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B.Com Honours

Semester I

Calicut University

Advertisement and Sales Promotion

Course Code: COM1MN108 • Module 3 Notes

1. Advertising Effectiveness: Measurement and Ethics

Because advertising campaigns require substantial financial investment, companies must measure their effectiveness to verify return on investment (ROI). However, measuring advertising impact is complex due to external factors (competitor actions, economic shifts) that also influence sales. This module covers the methods for measuring communication and sales effects, the ethical aspects of advertising in India, and the regulatory role of the ASCI.

Communication Effect vs. Sales Effect

Advertising objectives are measured on two dimensions:

- **Communication Effect:** Measures how well the ad communicates the message. Focuses on brand awareness, recall, attitude changes, and comprehension levels. Measured before, during, and after the campaign.
- **Sales Effect:** Measures the direct impact of the ad on sales volume. Highly difficult to isolate unless direct marketing (e.g., e-commerce coupon codes, call-in orders) is used.

Methods for Measuring Advertising Effectiveness

Testing is divided into pre-campaign and post-campaign stages:

Pre-Testing Methods

Conducted before the campaign is fully launched to identify copy defects:

- **Consumer Jury:** A panel of target consumers evaluates alternative copies and ranks them.
- **Portfolio Test:** Alternative ads are placed in a folder with dummy ads, and consumers recall them.
- **Readability Test:** Measures the ease of comprehension of copy text.

Post-Testing Methods

Conducted after the campaign has run to measure real-world impact:

- **Recall Tests:** Asking consumers to state what ads they remember seeing (aided or unaided).
- **Recognition Tests:** Showing consumers the ad and asking if they have seen it before (e.g., Starch test).
- **Inquiry Tests:** Measuring the number of customer inquiries, website visits, or coupon redemptions.

2. Ethical Aspects of Advertising in India

Advertising is a powerful social force. Unethical advertising practices can deceive consumers, promote harmful habits, or damage competitors. Major ethical issues include:

- **Misleading Claims & Puffery:** Making false claims about product performance or ingredients (e.g., claiming a cream cures aging in 3 days). *Puffery* represents subjective exaggeration (e.g., "The best coffee in the world") which is tolerated, but objective falsehoods are unethical.
- **Surrogate Advertising:** Indirectly promoting restricted products (like alcohol, tobacco) by advertising brand extensions with the same name (e.g., soda, music CDs, mineral water).
- **Decency & Taste:** Using offensive visuals, reinforcing gender stereotypes, or broadcasting inappropriate content during family hours.
- **Advertising to Children:** Exploiting children's vulnerability and lack of mature judgment to sell sugary foods or toys.

Advertising Standards Council of India (ASCI)

Established in 1985, **ASCI** is a self-regulatory body committed to maintaining public trust in advertising. It enforces a Code of Self-Regulation based on four core principles:

1. **Honesty:** Ensuring all claims and comparisons are truthful, clear, and scientifically verified.

2. **Decency:** Preventing advertisements that offend public standards of decency or promote social discrimination.
3. **Safety:** Prohibiting ads that encourage hazardous activities or promote dangerous products to children.
4. **Fairness in Competition:** Ensuring comparative ads are fair, objective, and do not unfairly disparage competitor brands.

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