ADVERTISING STRATEGY

Advertising is one of Important tool which companies use to direct persuasive communications to target buyers and publics. Advertising as any paid form of non personal presentation and promotion of ideas goods, or services by an Identified sponsor. Advertising is a cost-effective way to disseminate messages, whether it is to build brand preference for Appolo, MRF, JK, Vikrant etc. to motivate consumers to use there brands of Tyres.

Tyre companies obtain their advertising in different ways. Small tyre companies, advertising is handled by some one in the sales or marketing department, who works with an advertising agency.

A large tyre companies will set up its own advertising department's job is to develop the total budget, help develop advertising strategy, approve advertising agency ads and campaigns, and handle direct-mail advertising, dealer displays and other forms of advertising.

In developing an advertising program, marketing managers must always start by Identifying the target market and buyer motives. Then they can proceed to make the five major decisions in developing an advertising program.

* What are the advertising objective ? (mission)
* How much can be spent ? (money)
* What message should be sent? (Message)
* What media should be used? (media)
* How should the results be evaluated? (measurement)

Advertising objectives can be classified as to whether their aim is to inform, persuade, or remind\(^2\).

To Inform:
- Telling the market about a new brand.
- Informing the market of a price change.
- Building a company Image.

To persuade:
- Building brand preference.
- Changing buyer's perception of product attributes.

To remind:
- Reminding buyers that the product may be needed in the near future.
- Reminding buyers where to buy it.

After determining advertising objectives, the company can proceed to establish its advertising budget for each product. The role of advertising is to shift the product's demand curve upward. The company
wants to spend the amount required to achieve the sales goal. But how does a company know if it is spending the right amount? On the other hand, if the company spends too much on advertising, then some of the money could have been put to better use.

There are some factors to consider when setting the advertising budget.

- Stage in the product life cycle
- Market share.
- Competition and cluster
- Advertising frequency
- Product Substitutability.

The third step is Advertising message the advertisers go through three steps to develop a creative strategy.

(a) Message Generation

(b) Message evaluation.

(c) Message execution.

The product’s message should be decided as part of developing the product concept, it expenses the major that benefit that the brand offers. Yet even within this concept, there may be latitude for a number of possible messages. And overtime, the marketer might want to change the
message without even changing the product, especially if consumers are seeking new or different ‘benefits’ from the product.

The advertiser needs to evaluate the alternative messages. A good ad normally focuses on one core selling proposition. The message must first say something desirable or interesting about the product. The message must also say something exclusive or distinctive that does not apply to every brand in the product category. Finally, the message must be believable or provable.

The message’s impact depends not only upon what is said but also on how it is said. Some ads aim for rational positioning and others for emotional positioning.

This chapter is divided into three parts.

(a) Media strategy

(b) Copy testing

(c) Advertisement effectiveness

(a) Media Strategy: The advertiser’s important task is to choose advertising media to carry the advertising message. The steps are deciding on desired reach, frequency, and impact; choosing among major media types; selecting specific media vehicles, deciding on media timing and deciding on geographical media allocation[3].
Now that stand alone media service companies have arrived on the Indian shores, we in the industry frequently find ourselves facing a number of queries on the working relationship between creative agencies and media specialists. While most large advertisers are quite familiar with the concept of a specialist media services company, many others are still coming to terms with the dynamics and interactions that would take place between a brand and the agencies responsible for projecting the brand into the marketplace.

At first glance, it might appear that glamour is the only common factor linking the advertising industry.

To start the process, we could break down a Formula into its main elements.

* The driver
* The chassis
* The Engine
* The Tyres

Now let us equate these elements with their counterparts in the advertising industry.

* The Driver = the Brand
* The chassis = the creative
* The Engine = the Brand strategy
* The Tyres = Media planning and Buying

* The Racetrack = the market place.

**The Drives/the Brand**: As in F1, the objective of any Brand exercise is to get the Brand to the finish line, to beat all other competitors for the weaker, younger, less experienced Drivers, the objective is to at least get among the points; to be among the Top Six at the end of the year. Similarly, a new brand with fewer resources would hope to at least gain a few percentage points in market place.\[4\]

**The chassis/the creative**: To the world at large, this is possibly the most visible face of formula as also with advertising. Many hours are spent crafting and recrafting the chassis of an F1 car. The large and wealthy teams test the cars in wind tunnels to improve performances by a thousandth of a second. In advertising companies with high stakes in the market place, research the creative concepts before implementing the final creative. Just as the creative is designed to fit a specific brand, so too are the seats of F1 cars-literally moulded to fit the bodies of their Drivers. If this customisation is missing, the end product is in effective. To see the similarity, one only has to recall the number of times a client has covered the logo at the bottom right corner of an ad, and asked whether this creative could work for any other brand.

Just as creative teams keep their concepts under utmost before the actual campaign breaks, so too in F1, the teams Zealously guard the most minute details of their aerodynamics from the prying eyes of their...
competitors, lest their hard earned competitive advantage is stolen. How strange that a car which is visible for two hours to an international audience of millions can still keep secret the aerodynamics subtleties of its wing settings or front nose cone. Similarly we may see path-breaking advertising time and again from a creative team, and still not figure out how to duplicate it.

**The Engine/the Brand strategy**: The most aerodynamic car in the world even with the best drives is not going to win a race without a powerful and reliable engine. Similarly, good looking creative combined with a genuinely good brand will find the going tough in the Market place if the targeting and positioning is off the mark. This is the task of the team, which puts together the marketing and brand strategy certainly, it will fail to maximise its potential. A strong and well throughout strategy is the 'invisible' driving force behind a successful brand.

**The Tyres/Media Services**: Typically the least glamorous aspect of the sport. All the efforts of the chassis and engine manufactures would come to nought if the cars were fitted with ineffective tyres. One would have thought that theirs nothing more standardised than a set of tyres (there are at present just two tyre companies supplying in 10 teams in the sport)\(^5\). But the fact is that almost every F1 racetrack necessitates the use of a different set of rubber tyre compounds to handle the unique characteristics of that circuit. And the team that works most closely with the tyre supplier is able to squeeze more out of the tyres than another
team using the same supplier. A case in point is the relationship between Ferrari and Bridgestone, where in the intense level of testing and information sharing from Ferrari has enabled Bridgestone to produce compounds customised to Ferrari requirements.

With media services too, the overall product is fairly standardised (after all, any media agency, big or small, can tell you that the Hindu is the No. 1 English Newspaper in Tamil Nadu) However, a media team that works closely with the brand and creative teams is able to implement a far more effective communication plan, using the same set of Media vehicles as a competitor. As with the tyre companies of F1, media professionals had started off as the backroom boys in the Industry, but are today recognised as being as crucial to the success if the brand as their team partners. While the Brand and creative strategy still continue to be more visible face of advertising, there is a realisation that the geeks who do the number crunching can make or break all the months of hard work, when the campaign finally hits the market place.

As the reaction to the Ferrari-Bridgestone ‘nexus’, Formula has now passed a new rule for the 2003 season allowing tyre manufactures to customise their tyres to individual teams and drivers. In other words, the ruling body have realised that the tyres can actually make up some of the deficiency in engines or car aerodynamics and thereby give rise to some decent competition for Michael schumacher and Rubens Barrichello.
Well, this is nothing new to advertising; there have been many brands which have achieved a high level of brand salience more through heavy media weights or clever media strategy, than on account of a cut-through creative or Brand strategy.

The best laid plan of teams and drivers can go astray when the weather turns fickle during a race; that's when the cars need to come into the pits to switch to 'wet' or 'intermediate' tyres. In media terms, we call this a mid-course correction in media weights, sometimes even the dropping or addition of a specific vehicle.

Media selection is the problem of finding the most cost-effective media to deliver the desired number of exposures to the target audience. But what do we mean by the desired number of exposures? Presumably, the advertiser is seeking a certain response from the target audience for example, a certain level of product trial. Now the rate of product trial will depend, among other things, on the level of audience brand awareness. If the advertiser seeks a product trial rate of (Say) T*, it will be necessary to achieve a brand awareness level of A*.

The effect of exposures on audience awareness depends on the exposures reach, frequency and impact[6].

* **Reach (R)** : The number of different persons or households exposed to a particular media Schedule at least once during a specified time period.

* **Frequency (F)** : The number of times within the specified time period that an average person or household is exposed to the message.

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Impact 1: The qualitative value of an exposure through a given medium.

The media planner has to know the capacity of the major media types to deliver reach, frequency and impact. The major advertising media along with their costs, advantages and limitations are shown in the Figure below.

Media planners make their choice among these media categories by considering several variables, the most important ones being following.

* **Target audience media Habits**: For example, radio and television are the most effective media for reaching teenagers.

* **Product**: Women’s dresses are best shown in color magazines, and polaroid cameras are best demonstrated on television. Media types have different potentials for demonstration, visualization, explanation, believability and color.

* **Message**: A message announcing a major sale tomorrow will require radio or newspaper. A message containing a great deal of technical data might require specialized magazines or mailings.

* **Cost**: Television is very expensive, whereas newspaper advertising is inexpensive. What counts is the cost-per-thousand exposures rather than the total cost.
Table 6.1: Profiles of Major Media Types

<table>
<thead>
<tr>
<th>Medium</th>
<th>Volume in billions</th>
<th>Percentage</th>
<th>Example of cost</th>
<th>Advantages</th>
<th>Limitations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Newspaper</td>
<td>35.0</td>
<td>25.1</td>
<td>$29,800 for one page, weekday Chicago</td>
<td>Flexibility, good local market coverage</td>
<td>Short life, poor reproduction quality</td>
</tr>
<tr>
<td>Television</td>
<td>26.4</td>
<td>21.7</td>
<td>$1,800 for 30 seconds of prime time in Chicago</td>
<td>Combines sight sound and motion, high attention high reach</td>
<td>High absolute cost, less audience selectivity</td>
</tr>
<tr>
<td>Direct mail</td>
<td>20.6</td>
<td>18.3</td>
<td>$1,520 for the names and addresses of 40,000 veterinarians</td>
<td>Audience selectivity, flexibility no ad competition within the same medium personalization</td>
<td>Relatively high cost</td>
</tr>
<tr>
<td>Radio</td>
<td>8.5</td>
<td>7.7</td>
<td>$800 for one minute of drive time (during commuting hour AM and PM) in Chicago</td>
<td>Mass use, high geographic and demographic, selectivity and low cost</td>
<td>Audio presentation only, lower attention than television, non standardize rate structures and fleeting exposure</td>
</tr>
<tr>
<td>Outdoor</td>
<td>2.1</td>
<td>0.8</td>
<td>$25,000 per month for 71 billboards in metropolitan Chicago</td>
<td>Flexibility, high repeat exposure and low cost</td>
<td>No audience selectivity creative limitations</td>
</tr>
<tr>
<td>Magazines</td>
<td>6.0</td>
<td>6.2</td>
<td>$80,000 for one page, four colour in News weaks</td>
<td>High geographic and demographic selectivity, credibility and prestige high quality reproduction</td>
<td>Long ad purchase lead time, some or more circulation, no guarantee of position</td>
</tr>
<tr>
<td>Others</td>
<td>25.1</td>
<td>21.2</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>123.7</td>
<td>100.0</td>
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</table>

Source: ATMA
Deciding on Media Timing: The advertiser faces a macro scheduling problem and a micro scheduling problem.

(a) **Macro scheduling problem**: The advertiser has to decide how to schedule the advertising in relation to seasonal and business cycle trends. The advertiser has three options. The firm has three options. The firm can vary its advertising expenditures to follow the seasonal pattern, to oppose the seasonal pattern, or to be constant throughout the year. Most firms pursue a policy of seasonal advertising.

Kuehn developed a model to explore how advertising should be timed for frequency purchased, highly seasonal, low cost grocery products. Kuehn showed that the appropriate time pattern depends on the degree of advertising carry over and the amount and the amount of habitual behaviour in customer brand choice. Carry over refers to the rate at which the effect of an advertising expenditure wears out with the passage of time. Habitual behaviour indicates how much brand hold over occurs independent of the level of advertising. High habitual purchasing, say 0.90, means that 90% of the buyers repeat their brand choice in the next period[7].

Kuchn a famous marketer found that when there is no advertising carry over or habitual purchasing the decision maker is justified in using a percentage of sales rule to budget advertising.
(b) **Micro scheduling Problem**: The micro scheduling problem calls for allocating advertising expenditures within a short period to obtain the maximum impact.

The most effective pattern depends upon the communication objectives in relation to the nature of the product, target customers, distribution channels, and other marketing factors.

The timing pattern should consider three factors. Buyer turnover expresses the rate at which new buyers enter the market; the higher this rate, the more continuous advertising should be. Purchase frequency is the number of times during the period that the average buyer buys the product; the higher the purchase frequency, the more continuous the advertising should be. The forgetting rate is the rate at which the buyer forgets the brand; the higher the forgetting rate, the more continuous advertising should be.

In launching a new product, the advertiser has to choose between ad continuity, concentration, flighting and pulsing. Continuity is achieved by scheduling exposures evenly throughout a given period. But high advertising costs and seasonal variations in sales discourage continuous advertising. Generally, advertisers use continuous advertising in expanding market situations, with frequently purchased items, and in tightly defined buyer categories. Concentration calls for spending all the advertising...
dollars in a single period. This makes sense for products with only one selling season or holiday. Flighing calls for advertising for some period. Followed by a hiatus with no advertising, and then followed by a second flight. It is used when funding is limited, the purchase cycle is relatively infrequent or with seasonal items. Pulsing is continuous advertising at low weight level reinforced periodically by waves of heavier activity. Pulsing draws upon the strength of continuous advertising and flights to create a compromise scheduling strategy.

(b) COPY TESTING: Once the client approves an idea, two things can happen. Either the ad will go straight to production, or it will be put through copy testing. Copy testing is a method used by advertisers to see whether or not an ad work once it is produced. The promise is that exposure to an ad should effect the way a consumer perceives a product or service.

There are many different forms of copy testing. However, they all have the same three elements. First a group of people that are part of the target audience are chosen and asked a series of questions about the product or service. Second, this group of people is exposed to a bunch of ads, one of which is the ad being tested. Finally follow up questions are asked about the product.

For example, if advertisers where testing a new television commercial for radial tyre, the agency would begin by producing an
animatic of their ad. (An animatic is a rough, low budget, television commercial)

Then they would select a group of people from their target audience. These would most likely be ages group of 30-35, once the animatic is produced, and the sample group selected, it is time for the first round of questions. Advertisers would ask these age group of peoples about the use of radial tyres. They would ask about radial tyre preferences, and finally ask specific question about the product itself. All.

After the initial question, the group of 30-35 men and women might be shown a thirty-minute sitcom with commercials embedded in it. Within this show, and along with all the other commercials would be the commercial being tested.

Finally, the 30-35 age group of women and men would again be asked questions about radial tyre and their specific attitudes toward the product, All.

By conducting copy testing, advertising companies can be revised and sometimes corrected. It is believed that by using copy testing an advertising agency will be able to lower the chances that their advertising campaign will be unsuccessful.

Advertising copy Testing: The advertiser select and optimize ads to maximise the return from advertising.
Advertiser has many years of experience in evaluating advertising Copy (Print, TV, and Radio media), has taught us that some of the keys to an effective process include.

**Test copy quantitatively**: Our research and the seminal work of the advertising research foundation have proven that a direct exposure, copy testing technique can identify higher selling ads. This makes copy testing is the best investment going—higher RoI than almost any other investment your company will make. Focus groups might be helpful in the process, but have never been proven to predict advertising success.

Test ads before they are finished. Finishing a commercial before it is tested often wastes money on a weak commercial and results in testing too late in the process to be of real value. Instead, for television ads, test animatics (Videos using roughly animated drawings) or rough, live action ads—they are very predictive of success. Even “Video story boards” (Animatics create using zooms and plans of story board scenes, with voice-over and sound effects) provide consumers with enough information to judge key aspects of strategy and overall execution.

**Test multiple executions**: Putting all your eggs in one basket can result in a hobson’s choice among airing old copy, no copy or bad copy work with your agency/client partners to develop different, multiple
approaches to the same strategy (or even using different strategies) and test all the approaches (we recommend 3 or 4 executions). The result is a win-win situation, with significantly better performing copy and a higher return on your advertising dollars.

Don't just evaluate, optimize. Use a process that quickly provides in-depth diagnostic information in the right form to both. Select and refine your copy for greater effectiveness. Involve the Agency in the process. Although they may not control the copy testing process, they should be involved as key partners and contributors.

Use a process that is fast enough for the advertising department process. See below for processes that can be completed in days instead of weeks.

Copy testing can be usually groups into four types:

(1) Recognition (2) Recall (3) Persuasion (4) Behaviour

(1) **Recognition**: It refers to whether a respondent can recognize an advertisement as one he or she has been before\(^{[10]}\). An example of recognition testing is done by mail survey in which questionnaires are mailed to households. The sample is drawn from a specially prepared mailing list of households that have either a registered automobile or a listed telephone number.

Tyre companies uses recognition it measures for either television or radio commercial tests. In television, respondents are shows brief (ten
second) edited portions of the commercial, excluding advertising identification. They are asked to indicate if they have been or heard it before, to identify the advertiser, and to play back other identifying copy points. Some research has shown that there is a drop off in the percentage of people who can identify a sponsor, falling from an average of 59% in 2000 to about 50% in 2002, perhaps because of increased clutter.

Recognition depends on the product class, the involvement of the consumer segment in the product class, and on variables such as size, color, position, copy approach, and the nature of the magazine or media.

Starch scores are highly reliable in a test-retest sense, there is concern about validity. The respondent can claim readership where none exists to please or impress the interviews or because of confusion with prior advertising for the brand.

Recognition is a necessary condition for effective advertising. If the advertising cannot pass this minimal test, it probably will not be effective.

Finally, some researchers have argued that ads should be pretested using techniques even more sensitive than recognition, such as word fragment or sentence completion, or picture identification. It is argued that such measures of "implicit memory" may apply better to situations when consumers process the ad only very passively. Under such conditions, traditional recognition tests may suggest that an ad had no effect, but consumers who saw the ad and processed it minimally may be
able to "fill in" a brand name presented to them. (eg, AP may be filled in a Appolo), better than consumers who didn't see the ad, proving that the did in fact see the ad.

(2) Recall: It refers to measures of the proportion of a sample audience that can recall an advertisement. There are two kinds of recall, aided recall and unaided recall. In aided recall, the respondent is prompted by showing a picture of the advertisement with the sponsor or brand name blanked out. In unaided recall, only the product or service name may be given. The best known recall method in television, interviewing viewers within twenty-four to thirty hours after the commercial is aired is called the day-after-recall method.

Day-After Recall: The day after recall (DAR) measure of a television commercial. It is closely associated with Burke Marketing Research which was recently acquired by ASI. The procedure in most recall tests, which vary by vendor, is to telephone 150 to 300 program viewers twenty-four hours after a T.V. commercial appears. (Some of other companies use a different time period, such as seventy-two hours. they are asked if they can recall any commercials the previous day in a product category (Such as Tyre). If they can not Identify brands and asked of they recalled the commercial. They are then asked for anything they can recall the commercial, what was said, what was shown, and what the man ideas was.
DAR is the percentage of those in the commercial audience (who were watching the show) before the commercial, such as the sales massage, they story line, the plot, or some visual or audio element. This is called the percent proven recall. A less tightly defined measure of people who have seen something of the ad but may be don’t play back a very specific element is called percent related recall. These recall percentages for the ad being tested are always compared against the norm the historical average for ads of similar length, from similar product categories, from similar (old/new) brands.

Many copy testing companies provide a similar recall measure for print media. They may place a magazine with ISO regular readers of that magazine and ask that it be read in a normal manner. The next day readers are asked to describe ads for any brands of Interest. Similar tests have also been developed for radio: consumers in a shopping mall fill out a questionnaire in a room while listening to the radio in the background (Which plays the radio and being tested) Twenty-four hours later, they are called back on the telephone and asked questions about recall as well as diagnostic questions on what they like and why.

(3) Persuasion:

(a) Forced-Exposure Brand-Preference Change:

Theater testing, pioneered by Horace schwenin and paul Lazarsfeld in the 1950 s, is now done by Mc. Collum, ASI and ARS.
The McCollum/Spielman test uses a 450-person sample spread over four graphically dispersed locations. The respondents are recruited by telephone to come to center location to preview television programming. Seated in groups of twenty-five in front of television monitors, they respond to a set of demographic and brand-product usage questions that appear on the screen. The respondents view a half-hour variety program featuring four professional performers. In the midpoint seven commercials, including four test commercials, are shown.

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C = constant commercials, T = Test commercial

After audience reactions to the program are obtained, an unaided brand name recall question is asked that forms the basis of the clutter-awareness score (the percentage who recalled that the brand was advertised). The clutter awareness (C/A) score for thirty-Second commercials average 56 percent for established brands and 40 percent for new brands. The four test commercials then exposed a second time surrounded by program material.

<table>
<thead>
<tr>
<th>Program</th>
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<tr>
<td>Intro.</td>
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T = Test commercial
An attitude shift (AS) measure is obtained for frequently purchased package goods such as toiletries, the preexposure designation of brand purchased most often is compared with the post exposure brand selection in a market based award situation the respondents are asked to select brands they would like included if they were winners of a $25 basket of products. In Product fields with multiple brand usage, such as soft drinks, a constant sum measure (Ten points to be allocated to brands proportional to how they are preferred) For durables and services, the pre-and post preference is measured by determining.

* The favorite brand
* The next preferred alternative
* The brands that would not be considered
* Those brands that are neither preferred nor rejected.

An important element of the test is the use of two exposures. MC. Collum/Spielman and many advertisers argue that fewer than two exposures represents an artificial and invalid test of most advertising. It is especially important "emotional ads be tested in a multiple exposure copy test, because (Compared to rational ads) such as build (gain in response) more slowly with repetition and a single exposure copy test would not accurately gauge the response they would get when frequently exposed in the market place.
Finally, diagnostic questions are asked of some of the areas that are frequently explored, including:

* Comprehension of message - slogan.
* Communication of secondary copy ideas.
* Evaluation of demonstrations, spokesperson, message.
* Perception of brand uniqueness/brand differentiation.
* Viewer involvement.

In a rare copy-test validity check, McCollum/Spielman asked advertisers of about 600 campaigns (some campaigns consisted of several commercials) that were tested over a three-year period whether the brand had exceeded marketing objectives during the time that the campaign was being aired. The advertising campaigns were then divided into four groups:

* High AS (attitude shift) and high A/C (awareness/communication)
* High AS and low A/C
* Low AS and high A/C
* Low AS and low A/C

The results are shown in figure 4 (b) clearly, the AS persuasion measure was a good prediction of campaign success. The A/C recall measure, on the other hand, may have diagnostic value but it had little relationship to campaign success.
The ARS approach is similar except that their proven recall measure is the percent of respondents that seventy-two hours later claim having seen the advertisement and can give some playback of it. ARS obtained a correlation of 0.78 with their proves recall measure and the unaided brand awareness level achieved by twenty four new brands in test markets. Further, the ARS persuasion score correctly predicted which of two commercials would achieve higher test market sales.

The buy test design of the sherman group does not involve a central location. The respondents are often recruited and exposed to advertising in shopping mails.

A series of unaided questions on advertisement and copy recall identify those in the recall/understand group. The advertising involvement group are those who had a favorable emotional response, who believed that the brand positioning fit the execution, and who felt that the advertisement was worth looking at. The buying urgency group is identified in apart by intensions to buy, improved product opinion, and the motivation to tell someone something about it.

(4) Purchase Behavior: The fourth criterion is actual brand choice in an in-store, real world setting these tests focus on the effects of exposure to shifts in actual purchase behaviour. Two well known tests are those using coupons to stimulate purchasing and those involving split-cable testing.
(a) **Coupon-Stimulated purchasing**: In the tele-research approach, 600 shoppers are intercepted in a shopping center location, usually in Los Angeles, and randomly assigned to test or control groups. The test group is exposed to five television or radio commercials or six print ads around 300 subjects in the test group complete a questionnaire on the commercial. Both groups are given a customer code number and packets of coupons, including one for the test brand, which can be redeemed in a nearby cooperating drugstore or supermarket. The selling effectiveness score is the ratio of purchases by viewers shoppers divided by the rate of purchases by control shoppers. Purchases are tracked by scanner data. Although the exposure context is highly artificial, the purchase choice is relatively realistic in the real money is spent in a real store.

(b) **Coupon use or inquiries**: **Split-Run Tests**: A somewhat different test is often used in the Tyre marketing. In which ads are designed to generate inquiries (often via coupons) that, it is hoped will eventually by converted into sales via sales calls. Here, it is often possible to conduct a split-run test, in which two different versions of an ad versions A and B are placed into random halves of the print run. Each ad has a coupon or other response device, and each ad has a unique code or key number to track which of these pulled each response that come in. Once these logistics are in the place, it is easy which one of the two ads being tested is the more effective the generating on leads.
(c) **Spit-cable testing** : A relatively new and powerful technique for measuring advertising response is termed split-cable testing[13]. Information resources, Inc's (IRI) Behaviour scan is one of the several split cable testing operations. Behaviour scan maintains a 5,000 member consumer panel (Surveyed for demographic information) in each of some cities (Such as Bombay, Delhi, Ahmdabad, Chennai, Indore etc.) All panelists carry ID cards that they present to supermarkets and drugstores when buying. Their purchases are all monitored by IRI, as is in-store activity such as special prices, features and displays. The panelists have a device connected to their TV sets that allows Behaviour Scan to monitor what channel is tuned and also to substitute one advertisement for another in what is called a cut in. Panelists are divided into groups of Panelists who are indistinguishable except that they are exposed to different advertising. The advertising budget test simply involves setting the advertising expenditure levels, assigning each to a group of panelists, and monitoring the results.

The ability to control exposure levels to motion purchase activity provides the potential to conduct experiments that, unlike field experiments, are tightly controlled. Since the same data source provides information on both advertising exposure and on actual brand purchases, such data are often called single source data, and this is strong

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advantage. Further, access to shelf space is guaranteed, so there is little concern about distribution problems. In store activities that can confound are at least monitored.

Hence we can say that split-cable testing is certainly the state of the art and is undoubtedly the most effective way to measure the response function.

Advertising agencies developed the copy testing for a tyre companies. Some principles and format are given following:

(1) A good copy-testing system provides measurements which are relevant to the objectives of the advertising.

(2) A good copy-testing system is one which requires agreement about how the results will be used in advance of each specific test.

(3) A good copy-testing system provides multiple measures because single measurements are generally inadequate to assess the performance of an advertisement.

(4) A good copy-testing system allows for consideration of whether the advertising stimulus should be exposed more than once.

(5) A good copy-testing system recognizes that the more finished a piece of copy is the more soundly it can be evaluated, requiring, as minimum, that alternative executions be tested in the same degree of finish.
(6) A good copy-testing system provides controls to avoid the blasing effects of the exposure.

(7) A good copy-testing system is one that takes into account basic considerations of sample definition.

(8) A good copy-testing system is one that can demonstrates reliability and validity.

**Method of Copy testing:**

1. **The advertisement used:**
   - * Mock up
   - * Finished advertisement

2. **Frequency of Exposure:**
   - * Single exposure test
   - * Multiple exposure test

3. **How It's shown:**
   - * Isolated
   - * In a clutter
   - * In a program or magazine.

4. **Where the exposure occurs:**
   - * In a shopping centre facility
   - * At home on TV
* At home through the mail
* In a threator.

5. **How Respondents are obtained:**
* Prerecruited forced exposure
* Not prerecruited/natural exposure

6. **Geographic scope:**
* One city
* Several cities
* Nation wide

7. **Alternative measures of persuasion:**
* Pre/post measures of attitudes or behaviour
* Multiple measures that is, recall/involvement buying commitment.
* Test market sales measures that is, using scanner panels.

8. **Bases of comparison and Evaluation:**
* Comparing test results to norms.
* Using a control group.

(c) **Advertising effectiveness**: How can the tyre companies tell whether an advertising is doing its Job? Evaluating the effectiveness of an ad is not easy, and in some cases, advertisers just have to work on
faith that the money they are spending is worth while. There are often so many variables at work in the market-place that isolating the impact ads have on sales can be difficult. In spite of these hurdles, however, advertisers, agencies, and academic researchers devote a lot of energy to studying advertising effectiveness.

There are two categories of ad testing. Pretesting refers to tests conducted before the advertising is run, and posttesting is conducted afterward. Pretests range from simple asking representative customers what they think of an ad to utilizing experimental techniques that take place in a laboratory setting, others are conducted in the field. No method works in all cases, but like all good marketing research, through pretesting can help reduce the risks involved in business decisions.

Post testing is often simpler than pretesting. In fact, if the objective of your ad is to generate a certain or number of sales, Post testing is quite simple. Just check the cash register. For indirect action ads and image ads, post testing is a little more complicated because you are n't always asking for specific, immediate action. Action is fairly easy to measure, but perceptions, feelings and beliefs are n't. Two common post test techniques are aided recall, in which you show respondents the ad and ask whether they remember it, and unaided recall, in which you question the respondents without such prompting.

In addition to pretesting the advertising, you should also pretest the audience beliefs, behaviour, attitude or whatever variables you are
hoping to influence with the ad. This establishes baseline data you can use to measure the ad’s effectiveness. For instance if Apollo tyre company wants to see whether an upcoming ad campaign will reduce public suspicion of big business, it should measure those beliefs both before the ads are run and then again after the ads appear. By comparing the pretest and post test data mobil will have a better idea of how will its ads work.

Most measurement of advertising effectiveness if of an applied nature, dealing with specific ads and campaigns most of the money is spent by agencies an pretesting ad, and much less is spent on post evaluating their effect Many companies develop an advertising campaign, but it into the national market, and then evaluate its effectiveness. It would be better to limit the campaign to one or a few cities first and evaluate its impact before rolling a campaign throughout the country with a very large budget.

Advertisers try to measure the communication effect of an ad, that is, its potential effect on awareness, knowledge, or preference. They would like to measure the sales effect, but are difficult to measure.

For Evaluating advertising effectiveness there are two methods are used.


2. Sales Effect Research.
Communication-Effect Research: Communication effect research seeks to determine whether an ad is communicating effectively. Called copy testing, it can be done before an advertising put into media and that it is broadcast.

There are three methods of advertising testing. The first is a direct rating method. Which asks consumers to rate alternative ads. These ratings are used to evaluate the advertising attention, read through, cognitive, effective and behaviour strengths. Although an imperfect measure of an ad's actual impact, a high rating indicates a potentially more effective advertising.

Portfolio tests ask consumers to view and or listen to a portfolio to advertisements, taking as much time as they need. Consumers are then asked to recall all the ads and their content, aided or unaided by the interviewers. Their recall level indicates an advertisers ability to stand out and to have its message understood and rembered.

Laboratory test: Use equipment to measure consumer's physiological reactions heart beat, blood pressure etc. These tests measure on ad's attention getting power but reveal nothing about its impact on beliefs, attitudes or attentions.

There are several methods of advertising pretesting.

1. Print: Print pre-testing services in which tests ads are placed into magazines. The magazines are then circulated to consumers. These
consumers are contracted by the advertiser and interviewed about the magazines and advertising. Say tyre magazines in which tyres companies have total detail regarding tyre products recall and recognition tests are used to determine advertising effectiveness. Three readership scores are prepared.

(a) The percentage of readers who recall seeing the ad in the magazine.

(b) Seen/associated, the percentage who correctly identify the product and advertiser with the advertising.

(c) Read most, the percentage who say they read more than half of the written material in the ad. Starch also furnishes adnorms showing the average scores for each product class for the year, and separately for men and women for each magazine, to enable advertisers to compare their ad's impact to competitor's ads.

**Broad cost services**: There are some broad cost pretest methods are available which are given following.

(a) **Trailer tests**: To get closer to the consumers actual decision point, pretesting is conducted in a trailer in a dealer center on depots center. Tyre dealers are shown the test products and given an opportunity to select a series of brands in a simulated depot situation. Consumers are then a series of commercials. They are then coupons to be used in the deals or depot center. By evaluating redemption, advertisers can estimate the commercials influence on purchase behaviour.
(b) **Theater tests**: Consumers are invited to a theater to view a potential new television series along with some commercials. Before the show begins, the consumers indicate their preferred brands in different categories. After the viewing, consumers are again asked to choose their preferred brands in various categories. Preference changes are assumed to measure the persuasive power of commercials.

(c) **On-Air Tests**: These tests are conducted on a regular TV Channel. Respondents are recruited to watch the program during the test commercial or are selected based on their having viewed the program. They are asked questions about the commercial recall. This technique creates atmosphere in which to evaluate commercials.

Advertisers are also interested in posttesting the overall communication impact of a completed advertising campaigns. To what extent did the ad campaign increase brand awareness, brand comprehension, stated brand preference and so on? Assuming that the advertisers had measured these levels before the campaigns the advertiser can draw a random sample of consumers after the campaign to assess the communication effects.

How will does the ad catch the reader's attention - 15
How will does the ad lead the reader to read further - 15
How effective is the particular appeal - 15
How will does the ad suggest follow through action - 15
How clear is the central message or benefit - 15

(235)
Sales-Effect Research: What sales are generated by an advertising that increases brand awareness by 20% and brand preference by 10%.

Advertising sales effect is generally harder to measure than its communication effect. Sales are influenced by many factors besides advertising, such as the products features, price, availability and competitor’s actions. The fewer or more controllable then other factors are the easier it is to measure advertising’s effect on sales. The sales impact is easiest to measure in direct marketing situations and to measure in brand or corporate image building advertising.

Tyre companies are also interested in finding out whether they are overspending or under spending on advertising. One approach is to work with the following formulation.

| Share of Expenditures | Share of Voice | Share of Mind and Heart | Share of Market |

Company’s share of advertising expenditures produces a share of voice that earns a share of their minds and hearts and untimely a share of market. Peckham studied the relationship between share of voice and share of market for several consumer or Industrial products over a number of years and found 1 to 1 ratio for established products and 1.5 - 2.0 to 1.0 ratio for new products. Using these information in the tyre Industries.
### Table 6.2: MRF, Apollo, J. K. and Ceat

<table>
<thead>
<tr>
<th>Name of Tyre</th>
<th>Advertising Expenditure (in year)</th>
<th>Share of Voice</th>
<th>Share of Market</th>
<th>Advertising Effectiveness</th>
</tr>
</thead>
<tbody>
<tr>
<td>MRF</td>
<td>20000000</td>
<td>45%</td>
<td>32%</td>
<td>73</td>
</tr>
<tr>
<td>Apollo</td>
<td>1300000</td>
<td>29%</td>
<td>28%</td>
<td>96</td>
</tr>
<tr>
<td>J.K.</td>
<td>1000000</td>
<td>14%</td>
<td>20%</td>
<td>145</td>
</tr>
<tr>
<td>Ceat</td>
<td>500,000</td>
<td>6%</td>
<td>6%</td>
<td>100</td>
</tr>
</tbody>
</table>

MRF spends 20000000 of the industry's total expenditure of 45,000000; so its share of voice is 45%. Yet its share of market is only 32%. By dividing its share of market by its share of voice, we get an advertising expenditure ratio of 73. So neither the firm overspending nor under spending Apollo spending 29% of total advertising expenditure and has a market share of 28%. So the Apollo tyres is spending its money efficiently, J.K. tyres is spending only 14% of the total and yet achieving a market share of 20%, ceat tyres is spending only 6% of the total and yet achieving a market share of 6%. The conclusion is that it is spending its money super efficiently and should probably increase its expenditure.

Researchers try to measure the sales impact through analyzing either historical or experimental data. The historical approach involves correlating past sales to past advertising expenditures on a current or lagged basis using advanced statistical techniques. Palda studied the effect of advertising expenditures on the sales of Lydia Pinkham's vegetable
compound between 1908 and 1960. He calculated the short term and long term marginal sales effects on advertising.

In tyre Industry the sales effectiveness is estimated by three communication tools. A tyre Industry spent 40% of its communication budget on T.V. Commercial, 25% on samples and outdoor advertising, 10% on journal advertising. Yet the sales-effect research indicated that the journal advertising the least used communication tool, had the highest long-run advertising elasticity, here 325 samples and outdoor had an elasticity of 106 and T. V. commercial had an elasticity of only 0.019. It is concluded that the company spent too much on T.V. commercial and outdoor advertising.

Other researcher use experimental design to measure the sales impact of advertising instead of spending the normal percentage of advertising to sales in all territories, the company spends more in some territories and less in others. This tactics is called high-spending tests and low-spending tests. If the high-spending tests produces substantial sales increase, it appears that the company has been under spending if they fail to produce more sales and if low spending tests do not lead to sales decrease, then the company has been over spending. These tests of course must be accompanied by good experimental controls and last sufficiently long to capture lagged effects of changed advertising expenditure levels.
REFERENCES


