

## Evaluating the effectiveness of advertising on sales rate

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**Abstract:** When the objectives of advertisement namely increasing the sales rate and market demand share had been determined and a proper marketing strategy had been selected for company products, the necessary budget was allocated and our advertising message namely outstanding the superiority and advantages as well as the differences of our products to other similar ones from our competitors would be announced via suitable various attractive advertising instruments that distinguished special salient characteristics of our products. Of course, using appropriate promotional tools and media as well determining and identifying the type of customer (age, gender, income level and purchasing power, his demands and expectations) are particularly important, our advertisement should be informative for the new products, but it should be convincing and expressive for the products which had been found in market, also for the products delivered to market and customer retention is desired, the advertisement need to be reminder. But the important point is that we must know and understand the efficacy and effectiveness, positive feedbacks of our selective strategy. This stage of marketing and advertising operation is called assessment step and in fact make it possible for us to decide on the type and manner of doing the advertisement. Unfortunately today, especially third world countries often imitate the advanced countries in selecting and implementing most of their marketing business operations. People generally assume that allocating amount of money as an advertising budget and preparing some TV shows or published advertisement without new attractive innovation, creativity and advancing product quality is sufficient for increasing the sales rate, attracting new customers and markets or retention previous customers and markets. However, if the mission and target lost its importance and it turned into performance of duty or shows off as a representation as well especially the last stage of advertisement e.g. assessing the successfulness was ignored, in fact all of our efforts would be fruitless and assuredly no desired results would be achieved. In following, we want to address this step in advertising as assessment step more professionally. Author's discussion and studies mostly were library and review and were an abstract from literatures on subject. [Leili Noor Alizadeh. **Evaluating the effectiveness of advertising on sales rate.** *Academ Arena* 2018;10(9):85-87]. ISSN 1553-992X (print); ISSN 2158-771X (online). <http://www.sciencepub.net/academia>. 10. doi:[10.7537/marsaaj100918.10](https://doi.org/10.7537/marsaaj100918.10).

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### 1. Introduction

#### 1.1. Methods of advertising evaluation:

At first, the following figure shows the total operation project related to advertising a product, then the final step e.g. assessing will be described. A suitable advertising plan should regularly measure the resulted sales rate and examine if the advertisement could communicate with customer and whether the communicated message is received by customer accurately and desirably (Stewart, D.W. and S. Ward (1994). The measurements clarify the weak and strong points and help us improve. Measuring the various effects of advertisement is very difficult but useful; via it we can change the advertisement budget, form and content of message, advertising media or even the time of advertising performance to have more useful and effective advertisement. The assessment needs to apply suitable scientific techniques to make a good relationship with customers. The assessment is a demanded necessity for companies which know advertising as a cartridge of their business growth. Advertising experts in 21 world countries apply the

principles as a guideline in advertisement assessment which specifies the evaluation methods. Today, there are several experiments that are designed for evaluating the effects of advertising on sales rate (Stewart, David W. and Qin Zhao (2000). In fact, advertising management includes three general phases of planning, implementation and evaluation. In most of the third world countries just the implementation step is considered non-specifically and without planning. In following, the measurement methods will be described. The tests are divided into two general groups: Pre test that is prepared before preparing and final implementing.

#### 2.1. Pre-tests

##### 1.2.1. Test by Consumer jury:

Here, incomplete advertisements have been shown to the selected sample including the people who are indicators of target market customer and they asked to score or rank them. The higher ratings indicate more efficient advertising banners. In this method, population size is between 50 and 150 people.

**2.2.1. Batch tests:**

The batch tests mostly are evaluating the printed advertising namely it is applied to effectiveness of print advertising. In these tests, the consumers are provided with chance of watching and listening to the several advertisements. Enough time is given to them and then they will be asked to recall all the ads and their content. The ability of an advertisement in regards to be outstanding, message understandability and its memorable character depends on how consumers can remember it.

**3.2.1. Physiologic tests:**

To avoid the test errors which are seen in other tests and we are faced to, the method is used. In the method, the consumers who are the indicators of target market are selected and their instinctively physiologic reactions are measured while watching an advertisement (Weinstein Sidney,et.al.1984). In this manner, heartbeat, blood pressure, pupil moves, sweats and other physical reactions in the body is measured. These changes reflect the power of advertising to attract customers. But it cannot implicate the impact of advertising on consumer beliefs.

**4.2.1. Inquiry method:**

The method is conducted in more real condition than other methods and is useable for advertisement implementation. In the method, two or three advertisement will be presented in selected media in normal condition for restricted period of time. Some coupons are attached to presented advertisement in order to evaluating them, and then the magazine readers are asked to resend their coupons with their own questions about products, advertisement, or receiving the sample. The coupons were encoded based on the advertisement type, after receiving the answers and counting the coupons, the advertisement with more reverted coupons, will be selected as a desirable advertisement (FREY, ALBERT W.1947).

**5.2.1. The binary comparing method:**

In the method, two advertisements are given to each of the group member and they are asked to select the more suitable one. When the desired advertisement was selected, the refuted ad would be set aside and the third one presented. The members are asked to select the suitable ad and the process will continue till the best one is chosen.

**6.2.1. The artificial magazine method:**

The method is used to overcome some environmental factor from pervious evaluation. In the method, a magazine with all characteristic of a real magazine will be sent to people who are considered as a good sample group. In the magazine, the desired ads are presented and respondents are asked to read them. Later, interviewer tries to determine the level of recalling or reviewing the advertisement.

**3.1. Post-tests:****1.3.1. Recalling tests:**

In the method, the customer is asked to remember the advertisement that was read or watched previously while no ad is provided. The rate of recalling measures the level of advertisement influence and its attractiveness for customer. The method is used to evaluate the influential power of media (for example, whether the TV was influential or similarly magazines of urban billboards, etc.). In the method the percentage of viewer and reader of advertising media will be verify.

**2.3.1. Attitude criteria:**

In the method, the customer is asked by questions on whether the advertisement is credible, convincing, imaginable, realistic or foolish, then it is asked how much the ad could satisfy you to purchase? (Prasad V,et.al.197)

**4.3.1. Cognitive tests:**

In the method, customer is asked to identify the advertisement that is watched or read before. Some questions are asked about the advertisement and customers are divided into three groups:

The ones who paid attention to advertisements;

The one who can relate the advertisement to company name; the one who read at least 50% of advertisement; the method is more used in magazine ads.

**4.1. Measuring the effects of advertising on sales:**

Determining and identifying the effects of advertisement on sales rate are very difficult. Because so many factors are influential on sales, so the effect of advertisement on cannot be measured by comparing the sales rate before and after the promotion. Changing the sales rate may be for factor such as rival's condition, demand, costs, distribution, society's economic statues or even pervious promotions (Dighton John,et.al.1994). There are two major methods for evaluating the effects of advertisement on company sales rate:

**5.1. The former relationship between sales-advertisement**

Companies have often an archive of their sales and promotion expenditure in previous periods of time. By studying and finding a relationship between changes in sales rate as well as changing in promotion expenditures, the effects of pervious promotion can be found. In the method, using statistical techniques, the role of sales advertising are estimated. Advertising managers know that current period sales are the transitional effect of previous period. Developed statistical models can be used for the separating the transitional effects of advertisement (DUTKA, SOLOMON. 1995).

**6.1. Empirical Method (sales results):**

The empirical method can be used in order to identify the cause and effect of advertisement impact on sale rate. In some empirical methods, two groups of experimental and control cities are selected. The cities should be almost similarly in respect to population, their composition, market or industry and they should relatively be far from each other (usually" for each of the groups, two or three cities will be selected). Usually "product sales in each of cities has been auditing and accounting for two months of testing and at least the promotion will have been conducted for two month. Then, the sales rate will be accounted in all cities and the result will be compared to previous one, if the sale rate is increased, it can be concluded it is relates to promotion, but hasty decision making without thinking and mere relying on statistics and numbers are not allowed, for example, if the selected cities have many similarities in terms of comparison, it is natural that even without advertising, sales increased in all cities., in this case, to achieve real results, it is better that the sale rising be set aside to determine the net effect of promotion on sales rate (LAVIDGE, ROBERT J., and GARY A. STEINER. 1961). Despite of all these discussions, the result from these method is doubttable even all needed controls are implemented and it is necessitate careful judgment and selecting promotion strategies.

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