. had become essential. Hence, there were large number of advertisements for such items. Ready-made garments, items for indoor amusement, convenience goods, new fashion products had created their own demand. And therefore there was a virtual overflow of advertisements for such goods in the decades that followed Independence.

3.3. Origin and growth of Advertising

Advertising, as we understand it today, was not used until about 200 years ago. The form of advertising for the transmission of information dates back to ancient Greece and Rome. Commercial messages and political campaign displays have been found in the ruins of Pompeii and ancient Arabia. Wall or rock painting for commercial advertising is another manifestation of an ancient advertising form, which is still present in many parts of Asia, Africa, and South America. History tells us that out-of-home advertising and bill boards are the oldest forms of advertising.
As the towns and cities of the middle ages began to grow and the general population was unable to read signs that today would say cobbler, miller, tailor or black smith etc. Therefore the image associated with their trade such as a boot, a suit, a hat, a clock, a candle or even a bag of flour was used. Fruits and vegetables were sold in the city square from the backs of carts and wagons and their proprietors used street callers (town criers) to announce their where about for the convenience of the customers.

The upsurge in advertising came after the development of printing in the 1450's. When printing techniques were perfected, the signs were replaced by written words or messages. During the 17th century, when news papers started appearing in various parts of the world, news paper advertising began to develop. This was an important phase in the history of advertising. During this century, news papers appeared through out Europe ; and advertisements in them were very different from those by illustrations and signs at the locations of mercantile establishments. The invention of printing revolutionized advertising; but news papers gave it the necessary medium for its very rapid growth. The first advertisement printed in English was a hand bill printed in 1472. It was primarily an announcement of a prayer book for sale. Two hundred years later, the first news paper advertisement appeared offering a reward for finding 12 stolen horses. At the end of the 17th century, a great number of commercial news papers were published in England and else where. Soon, advertising became the main source of revenue for news papers, and space-selling came into existence. Several people were selling space in news papers in New York, Philadelphia and other metropolitan centers in countries where news papers were bought on a regular basis. These Space brokers, later developed advertising agencies in all these centers.

In 19th century advertising marked a great expansion. In 1892 the first advertising agency sprang in London (Reynell and sons). In the 1840's manufacturers began using magazine advertisements to reach the mass market. In the mid-1700's, the industrial revolution began in England and by the early 1800's it reached North America. Machines were replaced by animal power. There was mass production which necessitated mass consumption. And it made advertising valuable.
In the early 1920's, the first radio stations were established by radio equipment manufacturers and retailers who offered programs in order to sell more radio's to the consumers. As time passed, many non-profit organizations followed suit in setting up their own radio stations, and that included: schools, clubs, and civic groups. When the practice of sponsoring programs were popularized, each individual radio program was usually sponsored by a single business in exchange for a brief mention of the business name at the beginning and end of the sponsored shows. However radio station owners soon realized they could earn more money by selling sponsorship rights in small time allocations to multiple business throughout their radio stations broadcasts, rather than selling the sponsorship rights to single business per show. Since its inception in 1920, radio rapidly emerged as a powerful advertising medium. By then a majority of automobiles and packaged foods were advertised on a large scale. This led to the expansion of advertising agency business. However the great depression of the 1930's followed by the war years had an adverse impact on the growth of advertising. However during these tough years, advertisers looked for ways to make their advertisements more effective. The advertising industry started using research to gain credibility and improve its effectiveness. And it was in 1948 that the advertising volume crossed $1 million level in America, which was higher than the level achieved in 1929. Television broadcasting was introduced in 1941. It was at the end of world war 2 that the new medium of television became increasingly popular. During the next 5 to 7 years, it was considered to be an important advertising medium. During this period advertising on radio also declined. From this time onwards, however, advertising never looked back, not only in the United states and Western Europe, but in developing countries as well. It had scaled higher and higher peaks in terms of billing as well as its quality and its sophistication.

The industry became more scientific in the 1960's. This period witnessed some of the most creative advertisements of all time. Rosser Reeves introduced the concept of USP- unique selling proposition to differentiate a product from its competitive products. In the 60's, the image era started where the emphasis shifted from product features to product image. More emphasis was laid on advertisement copy. Art services and advertisement production became more and more important. Instead of focusing on the product advertisements endeavored to strengthen the brand
and create an image for the company. Advertising also became subtler and more intelligent often adopting a conversational style.

The late 1980's and early 1990's saw the introduction of cable television and particularly MTV pioneering the concept of the music video, MTV introduced a new concept in advertising i.e. the consumer tunes in for the advertising message, rather than it being a by-product or after thought. cable and satellite television became increasingly prevalent. Specialty channels, including channels entirely devoted to advertising such as QVC, home shopping network etc affected advertising to a greater extent.

Advertisement bloomed to its full form in the 20th century. The advertising of the age cleverly used all media including newspapers, television, direct mail, radio, magazines, outdoor signs, and of course the internet. Marketing through internet opened new frontiers for advertisers and contributed to the dot com boom of the 1990's. Entire corporations operated solely on advertising revenue, offering everything from coupons to free internet access. At the turn of the 21st century a number of websites including the search engine Google, started a change in online advertising by emphasizing contextually relevant, unobtrusive advertisements intended to help rather than inundate, users. This led to a plethora of similar efforts and an increasing trend of interactive advertising.

A recent advertising innovation is "guerrilla marketing", which involve unusual approaches such as staged encounters in public places, give away of products such as cars, that are covered with brand messages, and interactive advertising where the viewer can respond to become part of the advertising message. Guerrilla advertising is becoming increasingly more popular with a lot of companies. This type of advertising is unpredictable and innovative, and which causes consumers to buy the product or idea. This reflects an increasing trend of interactive and "embedded" advertisements, such as via product placement, having consumers vote through text messages, and various innovations utilizing social network services such as my space.
3.4. Objectives of Advertising

The term, 'advertising' has been derived from the Latin word 'Advert' which means to drive the attention towards something. Advertising involves the preparation of written or oral messages and their dissemination through paid media without personal contacts for the purpose of making people aware of and inclined towards the use of a particular product of that firm or company.

Philip Kotler (2003) classifies advertising objectives depending upon their aim to inform, persuade, remind, or reinforce. Informative advertising aims to create awareness and knowledge of new products or new features of existing products. Persuasive advertising aims to create liking, preference, conviction and purchase of a product or service. Reminder advertising aims to stimulate repeat purchase of products and services. Reinforcement advertising aims to convince current purchasers that they made the right choice. Therefore the advertising objective should emerge from a thorough analysis of the current market situation.

The overall aims and objectives of Advertising could be briefly identified as follows:

- Make customers aware of the product or service;
- Convince customers that the company's product or service is right for their needs;
- Create a desire for company's product or service;
- Enhance the image of the company;
- Announce new products or services;
- To sustain the established product
- Reinforce salespeople's messages;
- Make customers take the next step (ask for more information, request a sample, place an order, and so on); and
- Draw customer's attention towards the company's product or service.
- To influence or persuade the customers to purchase the company's product
- Communicating a change in the existing product line
- Increasing the sales of the product/service
- Advertising demarcates the target group
- To increase public welfare.

3.5. Classification of Advertisements

According to Sangeeta, Raghuvir (2009), advertisements have numerous objectives other than just selling products. The classification of advertisement is directly related to the advertising plan. By developing an effective advertising plan, there is a possibility of increased positive return on advertising investment regardless of the amount spent.

➢ Classification Based on the media used

Any medium can be effectively used for advertising. Based on this criteria, there can be several branches of advertising. Mentioned below are the various categories or types of advertising:

Print Advertising- News papers, Magazines, Brochures, Fliers

The print media have always been a popular advertising medium. Advertising products through news papers and magazines is a common practice. In addition to this, print media also offers options like promotional brochures and fliers for advertising purposes. The news papers and magazines sell the advertising space according to the area occupied by the advertisement, the position of the advertisement (front page/middle page), as well as the readership of the publications. The price of the print advertisements also depend on the supplement in which they appear.

Outdoor Advertising- Bill boards, Kiosks, Trade shows and events.

Outdoor Advertising is also a very popular form of advertising, which makes use of several tools and techniques to attract the customer outdoors. The most common examples of outdoor advertising are bill boards, Kiosks, and also several events and trade shows organized by the company. The Bill board advertising has to be really terse and catchy in order to grab the attention of the passers by. The Kiosks
not only provide an easy outlet for the company products but also act as an effective advertising tool to promote the company's products. Organizing several trade shows and events by the companies or sponsoring them, also makes an excellent advertising opportunity.

**Broadcast Advertising - Television, Radio, and the Internet.**

Broadcast Advertising is a very popular advertising medium that constitutes several branches like television, radio or the internet. Television advertisements have been very popular ever since they have been introduced. The cost of television advertising often depends on the duration of the advertisement, the time of broadcast (peak time/prime time) and of course the popularity of the television channel on which the advertisement is going to be broadcasted. The radio might have lost its charm owing to the new age media, but the radio remains to be the choice of small scale advertisers. The radio jingles have been very popular advertising media and has a large impact on the audience.

- **Classification Based on Geographic area**

  Marketers advertise to the consumer market with national and retail/local advertising which may stimulate primary or selective demand.

**Global Advertising**

International advertising is conceived as a response to global marketing enabling the agency to channelize advertising from transnational corporations into transnational media. The same product brand that was once sold nationally can now be sold to the whole world backed by the same advertising. E.g. Coke has been using the same standardized advertising in all countries. Pepsi adopts the common theme to the national culture.

**National Advertising**

National advertising is done by large companies on a nation wide basis or in most regions of the country. Most of the advertisements of well known companies and brands that are seen on prime-time television or in other major national or regional media are examples of national advertising. The goals of national advertisers
are to inform or remind consumers of the company or brand about its features, benefits, advantages, or uses and to create or reinforce its image so that consumers will be predisposed to purchase it.

Retail/Local Advertising

Advertising is done by retailers to local merchants to encourage consumers to shop at a specific store, or use a local service or patronize a particular establishment. Retail or local advertising tends to emphasize specific patronage motives such as price, hours of operation, service, atmosphere, image, or merchandise assortment. Retailers are concerned with building store traffic, so that their promotions often take the form of direct action advertising designed to produce immediate store traffic and sales.

Classification based on target audience

Consumer Advertising

A very substantial portion of total advertising is directed to buyers of consumers products who purchase them either for their own use or for their household's. The fact that the buyer of consumer items are generally very large and are widely distributed over a large geographical area enhances the importance of advertising as a marketing tool. The preponderance of such advertising can be seen by looking into any general print media, such as newspapers, magazines etc. These advertisements are intended to promote the sale of the advertised products by appealing directly to the buyers/consumers. Such advertising is called consumer advertising

Business-to-business Advertising

Advertising targeted to individuals, who buy or influence the purchase of industrial goods or services for their companies is known as business-to- business advertising. Industrial goods are products that either become a physical part of another product(raw material or component parts), or are used in manufacturing other goods(machinery), or that are used to help a company conduct its business (eg office
supplies, computers) business such as insurance, travel services, and health care are also included in this category.

**Professional Advertising**

Advertising targeted to professionals such as doctors, lawyers, dentists, engineers, or professors to encourage them to use a company's product in their business operations. It might also be used to encourage professionals to recommend or specify the use of a company's product to the end-users.

**Trade Advertising**

Advertising targeted to marketing channel members such as wholesalers, distributors, and retailers are regarded as trade advertising. The goal of trade advertising is to encourage channel members to stock, promote, and resell the manufacturers branded products to their customers.

**Industrial Advertising**

Advertisements directed towards industrial users (buyers of raw materials, component parts, machineries etc) are regarded as industrial advertising. i.e. consumers who purchase goods for their industrial use and advertisements directed towards these consumers are known as industrial advertising.

**Agricultural Advertising**

Advertisements targeted towards the farmers for the purchase of seeds, tractors, and other agricultural implements are regarded as agricultural advertising.

> **Classification based on purpose**

**Product or non-product**

A product is a thing or service for which customers will exchange something of value. The purpose of product advertising is to sell the advertisers goods or services. Services are intangible products. They include financial, legal, medical and other recreational services. Non-product advertising constitutes institutional or corporate advertising in which the advertiser tries to polish its image or influence
public opinion about an issue. Here the aim is not to sell something, but just to let the public know that such an organization exists.

**Commercial or Non-commercial**

Commercial Vs Non-commercial advertising is very easy to understand. If the idea of advertising is to make profits then it is commercial advertising. If the idea of advertising is not to make profits then it is non commercial advertising. Most of the advertisements we see are commercial.

**Primary-Demand and Selective- Demand advertising**

Primary demand advertising stimulates the need for a particular category of products and the aim is not to sell one brand. Diamonds forever was used to arouse the need for diamonds and not to sell the brand of De Beers. Once the need for particular category is established, selective demand advertising comes into picture. These advertisements concentrate on a particular brand of a product and try to promote it. De Beers, after it made diamond jewellery popular, went on for selective demand advertisements.

**Direct Action or Indirect Action Advertising**

Sometimes advertisements are designed to get the audience response immediately. These types of advertisements are called direct-action advertisements. Typically these types of advertisements carry a toll free number and sales promotion incentives. Indirect-action advertising is done primarily to build awareness of the product.

- **Other types of Advertising**

**Covert Advertising- Advertising in movies.**

Covert Advertising also known as "guerrilla advertising" is a unique kind of advertising in which a product or a particular brand is incorporated in some entertainment and media channels like movies, television shows or even sports. There is no commercial in the entertainment but the brand or the product is subtly (or sometimes evidently) showcased in the entertainment show.
Surrogate Advertising- Advertising Indirectly

Surrogate Advertising is prominently seen in cases where advertising a particular product is banned by law. Advertisements for products like cigarettes or alcohol which are injurious to health are prohibited by law in several countries and hence these companies have to come up with several other products that might have the same brand name which indirectly remind people of the cigarettes or beer bottles of the same brand.

Public Service Advertising- Advertising for social causes.

Public Service Advertising is a technique that makes use of advertising as an effective communication medium to convey socially relevant message about important matters and social welfare causes like AIDS, energy conservation, political integrity, deforestation, illiteracy, poverty and so on. David Oglivy who is considered to be one of the pioneers of advertising and marketing concepts had reportedly encouraged the use of advertising field for a social cause. Today public Service Advertising has been increasingly used in a non-commercial fashion in several countries across the world in order to promote various social causes.

Celebrity advertising

Using celebrities for advertising involves signing up celebrities for advertising campaigns, which consists of all sorts of advertising including, television and print advertisements. Though the audience are getting smarter and smarter and the modern day consumers are getting immune to the exaggerated claims made in a majority of advertisements, there still exist a section of advertisers who still bank upon celebrities and their popularity for advertising their products.

3.6. Modern Advertising Methods

Advertising and marketing have become an essential part of the business world. If a person has a good product or an efficient service to offer, he has to master the art of selling it. Some advertising agencies stick to conventional advertising methods; most of the leading players are resorting to fresh and modern advertising methods. There is a new cult of modern advertisers who are experimenting with ideas
that are truly modern and innovative. Newspaper advertisements and colored fliers are so old-fashioned. It is the era of saying hello to instant, quick, smart and out-of-the box ideas instead of associating advertising with the newspaper advertisements, television advertisements and radio advertisements.

There are different types of advertising and advertising techniques that are available for promoting products and services. However, here are some of the latest and hottest trends in advertising that are gaining popularity. Advertisers are looking for new types of advertising appeals that they can target. Many of the new-age advertising methods are a result of the advent of the Internet, while some of the trends are just novel ideas that have transformed mundane advertising media into brilliant and witty advertising methods. Internet advertising is a vast concept and it entails several sub-types, many of which have been recently introduced. Email advertising is one of the earlier trends, while the new ones include banner advertising, pixel advertising, blog advertising, keyword advertising and contextual advertising. The following are some of the most widely used modern advertising methods:

**Web Banner Advertising**

Unlike the billboard advertising which is used on roads, a similar type called banner advertising is used on the web. The horizontal advertisement strips that are seen at the top of almost every web page are nothing but the web banner advertisements. Web banners are usually constructed using images, or JavaScript, or any other multimedia objects and animation. Web banners are usually linked to web pages that are related to the content on the existing web site.

**Bandwagon Advertising**

This is a propaganda advertising technique, which aims at convincing the user that everyone else is using the products or everyone in the customer base, is in favor of the brand and so he/she must do so. This compels the consumer to at least think about buying that product and check what everyone else is raving about and in turn 'jump on the bandwagon'. Bandwagon advertising is a strategy that is based on consumer psychology and hence, is an effective advertising technique which can be used via any media print, electronic, or broadcast.
Promotional Advertising

Promotional advertising involves the use of promotional give-away items or promotional media events, which help to garner public attention and an effective way of advertising. Handing out promotional freebie is a modern advertising technique that is innovative and very effective.

Testimonials and Endorsements

An endorsement from a celebrity or a public figure is reason enough for certain customers to try a particular product. Such testimonials or endorsements are a great way to advertise particular products and services. Another evolved version of testimonial and endorsement is a new type called covert advertising which involves the use of brand names or actual products in movies or television shows.

Pixel Advertising

Pixel advertising is a new type of Internet advertising in which the cost of an advertisement is calculated based on the number of pixels it occupies. This form of advertising originated in late 2005, when a British student Alex Tew came up with a website called The Million Dollar Homepage, where advertisers could buy advertising space at the rate of $1 per pixel with a space limit of one million pixels. In addition to the space options provided by the hosting websites, there is also the option of using Do-it-Yourself (DIY) pixel scripts, which ensures that people who do not understand the details of the pixel advertisements can incorporate the pixel advertisements in their website without any hassles.

Contextual Advertising

Contextual advertising is a very specifically targeted form of Internet marketing in which the advertisements are selected by automated systems based on the content being viewed by a particular user. The automated system scans the text of a website for keywords and sends advertisements that match the content which the user is viewing. Many search engines also make use of contextual advertising for displaying advertisements on the search result pages, that the advertisements match the things that the user is looking up on the web. Google Adsense was the first
contextual advertising venture. After Google started this trend, there were many others like Yahoo! and Microsoft who followed suit.

**Keyword Advertising**

Keyword advertising refers to any advertising that is linked to specific words or phrases. Keyword advertising is also known as pay per click advertising or cost per action advertising. Although Yahoo was the first company to venture into keyword advertising, it is Google Ad words program which is now most popular for its keyword advertising. Some of the popular search engines, which are into keyword advertising, include Yahoo! Search Marketing, Microsoft adCenter, Miva and Look Smart.

**Blog Advertising**

Blog advertising is simply placing advertisements on one's blog. This has existed as long as blogs have existed. It consists of running banners and text advertisements on the top, sidebar and footer of one's blog. Owing to the tremendous popularity of blogs, advertisers have wisely used blogs as effective advertising and marketing tools. Corporate blogs are an excellent way for companies to reach out to their customer base on the Internet. Advertising blogs often make use of Search Engine Marketing techniques which ensure better results on the web.

**Bathroom Advertising**

Bathroom advertising is nothing but placement of advertisements in public restrooms. A research was carried out, in which a test group of people visiting a restroom were asked whether they noticed the advertisements in there, and surprisingly, a major percentage of the group were seen to have a high retention of the advertisements. This led to the conclusion that people visiting the restroom are a good target audience. Bathroom advertising is soon catching up as an effective advertising tool.

**Mobile Advertising**

Most of the time, advertisers have a data of mobile numbers of their existing customer base as well as a list of phone numbers of people who might be potential
customers. An advertising message will be sent to these mobile numbers which is nothing by the mobile advertising. And on the mobile phone these advertising messages rarely goes unnoticed and hence, qualifies as an effective marketing or advertising tool. It is now a fact that mobile advertising or cell phone advertising is one of the most effective ways of advertising.

**Public Relations Advertising**

Maintaining and developing good public relations is one of the most important marketing tools for companies to maintain goodwill amongst employees as well as clients. It is not only a way for companies to be in the public eye, but also a great way to build and maintain a particular brand image and identity. Public relations is thus a great advertising tool which is used by companies to reach out to their investors, employees and of course, their existing and potential customer base.

**3.7. Importance of Advertising in Modern Economies**

According to Gerard J. Tellis (2004) Advertising is pervasive act. And today, consumers are bombarded with advertising appeals or reminders from the moment they wake up till moment they fall asleep. Advertisements appear on news programs that consumer’s access, in the entertainment they seek, on billboards as they commute, on Internet sites as they surf the web. And even in their classrooms and office space. Estimates of the number of advertising messages that reach consumers vary from 100 to more than 1,000 a day. Thus, advertisements greatly impinge on consumers’ awareness and have the potential of greatly affecting their thoughts, attitudes, feelings, and decisions.

Many people think that advertising is a lot of hype. They think firms advertise to sell their products to consumers or to make a fast buck. Such people think advertising is an accident of the free economy or an evil that consumers have to endure in the interests of free speech. However, the reality is quite different. Advertising is a vitally important force for several reasons.

Firstly, advertising is a major means of competition among firms. In a free market, firms constantly compete with one another for sales by offering consumers better quality at lower prices or both. Firms use brand names to represent a consistent
level of quality at particular prices. Firms use advertising to communicate to consumers what these brand names represent and at what prices and where they are available. The various forms of advertising enable firms to communicate with consumers promptly and efficiently as needed. Thus, advertising is essential for the efficient working of competitive markets.

Secondly, advertising is the primary means by which firms inform consumers about new or improved products. Over the past couple of centuries, the quality of life of consumers has improved greatly, primarily because of the better goods and services available to consumers. The great vitality of the American economy, indeed of most free market economies, rests on the ability of firms to produce and market these better products to consumers. To do so, firms must be able to communicate with consumers, to inform them of the innovations at hand, and to persuade them about the value of these innovations. Advertising has emerged as the primary means by which firms achieve this task. Thus, advertising has the potential to ensure the vital functioning of markets for new and improved products.

Thirdly, advertising provides the major support for the media in many countries. Several media, including broadcast TV, much of cable TV, newspapers, magazines, and much of the Internet, reach consumers either free or much below cost. The reason is that advertisers pay media owners for displaying their advertisements. Media owners in turn do not have to charge consumers the full cost of the media. As such, advertising subsidizes these media. The media themselves are an important means of information and entertainment for consumers. Thus, advertising subsidizes the free flow of information and entertainment to consumers.

Fourth, advertising is a huge industry. Total expenditures on all media advertising (excluding mail and telephone), in 2002, were more than $236 billion. The industry involves more than 21,000 firms and employed 302,000 people in 2000. In the first decade of this century, employment in the advertising industry is likely to grow 32%, compared with 15% on average for all industries.

Fifth, the public subsidizes advertising expenditures. Advertising expenditures in the United States and many capitalist countries are tax deductible. Firms can charge these expenditures as costs incurred in business to lower their pretax profits. In effect,
the public pays for a fraction of the cost of advertising that is equal to the advertiser’s marginal tax rate. More generally, assuming a positive tax rate, the public subsidizes a portion of advertising expenditures.

### 3.8. The Role of Advertising in the Marketing Mix

Marketing communications is an essential factor in the process of creating a trust among the customers for an organization. It can be seen as the exchange of processes to create an over time contextual effect on the relationship between the organization and its customers. Advertising, mass media advertising to be more precise, has played a major role in business to consumer marketing, and enabled companies to meet communication and other marketing objectives. Marketing communications is one of the most important factors in an organizations success on the market. More and more organizations are moving forward to use marketing communication to reach its customers, and the competition is getting harder. Marketing communication can be used in several different ways and it is important to find the way that will gain the best result. The purpose of marketing communications is to make the organization and its products well known for its customers along with keeping the customers conscious about the organization (Iyer, Sobermann & Villas-Boas 2005).

There are two general forms of marketing communications that are being used by organizations on a daily basis: External and Internal Communications. Internal communications means the communication that the organization uses to reach out to its employees within the organization. Employees work as an internal customer and it is as important to keep them satisfied as it is with the external customers. The External communication on the other hand includes the communication that organizations uses to reach out to its external customers. By using external communication organizations hope to send a message to their customers that later on will result in the customer buying their products or services (Dahlqvist & Linde, 2002). External Communications are important on the market today and it can be hard to find new ways to compete on. It is therefore very essential for organizations to work with External Marketing Communications on a regular basis.
A customer usually starts its buying process by processing the information sent out by different organizations as mass communications, for example TV advertisement or outdoor Advertisements. They then build up a brand knowledge and creates a stronger need for the product in question. When the customer later on feels like they have a need for more information they reach out to the organization, usually a sales representative, to find out more about the offer. The organization then has their chance to convince the customer by relationship communications (Dahlqvist & Linde, 2002). For advertising to be successful, it is not enough to send out a message and then hope for a result. Customers are today exposed to more advertisements each day and this can be annoying to them. On the market today, customers tend to have a more negative attitude towards advertising and this makes it harder for organizations to reach their audience. Because of all this advertising strategy is getting higher importance and it is essential for organizations to have a clear strategy to follow (Zanot, 1981).

Advertising is the communication link between the seller and the buyer or the consumer. It does not simply provide information about products and services but makes an active attempt in influencing people to take action by an overt appeal to reason or emotion. In simple advertising does not end with the flow of information from the seller to the buyer it goes further to influence and persuade people to take action or belief.

Each and every business organization has its own marketing objectives and a marketing plan to be achieved. In the process of achieving their marketing objectives, the organization uses several marketing tools. In the study of marketing management, four variables are identified, which are within the controllable limits of an individual organization. They are popularly known as the 4’ps- product, price, place, promotion. An ideal mix of these four variables is known as the ideal marketing mix to realize the set objectives. This means that the right product should be developed and offered through a distribution network suitable to the organization and the target market segment. The product should not be too costly, and should be offered with a suitable promotion strategy. Under promotion, marketer provides face-to-face communication with individual or a small group as well as mass communication with a large audience
by way of advertising. Thus advertising is a part of the marketing mix under the major variable of promotion.

Advertising as a part of the total marketing mix influences the sale of the product, as do the other variables of the marketing mix. Together with the product or brand, price, channel of distribution and personnel selling, advertising also helps to achieve the marketing objectives. When a firm introduces a prestigious product with a premium price, advertising should reinforce the idea of the high quality and prestige of the product by associating it with prestigious people, places and events. Advertising, being one of the most important marketing tools, affects the sales of the firm to a greater extent. Therefore right advertising is essential as the right product, the right price, the right distribution channel and personnel selling. This necessarily calls for right advertisement planning. Right advertisement planning involves designing a proper marketing communication process as follows:

Figure 3.a

Integrated Marketing Communication Process

The marketing communication process/integrated marketing communication process

Source: www.google.co.in
The advertiser or the marketing manager is the sender of the message. The massage is encoded as advertising copy, publicity materials, sales promotional displays or sales presentation by sales people. The media for delivering the message may be the print media like press and magazines or the electronic media like T.V, radio and films or a salesman who makes a presentation. The message is received by the purchaser of the product or service that is the ultimate consumer or the target market. The feedback involves the consumer's interpretation of the message. This is often the most challenging aspect of marketing communication as consumers may not always interpret the message the way the sender wants them to interpret.

3.9. Challenges associated with Advertising

The development of internet led to many new advertising opportunities. Popup, flash, banner, pop under, and email advertisements are now have become common place. With the rise of "entertaining" advertising, some people like an advertisement and they wish to watch it later or show to their friends. The advertising community has not yet made this easy, although some have used the internet to widely distribute their advertisements to any one willing to see or hear them. In the last three quarters of 2009 mobile and internet advertising grew by 18.1% and 9.2% respectively. Older media advertising saw declines: 10.1%(TV), -11.7% (radio), -14.8%(magazines) and -18.7% (news papers).

Another significant trend regarding future of advertising is the growing importance of the niche market. Using niche or targeted advertisements bought about by the internet and the theory of the long tail, advertisers have an increasing ability to reach specific audiences. In the past the most efficient way to deliver a message was to blanket the largest mass market audience possible. However the usage tracking, customer profiles, and the growing popularity of niche content brought every thing from blogs to social networking sites, which provides advertisers with audiences who are smaller but much better defined.

The concept of crowd sourcing has given way to the trend of user-generated advertisements. User-generated advertisements are created by consumers as opposed to an advertising agency or the company themselves. Most often they are a result of brand sponsored advertising competitions. This trend has given rise to several online
platforms that host user-generated advertising competitions on behalf of a company. Crowd sourced advertisements have gained popularity due to its cost effective nature, high consumer engagement, and ability to generate through word-of-mouth.

Advertising is the most important tool in the marketing of products and services. This fact has been universally accepted by companies all over the world. The expenses on advertising are considered to be a profitable investment that reaps profits both in the long and short run.

Competitiveness has become a way of life in modern organizations. The organizations are expected to build sound advertising strategies which would open up new vistas for organizational development. Developing a unique advertising strategy helps the organization in many ways. It helps in attracting and persuading the consumers, it has the capacity of converting the non-users of the products into users.

Advertising has a number of uses. Apart from promoting commercial goods, advertising can also be used to educate and motivate the public about non-commercial issues such as AIDS, deforestation, family planning, etc. It is a powerful media which is capable of reaching to the far out masses. Now a days, we find many advertisements on the internet also. These advertisements in most cases have been successful in connecting the user with the information they require. Advertising offers a large number of benefits to consumers, producers as well as the society. Scholars have identified the benefits of advertising which are as follows:

- **Information to the customer.**

  Advertisements about new products keep the customers informed about the new developments in the industry. They help in providing information regarding the newly launched products.

- **Takes care of customers.**

  Advertising takes care of customers. It helps in holding on to the loyal customer, decreasing the number of lost customers and enlisting new customers. Thus advertising helps in increasing the number of customers who will gradually become loyal to the product.
• Improves the sale of product.

Advertising facilitates a noticeable increase in the sale of the product which helps in reducing cost of the product per unit and helps the businesses to earn profits.

• Alters the attitudes of people.

An effectual advertisement results in change in the attitudes and habits of the people.

• Direct Communication

In earlier days customers believed on the retailers, when making the purchases of products. With the rapid spread of media and advertising to every nook and corner of the world, people have become aware of the various products that are available in the same category and the free bees and benefits of purchasing them. The companies or manufacturers are able to communicate their message directly to the customers through their advertisements.

• Increase in employment

Preparing an advertisement is a complicated task which involves large number of people. Research team, design team, and many other people are required to make and deliver an advertisement. Therefore advertisement generates employment to a large number of people.

• Economic progress

Advertising increases sales, employment and profits there by contributing economic progress of the nation.

• Religious and moral benefits.

Social and religious institutions use advertising for communicating their messages like messages of patriotism, faith, tolerance, and charity and also communicate messages related to health and education. These messages educate people and guide them to behave better.
3.10. The Role of Advertising in Modern Business World

Advertising plays a vital role in the modern business. Role of advertising in the business cannot be compromised with. It creates employment and improves the living standards of the people. Advertising has become an indispensable function due to cut throat competition among the traders and producers.

Meeting competition: Today a number of products on the same need of the consumers are available in the market. It is obvious that no company can make profits for a long time if the consumers keep on changing their brands. Hence, advertisements attract the consumers towards a particular product and urge them to stick to that brand.

Steady demand: There are certain products that have only a seasonal demand. For example, umbrellas can be used only in rainy season but the advertising ask us to use it in summer to prevent ourselves from the direct rays of the sun. Hence, the firms do not need to close itself during the off-season.

Higher sales volume: Advertisements help the producers to reach out to the consumers quickly and improve their sales. If the consumers are influenced by products, they buy the products which they do not need at that instant. They are also influenced by the timely offers that the producers advertise. If the offers last only for a certain time, the consumers show their hurry to buy that product as soon as possible.

Introduction of new products: The producers find it very easy to communicate the release of new products to the consumers in a very efficient and cost-effective way through advertisements. It simplifies the work of a salesman and also allows the consumers to reach out to other products.

Economies of scale: Advertisements allow the producers to increase the volume of production which in turn increases the benefits they get from large scale production. It is a fact that if we buy the things in bulk, we get it at a cheaper rate. The same thing is also applicable in production process. We can also eliminate middleman such as wholesalers who reduce the cost for the consumers by reducing the profit margin. Commercial Banks also grant loans to such firms whose products are advertised.
**Goodwill:** If a particular cosmetic company uses an actress or actor to advertise the products of its brand, it shall definitely develop a reliability for its products. The public will trust that company and its products which in turn will increase the valuation of the goodwill and the image of the firm. It helps the firm to face strict competition during the business conditions of depression when all the consumers develop mistrust against a particular product.

**Employee morale:** When the employees know that the products of a firm are advertised and have developed sufficient trust in the public, they will be assured that their jobs are safe and they would receive bonuses on account of profits made by the firm. It also enhances the qualities of a good salesman.

### 3.11. Criticism against Advertising

Despite many benefits drawn from advertising, it suffers from a severe criticism advanced by different segments of society. It is not an unmixed blessing. It has been criticized on the following grounds -

**Increased price of the product :-** Advertising increases the cost of the product as the expenses on it form the part of the total cost of the product. The increased prices are borne by the consumers. But it cannot be denied that advertising leads to large scale production which considerably reduces the total and per unit cost of production. The consumer may pay less rather than higher.

**Multiplication of Needs :-** Advertising creates artificial demand for the product and induces people who buy those products which are not needed by them. On account of its repetition, it allures and creates a desire in the minds of the people to possess an article not required by them.

**Deceptive :-** Sometimes advertising is used as an instrument of cheating. In order to impress upon the people false statements are made with regard to different virtues of a product. Fraudulent means and deceptive practice are resorted to by various traders in order to sell their products. All these things adversely affect the public confidence in the advertising.
It Leads to Monopoly :- Advertising sometimes leads to monopoly of a particular brand of a product. By investing large sums in advertising of his brand, a big producer eliminates small producers of the same product from the market and creates brand monopoly. This leads to exploitation of consumers.

But in reality this argument does not hold good. The monopoly powers are temporarily acquired by the manufacturer as they face strong competition by the rival producers of the same product. It often enables the small businessmen to compete with large concerns as well as to start new business.

Harmful to the Society :- Sometimes advertisements are un-ethical and objectionable. Most often, these carry indecent language and virtually nude photographs in order to attract the customers. This adversely affects the social values.

Wastage of precious national resources :- A serious charge made against advertisement is that it destroys the utilization of certain products before their normal life. The latest and improved model of a product leads to the elimination of old ones. People like to possess the latest models of cars and discarding the old ones which are still in useable conditions. This leads to wastage of national resources.

Only a few advertising campaigns are successful and only a few advertisements are able to reach over the level of noise and seize attention. This could be attributed to inattention to advertising, resistance to persuasion, miscomprehension of advertising message, and imitation of effective techniques (Tellis 2004).

McDonough and Egolf (2003) point out that audiences are often skeptical about advertising since the very purpose is to persuade rather than inform. This result in people trying to avoid, resist, or discount the advertising message.

Clutter is another major limitation of advertising. The fact that advertising is everywhere results in criticism from people and reinforces the resistance towards it. And there is a hidden cost related to clutter that involves more messages to break through the clutter and even more spending on communications evolves to a vicious circle. Duncan claims that this increasing ineffectiveness of advertising has resulted in companies looking for alternative ways to leverage their marketing communication spending and IMC has often been the solution (Duncan 2002).
Exaggerated claims and extreme advertising volumes are factors that contribute to the increasing ineffectiveness of advertising (Ries and Ries 2002). However, credibility is fundamental. The theory of credibility according to Tellis (2004) centered around the notion that the acceptance of a message depends on the quality of the source. Expertise and trustworthiness are cornerstones in this reasoning. If the source is able to deliver true claims and convince the audience that the source possesses greater knowledge in the matter, expertness is achieved.

3.12. Advertising Effectiveness

Advertising Effectiveness is the activity undertaken to measure the worth of the specific elements of an advertisement or the entire advertisement. It is one that determines the gap between the promise and the result achieved. It is a cost-benefit analysis to relate the returns and the inputs in the area of advertising.

Advertising effectiveness pertains to how well a company's advertising accomplishes the objectives intended. Different companies use different statistics or metrics to measure their advertising effectiveness. These measurements can be used for all types of advertising, including television, radio, direct mail, Internet and even billboard advertising. A company's advertising effectiveness usually increases over time with many messages or exposures. But certain advertising objectives can be realized almost immediately.

The main “actors” related to the effectiveness in the advertising activities are consumer, advertisement, product/service, medium, and environment. The advertising effectiveness can be studied from the different manifestations of these actors. In a narrow sense, the advertising effectiveness means only the effectiveness of the advertisement, which considers only the interaction between the consumer and advertisement excluding factors of product/service, medium and environment.

- **Consumers** are audience of the advertisement and potential purchasers of the product or service. Many models of consumer behavior have been developed to measure the advertising effectiveness [Brierley97]. For example, in the attitude model in [Wheatley69], the effects of advertising on consumers can be described as a sequence of stages or steps that begin with an awareness of the existence of what is being advertised, through the knowledge of what the
product or service has to offer, favorable attitudes, preference over all other possibilities, and the conviction that the purchase would be wise, and it finally culminates in the actual purchase of the product or service.

- **Advertisement** in a traditional sense can influence the consumer behavior. In new media advertising on the Internet, the advertisement can be influenced by the consumer behavior as well to manifest the effectiveness. For example, click through rates of a banner advertising on the web can be used to measure its effectiveness.

- **Product/service** represents the motivation of the advertising. Advertising is often used to try to increase sales of a product or the use of a service, to improve the firm’s “corporate image”: to persuade people that the company is benevolent and trustworthy, or to change people’s behavior such as anti-smoking. So the advertising effectiveness can also be measured through the achievements of the motivation, such as the profit and the brand value.

- **Medium** is the carrier of the advertising message. The principal media may be classified as newspapers, magazines, radio, TV, direct mail, Internet, outdoor and so on. The first criterion for effectiveness is that sufficient numbers of the target audience should get to see or hear the advertisement, which is mostly decided by the nature of the medium. For example, a TV advertising at peak-time like 6:00pm to 10:00pm, or a banner advertising on a famous web page like Yahoo with millions of visitors a day, can be considered to be more effective.

- **Environment** includes other factors around the medium that can effect the advertising. The environment can influence the audience attention and involvement level. For example, not all the people in front of a TV are watching TV let alone TV advertising. Broadly speaking, the advertising effectiveness is achieved through the interactions of these actors, and these actors influence the effectiveness of advertising to a greater extent.
3.13. Need for Testing the Effectiveness of Advertising

The rationale behind testing the advertising effectiveness can be understood by the following points:

- **It acts as a Safety measure**: Testing effectiveness of advertising helps in finding out ineffective advertisement and advertising campaigns. It facilitates timely adjustments in advertising to make advertising consumer oriented and result oriented. Thus waste of money in faulty advertising can be avoided.

- **Provides feedback for remedial measures**: Testing effectiveness of advertising provides useful information to the advertisers to take remedial steps against ineffective advertisements.

- **Avoids possible failure**: Advertisers are not sure of results of advertising from a particular advertising campaign. Evaluating advertising effectiveness helps in estimating the results in order to avoid complete loss.

- **To justify the Investment in Advertising**: The expenditure on advertisement is considered to be an investment. The investment in advertising is a marketing investment and its objectives should be spelt out clearly indicating the results expected from the campaign. The rate and size of return should be determined in advance. If the expected rate of return is achieved in terms of additional profits, the advertisement can be considered as effective one.

- **To know the communication Effect**: The effectiveness of the advertisement can be measured in terms of their communication effects on the target consumers or audience. The main purpose of advertising is communicated to the general public, and existing and prospective consumers, various information about the product and the company. It is therefore desirable to seek post measurements of advertising in order to determine whether advertisements have been seen or heard or in other words whether they have communicated the theme, message or appeal of the advertising.
**Compare two markets:** Under this procedure, advertising is published in test markets and results are contrasted with other. Markets – so called control markets – which have had the regular advertising program. The measurements made to determine results may be measurements of change in sales, change in consumer attitudes, changes in dealer display and so on depending upon the objectives sought by the advertiser.

The effects of advertising relate to each other through a hierarchy of effects which is specific for each brand, product category, and consumer segment. Identifying this hierarchy and advertising's role in it is essential in evaluating how, when and why advertising works. The effects of advertising and how it works can be better understood by the models of hierarchy.

### 3.14. Models of Hierarchy of Effects

Advertising can have a variety of effects on human thoughts, attitudes, feelings and behavior. Researchers have long suspected that the effects of advertising are related in a sequential chain so that the response on one variable leads to response on another. Such a chain of sequential responses is called the hierarchy of effects. The hierarchy of effect approach is grounded on the base that, advertisement in order to be effective and achieve the desired response, several steps has to be completed and passed. Any piece of persuasive communication must carry the audience through the series of stages that has been drawn. These stages are placed so that a customer has to climb them and one step can not be reached until the previous is completed. These models were developed to depict the stages that a customer may pass through in the buying process (Mackay, 2005). The following are some of important response hierarchy models which explain the stages that a customer may pass through in the buying process.

### 3.15. Dagmar

One of the earliest influential models was called DAGMAR, an acronym for Defining Advertising Goals for Measured Results, Russell Colley created DAGMAR when he prepared a report for the Association of National Advertisers. This report was entitled Defining Advertising Goals for Measured Advertising Results, shortened
down to DAGMAR, and thereof the name, and was later in 1969 published as a book with the same title. DAGMAR was created to encourage measurable objectives for each stage of communication and does not deal purely with the message. DAGMAR focuses on the levels of understanding that a customer must have for the organization and on how to measure the results of an advertising campaign. The model was built around four stages of communication results: awareness, comprehension, conviction, and action as shown in the figure. Colley(1961) argued that it is possible to pick the appropriate stage in the communication process and use it to define advertising objectives. The communication has to be specific and measurable, and is therefore based on a hierarchical model containing the four stages as shown in the figure.

**Figure 3.b**

**DAGMAR MODEL**

![DAGMAR Model Diagram](image)

Source : Colley (1961)

**Awareness**

Awareness of the existence of a product or organization is necessary before the purchase behavior can be expected. Once the awareness has been created in the target audience, it should not be neglected. If there is neglect, the audience may become distracted by competing messages and the level of awareness of focus product or organization will decline.
Comprehension

Awareness on its own may not be sufficient to stimulate a purchase. Knowledge about the product or the organization is necessary. This can be achieved by providing specific information about key brand attributes. In attempting to persuade people to try a different brand, it may be necessary to compare the product with other product or brand and provide an additional usage benefit.

Conviction

The next step is to establish a sense of conviction. By creating interest and preference, buyers are moved to a position where they are convinced that a particular product in the class should be tried at the next opportunity. To do this, audience’s beliefs about the product have to be molded and this is often done through messages that demonstrate the product’s superiority over a rival or by talking about the rewards as a result of using the product.

Action

Communication must finally encourage buyers to engage in purchase activity. Advertising can be directive and guide the buyers into certain behavioral outcomes. The main conclusions on the DAGMAR theory is: "All commercial communications that weigh on the ultimate objective of a sale must carry a prospect through four levels of understanding.

1. The prospect must first be aware of the existence of a brand or organization
2. He must have a comprehension of what the product is and what it will do for him
3. He must arrive at a mental suspicion or conviction to buy the product
4. Finally he must stir himself to action”. Mackay, (2005)

The DAGMAR approach has had a huge influence on the how to set objectives in the advertising planning process and many planners use this model as their base. However, just as the other approaches within advertising, DAGMAR has been met with critique. One of the major criticisms towards DAGMAR is on its reliance on the hierarchy-of-effects theory. Customers do not always pass through the
stages in a linear way. Another criticism made against the DAGMAR approach is that it focuses too much on strategies.

Many creative people within advertising are looking for the great unique idea that can result in a successful campaign and feels that the DAGMAR approach is too concerned with quantitative measurements on the campaign (Belch & Belch, 1995).

Advertising according to jobber is mainly concerned with creativity. And it is a campaign that sets high demands on the creativity. Jobber argues that advertising put within a fame of models would kill the creativity (Jobber, 2004).

Holbrook et al, (1990) argue that the hierarchy of effects and any other sequential models enumerating how advertisements work must be wrong because the cognitive and emotional components of decision making should be balanced in parallel, avoiding either polarity. Major criticisms of these models include their reliance on the concept of a linear, hierarchical response process (Huey 1999; Moriarty, 1983, Preston, 1982) and that the models are poor predators of actual behavior (Bendizlen 1993).

Some of the researchers have challenged the very basic hierarchy model which assumes a set of sequential steps of awareness, comprehension and attitude leading to action. The counter argument is that other models may hold in various contexts and DAGMAR hierarchy model cannot apply to all the situation. It might so happen that action can precede attitude formation and even comprehension with an impulse purchase of a low-involvement product. The basic thrust of DAGMAR is the use of advertising response measures as the basis of objectives and focus on the measurement.

3.16. AIDA Model of Communication

AIDA model is one of the most popular models of communication which explains how advertising induces a customer to purchase a product. AIDA was created by Strong in 1925 and is a behavioral model that has a purpose to make sure that an advertisement raise awareness, stimulates interest, and leads the customer to desire and eventually act. The model is seen as highly persuasive and is said to often unconsciously affect our thinking.
For the advertisement to contribute to success it has to be designed in such a way that the customer passes through all these four phases, all being equally important. The model implies that advertising should inject memorable and believable messages that will make costumers are triggered to act in a certain way (Brierley, 2002). Several models have been developed which have specifically identified the sequence of events which must take place between receipt of the message and desired action. AIDA model is one of the most popular models which specifies the identical principle of sequential stages of consumer action. And AIDA stands for:

A- Attention, I- Interest, D- Desire, A- Action

Attention

The first objective of advertising is capturing the attention of the reader or the audience. This job is easy as shouting or clapping can draw attention. For print advertisement, this task is done by the headline as it is the first element of the advertisement to catch attention. Therefore the copyrighter usually makes the headline very catchy by using bigger fonts. The other techniques in usage are short punch lines in conversational language. 'Behind every great adventure lies a great spirit', the headline for Tucson, the four wheeler is quite appealing as the readers curiosity is raised. The second way in which attention can be drawn is by using an appealing picture or a sequence in case of mass media like television.

Interest

Once the attention is drawn, the next task is to retain it by creating interest in the audience about the product. After giving a good headline, their interest is retained by giving further elaborations about the key features of the product. The copy writer either does it explicitly or implicitly. There is less scope for exaggeration in this part, as this is more factual. And the presentation of information is also equally important. The copy writer or the advertiser stimulates interest by narrating or displaying a dramatic situation, citing a story or he may sprinkle humor in case of television advertisements. The illustrators use cartoons and pictures to generate interest. In radio, the sound effects and catchy dialogues in nasal voice may retain interest.
Desire

In this step, the advertisement creates a situation for the prospective customer to enjoy benefits of the product vicariously. The writer or the advertiser creates a situation where the reader or the audience feels that he/she misses something if he/she does not use the product. In print advertisements the copy writers fuels up visualization by using phrases like 'think yourself to be the most successful person', or 'imagine'. In television, the strategy used is that after using the product, the user is shown as being happy contended, while in radio, the listeners listen to the announcer saying, "you at your best with your suiting".

Action

The purpose of this step is to motivate people to do something. Advertisements will be a failure if it cannot induce any action. Several phrases like 'offer closes by 30th Jan', 'buy now', 'limited stock', 'buy two get one free' are used to motivate consumers to buy the product. This is not a difficult task ,if the copy or the message is clear then the reader or the audience will surely act. Action demanded may be explicit like 'call on us to book, the stock is limited' or implicit 'fly the friendly sky'.

Figure 3.c

AIDA Model

Attention → Interact→ Desire→ Action.


AIDA Model proposed during 1920’s ruled the advertising world for a number of years in the absence of any thing worth while which could have explained the process satisfactorily. It was believed that consumers having minds of their own emotions, senses and all the psychological elements, would in some way ‘process’ the material coming to them in the form of advertisements which make them ‘aware’
of things that are advertised. For this to happen, it was assumed that an advertisement would have to attract their attention. Once it has achieved this, if it is to go any further it would have to arouse their interest. For a sale to take place, however, desire for the product is essential. The final step is action. This is the essence of the so-called AIDA model. (Strong, Edward K. 1925).

Other variation of this model is the ‘think-feel-do’ model of message effects which presumes that consumers approach a purchase situation using a sequence or rational), affection (emotion) and behavior of responses. This model identifies three categories of effects namely cognition (mental rational), affection (emotion) and behavior derision or action.

The model may be seen by many as the strongest advertising theory, but along with the others been criticized by different sections of the advertising community. They claim that there is no evidence that customers behave in this rational, linear way. They mean that mass media advertising in general fail to stimulate desire or action (Brierley, 2002). The model ignores the role of context, environment and mediation in influencing the effectiveness of the advertisement.

Because of this the advertising world has turned its focus more on the two main behavioral responses: awareness and interest. To succeed not all the four are equally important. The advertiser has to look further into the behavioral phases. Another criticism that the model has met is that it represents only high involvement purchases. According to AIDA customers always go through this rational process when buying products, but many say that purchases are more often spontaneous.

3.17. Lavidge & Steiner's Hierarchy-of-effects model

Among the noteworthy models of advertising the ‘Hierarchy of effects’ models have been around in the literature of marketing in one form or another for more than 100 years, as noted by Weibacher (2002), these models demonstrate that advertising is mentally processed in a series of steps typically as cognition – Affect – Behavior. There are a lot of literature available to explain how advertising works and is explained by many related theories known as response hierarchy model.
Lavidge and Steiner (1961) Hierarchy of effects model was published during the same period as DAGMAR. The model was named the hierarchy-of-effects model which is the same name as some authors used on the foundation theory, and will therefore go under the name, Lavidge & Steiners Hierarchy-of-effects model. This model was created assuming that customers passed through a series of steps in sequential order. The model is based on several steps, which as with the other models must be completed in a linear way beginning from awareness – knowledge – liking – preference – connection – and ending in purchase. This model is based on the premise that advertising occurs over a period of time and may not lead to immediate response and purchase. It is rather a series of effects that occur with each step fulfilled on the way towards the next stage.

**Figure 3.d**

Lavidge and Steiner Hierarchy of effects model.

Source: Lavidge and Steiner (1961)

The big difference between this model and the others is not only the steps, but also the view on how to pass them. According to Lavidge and Steiner (1961) the steps have to be completed in a linear way, but "a potential purchaser sometimes may move up several steps simultaneously", which is supported by Munoz (2002) who
argues that normally ultimate customers do not switch directly from being interested to become convinced buyers.

Lavidge and Steiner identify the steps in the following order:

1. Close to purchasing, but still a long way from the cash register, are those who are merely aware of its existence.

2. Up a step are prospects who know what the product has to offer.

3. Still closer to purchasing are those who have favorable attitudes toward the product. That is those who like the product.

4. Those whose favorable attitudes have developed to the point of preference over all other possibilities are up still another step.

5. Even closer to purchasing are customers who couple preference with a desire to buy and the conviction that the purchase would be wise.

6. Finally, of course, there is the step which translates this attitude into actual purchase.

This model also has as its premise that advertising occurs over a period of time, and may not lead to immediate response and purchase. It is rather a series of effects that has to occur, with each step fulfilled on the way towards the next stage. According to Belch & Belch (1998) the advertising effects occur over a period of time and advertising communication may not lead to immediate behavioral response or purchase, but rather, consumers must fulfill each step before (s)he can move to the next stage in the hierarchy.

As with the former models discussed, this model has also been criticized. The criticism on Lavidge & Steiners model is very similar to the one made on DAGMAR and AIDA. There is still no evidence with regard to the fact that awareness of a product leads to purchase, and the steps are still unclear. Criticism has also been made on each individual step in the model. Critics do not think that the model explains how the customers will go from one step to another and pointing out the steps without explaining them further is not seen as enough (Palda, 1966).
3.18. Information processing model

There are other noteworthy hierarchical response models which have explained the effectiveness of advertisements. Better known among them is the information processing model of advertising effects developed by Mc Guire (1968). Mc Guire was one of the first to propose that the consumer mind operated like an information processor. This model is similar to other hierarchy of effects models and has six steps as shown in the figure.

**Figure 3.e**

**Information processing model**

Presentation → Attention → Comprehension → Yielding → Retention → Behavior

Source: MC Guire (1968)

MC Guire’s model mentions about retention stage which is receivers ability to retain the comprehended information that he or she accepts as valid or relevant. This stage is considered important since most advertising campaign are designed not to motivate consumers to take immediate action, but to provide information that will be used by them later when making a purchase decision. Each stage of the response hierarchy is viewed by MC Guire’s model as a dependent variable that should be attained and that may serve as an objective of the advertising communications process. He also notes that each stage can be measured and thus provide the advertiser with feedback regarding the effectiveness of various advertising strategies. For example exposure / presentation can be measured with figures on audience size (television or radio ratings, magazine or newspaper circulation figures), attention, comprehension and / or retention can be assessed through recall or recognition tests, while acceptance or yielding can be measured through attitude and intention measures.

Both Lavidge and stringer and MC Guire response hierarchy models mentioned above imply that advertising has some intermediate effect before it impacts the targeted behavior. The two of the major intermediate effects according to these models are cognition (the thinking dimension of consumer’s response,) and effect
(the feeling dimension.) Cognitive effects include outcomes such as awareness, knowledge, comprehension and retention. The effective dimension includes measures such as feelings, attitudes, preferences, desires and intentions.

The models that are based on the hierarchy of effects theory can be very helpful but are not conclusive. There are several factors that these models do not take in consideration.

1. Not all buyers go through all stages,
2. The stages do not necessarily occur in hierarchical sequence,

The hierarchy models help the advertiser to identify the stages that buyers generally pass through, but cannot be used as obvious guidelines.

The criticism on the hierarchy models and theories are very similar. They all have been met with the criticism that customers do not always follow a straight line of steps when purchasing a product. Not all customers pass through all the steps before buying a product. Some may stop at one stage, and some may go back several steps before. And later on go back to the product. Something that all of these models and theories are missing is the loop from the top to the end of the steps. A loop like this would show that a purchase is not always the end step, rather the beginning of an ongoing relationship with the customer.

3.19. The FCB Model of Advertising

Richard and Vaughn (1980, 1986) examined how advertising works, and how best communication objectives can be established. This introduced the Foote, Cone, Belding (FCB) strategy matrix, suggesting that advertising works differently depending on the product involved. Vaughn’s work allows advertisers to select the communication method based on the type of product they are advertising, and the attitudes that consumers are likely to have towards the product.

Vaughn made an effort to identify the factors responsible for advertising effectiveness. He stresses the need to explore all probabilities people have for
thinking, feeling and behaving towards the various products and services in their lives given the fact that people are capable of being logical and illogical, objective and subjective obvious and subtle simultaneously. He made an effort to explain that advertising works differently depending on the product involved through a comprehensive communication model which is now identified as FCB Grid.

The model divides advertising strategy into four dimensions based on thinking versus feeling, and low involvement versus high involvement. Vaughn points out that there are purchase decisions where thinking is most involved and others where feeling dominates. And there are situations that require more involvement and those that require less involvement. And the model is powerful as it accommodates different versions of the learn – feel – do sequence – as shown in the figure.

**Figure 3.f**

**FCB Grid**

![FCB Grid Diagram](image)


The FCB Grid delineates four primary advertising strategies: Informative, affective, habitual and satisfaction with their most appropriate traditional and variant hierarchy of effects models. The informative strategy is for highly involving products / services where thinking and economic considerations reign as in purchase of cars, life style products, appliances and insurance is explained by classical hierarchy of
effect sequences; awareness – knowledge – liking – preference – connection – purchase, shown in quadrant 1 of this model as learn – feel – do.

Purchase of cosmetics, Jewelry and fashion, clothing of all come under the affective strategy in the second quadrant which entail highly involving and feeling led purchases fulfilling self esteem, subconscious and ego.

The habitual strategy is for those low involvement and thinking products such as paper products, household cleaners or gasoline for which minimal awareness is required but deeper learning is not needed.

Satisfaction strategy is for low involvement / feeling products, items of personal taste, life’s little pleasures such as coal, cigarettes and candy. Here the product experience forms part of an important communication process. The FCB Grid has been able to condense almost three decades of consumer behavior theory into a practical format and has shown empirically that it has worked surprisingly well in solving many problems faced by the markets. Many advertising practitioners have used the FCB model as the basis for developing successful promotional message. Which have made strategic creative planning more relevant in terms of potential consumer response.

Vaughn (1980) suggests that not all advertising works in the same way. Sometimes communication of key information and salient emotion will be needed to get the sale; at other times, consumers will need one, but not both; and often, [a purchase] may occur with little or no information and emotion. The purpose of strategy planning is to identify information, emotion or action leverage for a particular product, build an appropriate advertising model and then execute it.

3.20. Measuring The Advertising's Effectiveness

Though measuring the advertising effectiveness is quite a logical step, doubts have been raised about its validity, reliability and relevance. Opinions differ widely for measuring the effectiveness of advertising in concrete terms. Some of the scholars argue that advertising is not an exact science but a fully bloomed art and, therefore, its effectiveness cannot be measured in mathematical or empirical terms or standards. It curbs the creativity of advertisements as the creative people will be forced to conform
to the pre-set norms. The originality will be snubbed instead of being encouraged. Advertising without creativity is not at all an advertisement. Still some scholars think that testing would work as a deterrent on freelance functioning of the creativity galaxy. Still another viewpoint is that advertising is not all there to sell the products and services of the business house. It is only one of the elements of marketing mix. There are other factors which play more important role than advertising such as price, quality, packaging, product features, availability and the like that contribute to increased sales. Therefore, it is very difficult, if not impossible, to establish direct link or links between the advertising and the effects of it on sales and profits.

Irrespective of these strong objections to advertisement effectiveness testing, it is very clear that advertising has emerged as a very strong tool in increasing sales and that is why huge amount of money is spent on advertising efforts. In view of these two factors, it becomes inevitable to have a cost-benefit analysis to avoid costly mistakes that are likely to creep in, to predict the relative strength of alternative strategies that are more or less alike, to increase the efficiency that has deep bearing on advertising efficacy.

In the area of advertising effectiveness evaluation, the advertiser has to measure the effectiveness of advertisement. Advertising effectiveness evaluation is a research activity and by its very nature it establishes cause and effect relations between the advertising efforts and results. This advertising effectiveness has to be seen in five areas, namely, markets, motives, messages, media and the overall results. In each area, one has to look in for the advertising, ability and achievements in the light of preset objectives.

In this connection, Professor Colley of America states that each area has to be identified and the actual results have to be compared to determine the degree of effectiveness. In case of MARKETS, the market targets have to be identified at which the advertising is aimed and measured to the extent to which the advertising succeeds in reaching its market targets; in case of MOTIVES, what causes people to buy has to be determined and the motivating factors after the action of buyers have to be measured; in case of MESSAGES, the best ways to construct and communicate the messages have to be determined and the extent of message registered have to be measured; in case of MEDIA, the best combination of media to reach the audience
with the message has to be determined and the extent to which various media and media vehicles have succeeded in reaching the audience has to be measured. Coming to OVERALL RESULTS, identifying the specific results which advertising is qualified to perform and measure the extent to which advertising has accomplished its objectives has to be taken as a basis for decision-making on the future actions.

The following are some of the metrics for measuring advertising effectiveness:

Reach

One metric for advertising effectiveness is reach. This measurement pertains to the number of people who have actually seen company's advertising. Business owners usually know how many people can potentially see their advertisements. Local television stations report the number of viewers for certain shows. Similarly, magazines report circulation figures. But not all of these viewers or readers notice the advertisements. That is why business owners often use market research surveys to measure reach. Advertising should be designed to attract attention, build interest and prompt action.

Sales and Profits

One of the most important objectives of advertising is to increase sales and profits. A profitable advertisement is an effective one. The best way to build sales and profits is by reaching the right target audience. In other words, business owners must make sure that their advertising reaches the people who are most likely to purchase their products. Companies often develop customer profiles from warranty cards or marketing research to gather this information. Target audience variables or demographics can include age, gender, income and education. For example, a high-end women's clothing retailer may effectively drive sales and profits by targeting women with higher incomes.

Brand Awareness

Brand awareness is another metric of advertising effectiveness. Brand awareness is the percentage of people who recognize a company's brand of products. It usually takes many years and lots of advertisement exposures to build high brand
awareness. Television and radio are two of the best mediums for building brand awareness. Companies can also build their brand awareness on the Internet by advertising in online Yellow Pages, or promoting their wares through major search engines like Google and Yahoo.

3.21. Methods of Testing Advertising Effectiveness

Companies can test their advertising effectiveness in several different ways. One way is to insert certain "word flags" into the advertising messages. This may be a simple phrase or word that customers recognize. The word flag can also be in the form of a question. Like wise there are different methods of testing the advertising effectiveness.

Views about how advertising does its job are reflected in the research measures that are often used to assess the effectiveness of either individual advertisements or whole campaigns. Examples of some of the typical measures on offer are listed below. This list is arranged in a sequence which, very roughly speaks, moves progressively closer towards sales. Examples of potential measures are:

- Ad awareness, impact
- Recall of elements in the ad
- Feelings about the ad: liked, amused, believed, etc
- Awareness of brand name
- Recall and comprehension of brand messages
- Brand images, perceptions
- Emotional involvement
- Purchase intention
- Attitude/persuasion preference/shift
- Claimed buying behavior
- Short-term sales
- Long-term sales
- Other ultimate objective, such as profit, or social or political change of some kin
The advertising manager has wide range of testing techniques or methods which he can choose for evaluation purposes. The methods or techniques that can be used depend upon when he is going to measure the advertising effectiveness. Accordingly, there are three sets of methods to meet the needs of a particular time dimension. They are pre-testing, concurrent testing and post-testing methods or techniques.

I. PRE-TESTING METHODS:

Pre-testing is done prior to the launching of the full advertising campaign and incurring major expenses on advertising efforts. The purpose of pretesting is to select the best copy appeals, headlines, headlines, matter, slogan, illustration, media and the like. Of the available methods, the most popular have been five, namely:

1. Check-list test.
2. Opinion test
3. Dummy magazine and Portfolio test
4. Inquiry test
5. Mechanical tests.

1. Check-list Test:

A check-list is a list of good quality to be possessed by an effective advertisement. A typical check-list provides rating scale or basis for ranking ads in terms of the characteristics. These characteristics may be — honesty, attention drawing, readability, reliability, convincing ability, filing ability and the like. The advertisements to be tested are checked against these factors, weighed and the scores are determined. The advertisement with the highest score is considered as the best.

2. Opinion Test:

Opinion test or consumer jury test is one that obtains the preferences of a sample group of typical prospective consumers of the product or the service for an advertisement or part of it. The members of the jury rate the advertisements as to their headlines, themes, illustrations, slogans — by direct comparison. It is believed that getting preference from a juror is better than pelting from a member of a general
public or from an advertising expert. The jury's preference is arrived at by getting answers to the questions such as: "Of all the ads, which one did you see first?" — "Which is the most interesting to you?" — "Which is the most convincing one?" — "Which according to you leads one to go in for this brand?" and so on. Accordingly, the top ranking ad gets selected.

3. **Dummy Magazine and Portfolio Test**

   Dummy magazines are used to test the advertisements under the conditions of approximation, resembling normal exposure. A dummy magazine contains standard editorial material, control advertisements that have been already tested and the advertisements to be tested. These magazines are distributed to a sample of households who are asked to read within a stipulated time and after a given time interval, interviews are conducted. From these interviews, recall scores are determined. The advertisement with the highest recall score is adjudged the best.

   Portfolio test is almost similar to dummy magazine test except that the test advertisements are placed in a folder that contains control advertisements. That is, the portfolio test makes no pretence of duplicating the normal exposure. Each respondent is handed over a folder and is asked to go through the folder and read that ad which interests him most. After that an interview is held to get the recall tests scores and the ad worth the highest score is ranked the best.

4. **Inquiry Test**

   Inquiry test involves running two or more advertisements on a limited scale to determine which is the most effective in terms of maximum inquiries for the offers made. These inquiry tests are used extensively to test copy appeals, copies, illustrations, offers and other components. The element to be tested is changed keeping all other elements constant. For instance, if the headline is to be checked, all other points like theme, illustration, slogans are kept as they are except the headline. Then the magazine is selected to run the best ads and this magazine is to be fully representative of other magazines. The ads are keyed in advance enquiries can be credited to a specific advertisement. The enquiries from each advertisement are counted and the one with the maximum is accepted as the best.
Mechanical Tests:

These mechanical tests are objective unlike all the earlier tests so far discussed. These help in providing good measures as to how respondent's eyes and emotions are react to given advertisement. These mechanical devices are — Eye movement camera, Perceptoscope, Psychogalvanometer and Tachistoscope.

The EYE MOVEMENT CAMERA is used to record movement of the eyes over a page) or an illustration. It answers the questions like: "What part of the ad did he look at first?", "Did the headline attract his attention?", "Did the logo-type catch his eyes?", "How much part of the ad did he read?" The PERCEPTOSCOPE is used to determine how pleasant an illustration, a piece of art-work or the mock-up poster is to a person. It works on the theory that the person's eye pupils involuntarily dilate when they encounter a pleasant picture and contract to the unpleasant one. The PSYCHOGALVANOMETER is used to determine the amount of perspiration secreted by the gland in the palm of a respondent with an intent of measuring the extent of emotion being registered on a respondent when he is exposed to the advertisements. This is used in emotionally charged advertisements. The TACHISTOSCOPE is used to determine the speed with which an advertisement communicates and to learn the contents of the material communicated. The counting starts with an exposure of 1/100th of a second till he is able to recognize the ad material and its contents.

II. CONCURRENT TESTING METHODS:

Concurrent or coincidental testing is that which takes place while the advertisements are running. The feedback is received from such testing and corrective actions can be taken while the advertising campaign is on. These tests are used in determining the advertising effectiveness of broadcast media and media vehicles like radio and television. In some cases, it is useful as in the case of outdoor advertising. The tests are:

1. Coincidental Surveys.
2. Consumer Diaries.
3. Mechanical Devices.
4. Traffic Counts.
1. **Coincidental Surveys:**

   This is also called as coincidental telephone method where by a sample of house holds are selected, calls are made when the programme is broadcast, and the respondents are asked whether their radio or television set is on and, if so, to what station or programme it is turned. The results of the survey are used to determine the share of the audience for the advertiser's programme.

2. **Consumer Diaries:**

   This method involves giving the selected families a diary or the individual diaries to the members of the family. The selected families and the individual respondents are asked to record the details about the programmes they listen or view. These diaries give good deal of information in detail such as: Who was listening to the radio or watching the TV sets? The details could be the age, sex, income level, education level, occupation timings and so on. The diaries are collected periodically and the figures on sets in operation, share of audience, programme ratings etc., are determined.

3. **Mechanical Devices:**

   The mechanical devices used to measure the ad effectiveness particularly in broadcast media are:

   1. **Audiometer.**
   2. **Psychogalvanometer.**
   3. **Tachistoscope and**
   4. **Truck-Electronic Unit.** Here we are to note only about two devices namely, audiometer and truck-electronic unit, as other two are already noted.

   An audiometer is one that looks like an automobile battery, is hooked to the TV or the radio sets in the selected houses of the respondents. It records the stations to which TV or radio is tuned. It gives total record for almost 24 hours of the day including the tune on and off timings. However, it fails to record the number of persons listening or viewing the sets and, therefore, other details. On the other hand,
roving truck attached with electronic unit locates the TV and radio sets in operation in a locality by roving through the streets. It can also give some clues about the income groups of the respondents.

4. **Traffic-Counts**:

Traffic counts are of special applicability to outdoor advertising. One can get good a deal of information through traffic counts. This counting is done by independent organizations, may be private or public. This can be possible for advertising agencies as well.

III. **POST-TESTING METHODS**:

Post-testing is the evaluation of advertisements after they have been run on full scale. It is nothing but the postmortem analysis of the advertisements effectives. The following are the five most important post-testing methods:

1. Inquiry Tests.
5. Sales Tests.

1. **Inquiry Tests**:

It is a controlled experiment conducted in the field. In inquiry test, the number of consumer enquiries produced by an advertising copy or the medium is considered as the measure of its communication effectiveness. Therefore, the number of inquiries is the test of effectiveness which can be produced only when the advertising copy or the medium succeeds in attracting and retaining reader or viewer attention. To encourage inquiries, the advertiser offers to send something complimentary to the reader or the viewer if he replies for the inquiries. Such complimentary can be a special price on the product—a free sample—a booklet explaining the uses of the product and the like. Normally the advertisements have coupons in exchange for the complimentary for answering the queries.
2. Split-run Tests:

A split run is a technique that makes possible testing of two or more advertisements in the same position, publication, issue with a guarantee of each advertisement reaching a comparable groups of readers, It is a modification over the inquiry test. Here, the advertising copy is divided into two or more elements, say, appeal and layout, and is inserted in a media vehicle with different keyed addresses using postbox numbers. The readers are encouraged to send their enquiries to the keyed addresses. The copy producing the largest enquiries is rated as the most effective.

3. Recognition Tests:

Recognition is a matter of identifying something as having been seen or heard before. It is based on the memory of the respondent. It attempts to measure the advertising effectiveness by determining the number of respondents who have read or seen the advertisements before. To arrive at results, a survey of readers or listeners is made and different advertisements including one which have been already tested are presented for identification. An advertisement or copy that is recognized by the largest number of respondents is adjudged as the best. One such famous test is Starch Readership Survey of U.S.A

4. Recall Tests:

Recalling is more demanding than recognizing as a test of memory. It involves responders to answer as to what they have read, seen or heard without allowing them to look at or listen the advertisement while they are answering. The best example is Trip Association Test which is designed to test copy themes or the slogans and reveals the extent which they have remembered. The respondent is given a generic product and the theme or the slogan and is asked to supply the brand name of the product. As the respondent is given clue which is called aided recall test.

5. Sales Tests:

It represents a controlled experiment under actual field conditions than stimulated. Attempts to establish direct relationship between one or more variables
and sales of a product or a service. It facilitates testing of one ad against another and one medium against another. For instance, Godrej Company may test one advertisement against another in case of its toilet soap calls. It may also test in different media like radio, television and film. This method needs selection of test and control cities. These cities must be more or less identical in respects of population, retail sales, income level and so on, so that they are representative of total market conditions. They should also be isolated from one another so that there is no leakage of the test being conducted. Normally a bank of six test and three control cities is recommended for this purpose. Let us take a case of two test cities and one control city. Accordingly, one advertisement is tested in city X and another in city Y and in case of city Z no ad is tested or say, old one is released as it is a controlled city. After the testing period—normally two months—the test city with largest increase in sales is taken as the indication of best ad campaign.

To sum up, advertising’s effectiveness testing is a must to avoid costly mistakes, to select the best alternative from the apparently equal alternatives, to resolve the differences of opinion and to add to the store of knowledge having deep bearing on advertising efficiency. The advertising testing can be at three levels—prior to, during and after the release of an advertising campaign. There are too many methods to choose for measuring advertisement effectiveness. The final results depend on the validity, reliability and relevance of the method employed. Testing, if done in good faith, can pay out its costs and rich dividend too. The choice is about the methods available.

The role of advertising can be considered as a communication process consisting of three stages; input, processes, and outcomes. All the measures of advertising can be broadly classified as belonging to one of these stages. The inputs can be classified into three groups; Intensity, media and context. Outcomes can be classified as brand choices, purchase intensity and accounting, depending on the level of analysis. The processes can be classified as cognitive, affective and cognitive, corresponding to the three dimensions of mental activity which can be better understood by the following diagram popularly called the Model and measures of advertising effectiveness.
3.22. Models and measures of advertising effectiveness

Researchers have used a variety of measures to assess advertising and its effects. To understand how advertising works, we first need to describe all variables and understand how they relate to each other. Advertising in markets as a communication process consists of three stages: inputs, processes, and outcomes. The inputs trigger certain processes that lead to some outcomes. In the context of advertising communication, advertising is the input or stimulus. Its use triggers certain mental processes among consumers, such as thoughts, feelings, and intent. These processes result in various market outcomes. Advertising inputs and market outcomes are external, overt phenomena that can be relatively easily perceived and measured. In contrast, mental processes are internal effects that cannot be easily perceived and measured.

Figure 3.g

<table>
<thead>
<tr>
<th>Stage in Communication</th>
<th>Type of Variable</th>
<th>Typical measures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Firm's advertising input</td>
<td>Intensity</td>
<td>Ad expenditures, share of outlays, exposures, rating, reach, average frequency, gross rating points, share of voice</td>
</tr>
<tr>
<td></td>
<td>Media</td>
<td>TV, radio, newspapers, magazines, telephone, Internet, billboards, mail, yellow pages</td>
</tr>
<tr>
<td>Consumer's mental process</td>
<td>Creative</td>
<td>Argument and other verbal cues; pictures, sound, and other emotional cues; endorsement and other inferential cues</td>
</tr>
<tr>
<td></td>
<td>Cognitive</td>
<td>Thoughts, recognition, recall</td>
</tr>
<tr>
<td></td>
<td>Affective</td>
<td>Warmth, liking, attitude</td>
</tr>
<tr>
<td></td>
<td>Conative</td>
<td>Persuasion, purchase intention</td>
</tr>
<tr>
<td>Market outcomes</td>
<td>Brand choice</td>
<td>Trial, repurchase, switch</td>
</tr>
<tr>
<td></td>
<td>Purchase</td>
<td>Incidence, frequency, quantity</td>
</tr>
<tr>
<td></td>
<td>Intensity</td>
<td>Accounting</td>
</tr>
</tbody>
</table>


Model and Measures of Advertising Effectiveness

Measures of Inputs

The model and measures of advertising effectiveness focuses on advertising as the key input of the system. It is a force that firms use to persuade consumers to buy
their products, in conjunction with other forces, such as price, sales promotion, distribution, or product quality. Advertising intensity refers to the level of advertising targeted to an audience of consumers. Three important measures of intensity are expenditures, share of outlays, and exposures. Advertising expenditure is the total amount spent by a firm on advertising. Share of outlays is the fraction or percentage of a firm's advertising expenditures to that of all the firms in the entire market. Exposure is the number of times an advertisement is delivered to an individual consumer or household.

Media are the communication channels through which an advertisement reaches an audience. The major media are television (cable and network), radio, newspapers, magazines, telephone, mail, Internet, outdoor billboards, and yellow pages. Five common measures for the distribution of advertising through the media are reach, rating, frequency, gross ratings points, and share of voice.

Reach is the number of households exposed at least once to an advertisement in a given time period. By definition, reach excludes overlap in audience due to multiple exposures within a time period. Rating is the percentage of a population viewing an advertisement in a time period. Gross ratings points (GRPs) are the sum of the ratings from all the advertisements in a campaign during a particular period. GRPs are not measured but computed as the sum of the ratings of all the advertisements in a campaign. GRPs are the most common measure for buying media time in market today, frequency is the number of exposures of an advertisement in a time period. Advertisers normally deal with average frequency rather than with frequency. Average frequency is the average number of exposures delivered in a period. It is computed by dividing GRPs of a campaign by the average reach of that campaign. Share of voice is the fraction or percentage of a firm's media distribution divided by that of all the firms in the market. Share of voice can be measured in terms of reach, frequency, or GRPs.

Advertisement exposure is the most specific or disaggregate level of advertising intensity because it measures the delivery of advertising to each individual household or consumer. In comparison, most of the previous measures are more aggregate or cruder. The order of specificity in these measures ranges from the measure of budget (the most crude) to the measures of media to the measures of
contact (the most specific). A valid but infrequently used measure is share of "eyeballs" or share of exposures. The reason is the difficulty that firms have in obtaining these data for the entire market.

The most commonly used measures of advertising intensity are advertising expenditures and advertisement exposures. These two measures are popular primarily because they are the most easily available. For example, firms can easily ascertain the amount of money they have spent on advertising from internal records. In addition, with the advent of electronic tracking, firms often have access as to how the advertising budgets translate in exposures that reach specific households or consumers.

Researchers also measure advertising in terms of its creative content. While a vast number of such measures are available, and are broadly classified into three groups: argument and other verbal cues; pictures, sound, and other emotional cues; and endorsement and other inferential cues.

Measures of outcomes

An outcome is the behavioral change in a consumer or a market desired by an advertiser. Some of the examples of outcomes are a consumer's trial of a brand or a brand's sales to consumers. There exist a vast number of measures for behavior. They can be conveniently classified into four groups: brand choices, purchase intensity, market outcomes, and firm's accounting variables. Brand choice and purchase intensity are relatively disaggregated variables. Accounting variables are relatively aggregate variables.

The term brand choice refers to a consumer's selection of a brand. It is relevant only in a multi brand market. When brand or product purchase can be repeated, there are three more measures of choice: trial, repurchase, and switch. Trial is a consumer's first choice of the brand. Repurchase is a consumer's purchase of the same brand as it transpired on the previous occasion. A switch is the consumer's choice of brand different from the one purchased on the previous occasion. The measurement of choices in terms of trial, repurchase, and switching gives a complete picture of a brand's appeal. Trial indicates the breadth of consumers' experience with brands in the market, repurchase indicates the depth of consumer loyalty for a brand, and switching
indicates a brand's immediate pull relative to a rival brand. One of the major goals of advertising is to create a unique, enduring brand identity. The term brand choice is also related to 'brand salience'. According to Sutherland and Galloway (1981) ‘Brand Salience’ refers to the orders in which brands are remembered by the consumers. It is about which brand comes to their mind first. In market research, the brand salience is frequently measured by top of mind awareness. The brand which comes to mind first has a higher probability of being purchased.

Thus, brand choice is the natural, most relevant variable to measure the effectiveness of advertising. Among the components of brand choice, repurchasing is more relevant to advertising than trial. The reason is that trial is often stimulated by short-term sales promotions, while repurchasing measures the extent to which preference for the brand endures—precisely the goal of advertising. Nevertheless, any novelty in advertising may trigger brand trial or switching. Novelty may arise from advertisements describing a new product, highlighting a new or modified product attribute, targeting new segments, or containing new creative's.

When repetitive product or brand purchase can be spread out over time periods, that behavior can be described by various measures of purchase intensity. Purchase intensity refers to the extent a consumer buys a brand over a period of time. It can be measured by incidence, frequency, and quantity. Incidence refers to the time at which consumers buy a brand, frequency is how often they do so, and quantity is how much they buy each time. Information on incidence, frequency, and quantity can help in determining the precise effects advertising has on consumer behavior. If advertising changes only the incidence of purchase, then consumers probably buy the product sooner, but not necessarily more often or in larger quantities. As such, their response to the advertisements is relatively superficial and represents no real gains to the advertiser. On the other hand, if advertising leads to increases in frequency or quantity bought, then the consumer is probably buying more of the product to satisfy higher consumption. This behavior represents a more substantial change in behavior and results in net gains to the advertiser. Thus, decomposing purchases into incidence, frequency, and quantity can provide an insightful analysis of consumer purchase.

The accounting variable is the aggregate of the choices of individual consumers, summed up to the level of the firm. Three important accounting measures
are a firm's sales, revenues, and profits. Sales in units are the sum of all quantities of a brand purchased by consumers within a particular time period. Revenues are the product of unit sales and the price per unit. Profits are revenues minus costs.

Relative to the disaggregate measures of brand choice and purchase intensity, the aggregate measures of sales and revenues give a summary measure of advertising performance. They lack the insight into the nature, depth, breadth, or timing of the response to advertising that the disaggregate measures provide. Thus, the disaggregate measures are superior to the aggregate. The aggregate measures are not without merit. First, they are relatively easy to obtain. Often, a firm's own internal records or shipment can provide information on sales or revenues. Second, they may be more accurate, especially if they represent the population and not merely a sample.

Price is the key factor that differentiates sales from revenues. Thus, an analyst must take into account the goals of advertising when choosing between these two measures. If the advertising seeks to support or increase price by creating a premium image, then the dependent measure should be revenues. If prices increase sufficiently, then such advertising may effectively increase revenues even if sales decline. But if the goal of advertising is to increase the number of units sold, then sales would be the appropriate measure. In either case, the analyst should observe the effect of advertising on profits. Often, this analysis can be done subsequently, after observing the effect of advertising on sales or revenues, using standard accounting formulas. When doing so, the analyst should hold constant costs that do not change due to the advertising that is being evaluated. In other words, when evaluating the profitability of advertising, only the costs that change due to advertising need to be taken into account.

Market outcomes measure a firm’s performance in relationship to other firms in the market. The most common measure in this group is a brand’s market share. The market share of a brand is the sales of a brand divided by the sales of all competitors in the market. Tracking market share is particularly important when brands are very similar to each other and the overall market is not growing. In that case, any improvement in a brand’s performance can only come at the cost of another brand. This situation occurs in a mature market. Of all these outcome variables, the most commonly used are sales and market share. The reasons for their popularity are that
they are easily available and interpretable. A measure that is becoming increasingly
popular with the advent of electronic data is brand choice.

**Measures Of Processes**

Processes are mental responses, if any, that occur on a consumer’s exposure to
an advertisement. Examples of such processes are awareness, persuasion, and
purchase intention. Processes can be classified as cognitive, affective, or conative.
Cognitive refers to thought processes and includes variables such as attention or
awareness. The most commonly used measures for attention and awareness are recall
and recognition. Affective refers to emotions. There is a vast spectrum of emotional
variables that range from positive to negative and from personal to impersonal. The
most common measures for them are liking, attitude, irritation, warmth, and fear.
Attitude refers to a consumer’s underlying predisposition to act. Researchers
sometimes use the term narrowly as an affective variable, and sometimes broadly to
encompass all three dimensions of response, cognitive, affective, and conative.
Conative refers to variables that are proximate to behavior, such as persuasion and
purchase intention. Sometimes times the term conative is also used to include
behavior.

**3.23. Problems in Evaluating Advertising Effectiveness**

Despite its importance and wide implications, evaluating the effectiveness of
advertising is very difficult. The difficulty occurs because advertising’s working is
highly complex. It depends intrinsically on human response to communication. Thus,
it involves complexities in the attention, processing recall, and response to the appeal.
The following are the problems in evaluating how an advertisement for a brand can
affect a consumer’s purchase of that brand.

First, consumers purchases a product for a variety of reasons. These reasons
include seeing an advertisement for the brand, satisfaction with the product from past
purchases, word-of-mouth recommendations from other consumers, change of taste,
prestige attached to the product, an attractive package, a store display, a sales
promotion, or an attractive price. Advertising is only one of the many causes that
prompt a user to buy a brand. Thus, analyzing what effect advertisement has on
purchase requires the analyst to fully understand and control the effect of all these and also about other factors.

Second, advertising for a brand may occur in different media. Each of these media may have a unique effect on consumers. To fully understand the role of advertising, the analyst must decode the partial effects of the advertisement in each of these media. When media overlap, their effects interact, requiring further disentangle.

Third, advertising may have not only instantaneous effects but also carryover effects. An instantaneous effect occurs when a consumer sees an advertisement and responds to it immediately. However, in many cases, consumers do not respond instantaneously to advertisements. They may respond after a period of waiting to think about the advertisement, talking to friends, or after indulging some more research. This delay in the effect of an advertisement is called the carryover.

Fourth, the effectiveness of the advertisement may also vary over the life of a campaign. Advertisers normally resort to repetitive advertising. They keep using an advertisement or a campaign for several days, weeks, or months. The effect of any single advertisement exposure decays over a period of time as indicated above. However, the effect of each advertisement may change over the life of the campaign: Wear in is an initial increase in the effect of one advertisement, with repetition during a campaign, because of consumers' increasing familiarity with the advertisement. Wear out is the ultimate decline over time because of consumers' increasing tedium with the advertisement. If the effectiveness of advertising is itself changing over time, determining its effectiveness becomes more complex, because one has to analyze the full impact of a moving target.

Fifth, successive advertisements have overlapping effects and overlapping decays. If one combines the last three effects described above (wear in, wear out, and carryover), one gets overlapping decays of multiple exposures of an advertisement, each of which may have different levels of response. Each advertisement exposure may have a different effect due to consumers' familiarity or tedium. Furthermore, the carryover of one advertisement exposure adds to or overlaps with the carryover of a prior advertisement exposure. This overlap in effectiveness creates a new level of complexity in analyzing advertising's effectiveness.
Finally, advertising response varies by segments and individuals within a market. A market can be segmented by groups of consumers, each with a similar response to a brand. Some could be loyal users, others, light users, still others, aware but not users, and many others, not even aware of the brand. Each of these different segments may respond differently to an advertisement. So when one analyzes advertising effectiveness, one has to take into account these different segments to fully understand the phenomenon.

3.24. Summary

The initial sections of the chapter discussed the Evolution of Indian Advertising, Origin and growth of Advertising, Objectives of Advertising, Classification of Advertisements, Importance of Advertising in Modern Economies. The subsequent sections, present the role of advertising in the marketing mix, advantages and challenges associated with advertising, the role of advertising in modern business world, criticism against advertising.

Further sections include theories and studies on advertising effectiveness which include need for testing the effectiveness of advertising, models of hierarchy of effects such as DAGMAR, AIDA Model of Communication, Lavidge & Steiners Hierarchy-of-effects model, Information processing model, the FCB Model of Advertising. And the last part of this section also includes measuring the advertising's effectiveness, methods of testing advertising effectiveness, models and measures of advertising effectiveness and problems evaluating advertising effectiveness.