

ADVERTISING EFFECTIVENESS EVALUATION AND CORE MARKET TURBULENCE

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Abstract: This paper focuses on the managerial evaluation of advertising effectiveness according to the core market turbulence. By choosing to focus on clients' attitudes and reported behaviour, a greater understanding of the factors that enhance marketing information use in the evaluation of advertising effectiveness should be established. Responses from 235 marketing managers from Slovenian companies with more than 10 employees were analyzed. The dominance of sales evaluation in managers' responses signals a short-term orientation of their advertising strategies. The paper further shows higher level of monitoring of advertising effectiveness for managers in more market turbulent conditions.

Keywords: market turbulence, advertising, effectiveness, survey

VREDNOTENJE OGLAŠEVALSKE UČINKOVITOSTI IN USPEŠNOSTI TER SPREMENLJIVOST RAZMER NA POGLAVITNIH TRGIH¹

Povzetek: Vrednotenje oglaševalskih učinkov je v negotovih in konkurenčnih pogojih poslovanja ob dejstvu, da stroški oglaševanja stalno naraščajo, eno pomembnejših področij razmišljanja menedžerjev (Miller in Pazgal, 2007). Nedvomna potreba po vrednotenju oziroma merjenju učinkov oglaševanja pa ni enoznačna, saj je v prvi vrsti odvisna od tega, ali k njej pristopajo praktiki ali pa akademiki (Cook in Kover, 1997). Tako prvi izpostavljajo rezultate in praktične uvide, slednji pa se bolj ukvarjajo s kognitivnim učinki oglaševanja in oblikovanjem teorij (glej Holbrook in Batra, 1987; Vakratsas in Ambler, 1999; Hall, 2002). V našem prispevku nas zanima, kako na to vprašanje gledajo menedžerji slovenskih podjetij. Zato najprej pregledamo temeljno literaturo s področij vrednotenja

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oglaševalske učinkovitosti/uspešnosti in vpliva tržne negotovosti na poslovanje ter soodvisnosti na tem področju. V skladu z izpeljanimi hipotezami nato izvedemo empirično analizo in na koncu prikažemo rezultate z omejitvami.

Marketinška literatura proučuje rabo, merjenje učinkovitosti in uspešnosti marketinških komunikacij s strani menedžerjev kot relevantno raziskovalno polje (Low in Mohr, 2001; Clark, 2000; Clark, Abela in Ambler, 2006). Pri tem prevladuje prepričanje, da moramo slediti komunikacijskim procesom in ciljem, ki smo si jih zadali pred začetkom marketinško komunikacijskih aktivnosti. Jasni cilji vzpostavijo soglasje med vsemi akterji, omogočijo finančni nadzor, razvoj posameznih komunikacijskih elementov in omogočijo merjenje učinkovitosti (Schultz, 1990). Tako zastavljeni cilji v jeziku zelenih sprememb v hierarhiji komunikacijskih učinkov oziroma v spremembi stališč porabnikov do znamke so ključni korak k dolgoročni uspešnosti oglaševanja in drugih oblik marketinškega komuniciranja. So hkrati tudi pogoj, da se izognemo dragim napakam, ki bi se sicer lahko zgodile. Zavedanje o znamki, ki je prvi pogoj oglaševalske uspešnosti, pa je v praksi pogosto narobe razumljeno in napačno vrednoteno (Rossiter v MacDonald in Sharp, 2003). Nasploho izsledki raziskav med praktiki kažejo, da je oglaševalska skupnost precej zadržana do tovrstnih meritev. Racionalizacije so v sorazmerno visokih stroških in nezaupanju v merske instrumente. Posebej močno je nasprotovanje med ustvarjalci oglasov pa tudi med prodajno usmerjenimi vodstvenimi kadri (Belch in Belch, 2004; Frazer in drugi, 2002; Tellis, 2004). V povezavi s tem smo oblikovali tudi prvo hipotezo raziskovanja. Ta se je glasila: »Percepcija menedžerjev je v skladu s predpostavko, da mora biti merjenje oglaševalske učinkovitosti in uspešnosti sestavni del načrta oglaševalske akcije, da bi se izognili dragim napakam«.

Zgodovinsko je merjenje učinkovitosti in uspešnosti povezano z modeli odziva porabnikov na sporočila. Prvi poskus je dobro znan model AIDA, ki svoje korenine vleče iz prodajnih veščin. Hierarhični modeli odziva porabnikov doživijo razcvet v 60-ih letih prejšnjega stoletja (Lavidge in Steiner, 1991; Cooley, 1961). Kasneje se zlasti s pojavom storitvene ekonomije pojavijo kritike tovrstnih modelov, ki trdijo, da porabniki pri različnih ponudbah preidejo različni vrstni red v stopnjah hierarhije učinkov, pri čemer razumni odziv pogosto prepusti prednost čustvenemu ali pa celo vedenjskemu (Vaughn, 1986; Berry in Howard, 2000).

Razprava o pravilnosti posameznega modela pa ima eno skupno značilnost, in sicer, da oglaševalske učinkovitosti in uspešnosti ni možno vrednotiti zgolj skozi podatke o doseženi prodaji, saj je nemogoče razločiti oglaševalske dražljaje od dražljajev drugih marketinških komunikacij. Prav tako je nemogoče postaviti jasno ločnico med kratkoročnimi in dolgoročnimi učinki oglaševanja. Prvi se pogosto lahko pokažejo na kratek rok v obsegu prodaje, drugi pa šele na daljši rok v obliki spremembe stališč

do znamke. Kljub tem ugotovitvam pa tudi novejša raziskava kažejo, da so menedžerji še vedno pristaši uporabe podatkov o prodaji kot prevladujočega merila predvsem kratkoročne oglaševalske učinkovitosti (MacDonald in Sharp, 2003). Zato smo postavili drugo hipotezo, ki se glasi: »Percepcija menedžerjev je skladna s pogledom, da prodajni učinki ne bi smeli biti prvenstveni cilj pri vrednotenju marketinškega komuniciranja«.

Študije o tržni (marketinški) naravnosti (Jaworski in Kohli, 1993) dokazujejo, da je potreba po marketingu višja v pogojih zaostrene konkurenčnosti ob hkratni spremenljivosti preferenc porabnikov in pogostosti tehnoloških inovacij. Čim večja je spremenljivost okolij, tem večja je pri menedžerjih potreba po informacijah, vezanih na vrednotenje delovanja (Menon in Varadarajan, 1992; Low in Mohr, 2001). V takih pogojih je potreba menedžerjev po sistematičnem zbiranju informacij o učinkovitosti oglaševanja in drugih marketinško komunikacijskih aktivnosti pričakovano večja. Zaradi tega smo oblikovali naslednjo hipotezo: »Menedžerji, ki poslušajo v pogojih višje tržne negotovosti, uporabljajo več marketinških informacij pri vrednotenju oglaševalske učinkovitosti in uspešnosti kot menedžerji v okolju nižje tržne negotovosti«.

Da bi empirično potrdili ali ovrgli hipoteze, smo izoblikovali raziskovalni instrument, ki smo ga nato preverili na vzorcu slovenskih podjetij. Instrument temelji na že preverjenih raziskavah oglaševalske učinkovitosti in uspešnosti (Low in Mohr, 2001), z dodatkom nekaterih stališč, preverjenih v slovenskih razmerah (Podnar, Kitchen in Jančič, 2003). Del, ki se nanaša na tržno negotovost, pa sledi raziskovalnemu instrumentu, ki sta ga uporabila Jaworski in Kohli (1993). Zbiranje podatkov je temeljilo na poštni anketi, ki jo je izvedel Inštitut za trženje pri Ekonomski fakulteti Univerze v Ljubljani. Stratificirani naključni vzorec je zajel 2000 podjetij iz različnih panog in je temeljil na velikosti podjetja (240 večjih, 760 srednjih in 1000 malih podjetij). Prejeli smo 235 izpolnjenih vprašalnikov.

Rezultati raziskave najprej pokažejo, da se oglaševanje v proučevanih podjetjih meri šele po koncu akcije, ne pa tudi ob začetku le-te. To kaže, da merjenje ni vgrajeno v sam program akcije. Prva hipoteza tako ni potrjena. Glede posameznih oblik merjenja se pokaže, da so finančni indikatorji in obseg prodaje kot merila kratkoročne učinkovitosti in uspešnosti oglaševanja pomembnejši od drugih oblik merjenja, kar pomeni, da tudi druga hipoteza ni potrjena. Tržna negotovost se v raziskavi pokaže kot razlikovalni dejavnik in potrjuje našo tretjo hipotezo. Tako menedžerji podjetij, ki poslušajo v bolj negotovih razmerah, značilno pogosteje uporabljajo poleg finančnih indikatorjev tudi merila o komunikacijski učinkovitosti in uspešnosti kot to počno podjetja, ki poslušajo v stabilnejših tržnih razmerah.

Če povzamemo, lahko ugotovimo, da je razvitost merjenja učinkovitosti in uspešnosti oglaševanja v podjetjih iz našega vzorca šibka in poenostavljena. Prevladuje merjenje prodajnih dosežkov, merjenje ni nujni sestavni del oglaševalskih projektov, kar govori

v prid tezi o prevladi kratkoročnega razmišljanja v odnosu do oglaševanja. To dejstvo ne vpliva optimizma ne v časih visoke konjunktore, kaj šele v času recesije. Prav ob tej zadnji trditvi pa ima naša raziskava tudi morda največjo pomanjkljivost. Izvedena je bila namreč pred začetkom gospodarske krize. Kljub temu dejstvu pa na primer raziskava, izvedena v obdobju recesije (DMS, 2009), ne poda razlogov za drugačno razmišljanje. Izsledki namreč kažejo tendenco po vsesplošnem zniževanju oglaševalskih in marketinško-raziskovalnih proračunov. Čeprav omenjena raziskava posebej ne proučuje področja raziskovanja učinkovitosti in uspešnosti oglaševanja pa je pričakovati, da vidnejših pozitivnih sprememb na tem področju tudi v tem obdobju pri nas ni moglo biti.

1. INTRODUCTION

Evaluation of advertising effectiveness is a critical issue for managers who are faced with rapidly increasing advertising costs in an uncertain, competitive environment (Miller and Pazgal, 2007). It could be seen as the key to the relations between marketers, finance people and top managers. A meta-analysis by Conchar et al. (2005) demonstrates a positive link between the market value of the company and the level of expenditure on advertising and sales promotion. Advertising activities covered by the expenditure on advertising and sales promotion, in general, contribute to future cash flows and increase the yield value for shareholders or the value of market capitalization of companies (Conchar et al., 2005, Luo and Donthu, 2006).

Advertising effectiveness studies have often had quite different intentions and operational definitions depending on whether they were done by practitioners or academics (Cook and Kover, 1997). The former tend to emphasize results and actionable insights, while the latter are more concerned with cognitive effects and theory building (e.g. Holbrook and Batra, 1987; Vakratsas and Ambler, 1999; Hall 2002). More recently, a more generalized, multidimensional concept of advertising effectiveness seems to appear infrequently in the research literature; it is replaced by more discrete cognitive effects such as persuasion or attitudes toward advertisements (Frazer et al, 2002). The focus of this paper is different as we examine managers' perceptions of the importance and the approaches to advertising effectiveness evaluation and measurement. To better recognize the context in which managers' perceptions are formed, perceived market turbulence is included.

The article first provides an overview of the marketing literature on advertising effectiveness evaluation and market turbulence. Relationship between these concepts is examined. In line with research hypotheses, empirical analysis is performed and findings reported. We conclude with discussion and conclusion on the managers' evaluation of advertising effectiveness with regard to the relevant market environment.

2. THEORETICAL BACKGROUND

In marketing literature, the relevant stream of research covers the use of marketing information by marketing managers to determine marketing

communications effectiveness (the degree to which marketing communications objectives are achieved) and efficiency (the ratio of marketing communications outputs to inputs) (Low and Mohr, 2001; Clark, 2000; Clark, Abela and Ambler, 2006). Marketing information consists of internal information (e.g. sales volume), external syndicated information (e.g. market growth rates) and of a customized research by outside research providers. Low and Mohr (2001) see the need for a greater understanding of the factors that advance marketing information use in the evaluation of marketing communications efficiency and effectiveness.

Ideally, measures of effectiveness of advertising and marketing communications as well would be the early warning system to their design. Tellis (2004) distinguishes three stages of advertising communication process: inputs, processes and outcomes. While inputs are advertising stimuli, the process concerns with the hierarchy of effects, namely

a sequence of steps a consumer passes through from the initial exposure to advertising to the purchase decision. Outcomes can be seen as marketing results in brand choices, purchase intensity and accounting variables (Tellis, 2004).

The role of pre-test and post-test measurements is directly connected with the communication processes and objectives the campaign needs to achieve. Advertising and broader marketing communications objectives are the necessary planning step for the agreement among all parties, financial control, development of advertising elements, measurement and evaluation, and the relation among all marketing communication elements (Schultz, 1990). Clear definition of these objectives in terms of desired change in the hierarchy of effects or consumer attitudes to the brand, evaluation of various alternative strategies and appropriate strategy choice are the crucial steps in increasing general long-term effectiveness of advertising and marketing communication programs and in the avoidance of costly mistakes. Brand awareness that is essential for advertising effectiveness is widely misunderstood and often wrongly measured (Rossiter in Macdonald and Sharp, 2003: 1). Furthermore, the research and practice show that advertising community is somehow reluctant in using these measures. The reasons for avoiding them are mainly the result of relatively high costs of such measurements and also owing to the research problems in measuring itself. There is also the opposition within creative community and within sales oriented

management structures (Belch and Belch, 2004, Frazer et al., 2002, Tellis 2004). Managers and their communication agencies assess the creative execution in a different way and same goes for mental models that are used regarding the potential increase in sales (Devinney et al., 2005). However, these differences are not necessary dysfunctional to relationships between managers and their agencies. Regarding managers' perceptions on importance of information and measurement of advertising effectiveness we therefore, in line with Low and Mohr (2001), propose the following hypothesis:

H₁: Managers' perceptions correspond to the view that measurement of advertising effectiveness should be integrated in the campaign programmes in order to avoid costly mistakes.

Needless to say, the interaction between advertising and its audience is extremely complex (Mehta, 2000). Historically, measuring the effectiveness of advertising is resulting from the models of consumer response to advertising. The earliest attempt, the AIDA model, is attributed to St Elmo Lewis in 1898. This sales model was later adopted by advertisers, since their job at that time was considered as being a salesmanship in print (Reed and Ewing, 2004). Early models followed the logic of a hypodermic needle communications effect or the stimulus-response concept. The advent of radio and later TV changed such orthodox assumption considering a more active role of consumers in their media consumption. The question of how advertising works became again blurred. In the early 60s one can see the advent of the whole plethora of hierarchically concocted models (Lavidge and Steiner, 1961, Cooley 1961). The common denominator of these and other models is the critique of immediate sales measures of advertising and the demand to measure the effectiveness through various communication objectives (Berry and Howard, 2000); thus also the name of the Cooley's (1961) model DAGMAR (Defining Advertising Goals for Measured Advertising Results). Hierarchical models later became criticized as being too rational (Vaughn, 1986; Berry and Howard, 2000). Berger (1986) and Vaughn (1986) suggested FCB model that combines high and low involvement and left and right brain specialization in a two-by-two matrix with two factors—high and low involvement, and feeling and thinking.

The main problem, however, lies in the existence of the two main theories of how advertising

actually works. One view on advertising is predominantly called the “strong force” and the other the “weak force” theory of advertising (Jones, 1998; Ehrenberg, 1974). Jones, proponent of the first, claims that advertising is capable of immediate effect on sales: effective advertising sells and advertising is indeed salesmanship (1998: 89). As such, the “strong force” theory focuses on short-term effects of advertising. The “weak force” theory denies such a role of advertising: advertising results are less obvious since consumers have become more sceptical, more informed and spoiled.

Since the sales responses to advertising are difficult to separate from the responses of other communication and marketing efforts and thus difficult to quantify, they should not be its primary and much less its only objective. The other problem lies also in the fact that advertising works both in the short-term and long-term manner with no clear demarcation line between the two. Nevertheless, recent research shows that managers are still somehow stuck with the predominant use of sales figures that are short-term measures of advertising effectiveness (Macdonald and Sharp, 2003). The core objectives should more accurately be expressed in communication terms, such as the increase in brand awareness or the improvement of brand attitudes (Percy and Elliot, 2005). The main effects of advertising are therefore in raising brand awareness and forming or reinforcing the favourable attitudes (Ehrenberg 1974, Macdonald and Sharp, 2003), which should be seen as more long-term effects. Since the primary objective of marketing communications should not be sales results, the dominant approach to measure advertising effectiveness should include measurement of communication effects. The following research hypothesis was formulated:

H₂: Managers’ perceptions correspond to the view that measurement of sales results should not be the primary objective of marketing communications.

The evaluation and determination of the effectiveness of planned activities of marketing communication is crucial for strategic planning and implementation of improvement strategies. Simpson and Taylor (2002) argue that there should be a match between the need for marketing activities to sustain companies in a competitive business environment (relevance of marketing) and the actual marketing efforts applied (role played by marketing). This applies also to marketing communication and

advertising activities. The external need for marketing is higher if the company wants to remain competitive within a highly competitive, dynamic industry with high degree of changes in consumer preferences and technology i.e. market turbulence (Jaworski and Kohli, 1993). High turbulence is connected to high growth rate of the industry, many innovative products, intensive research and development activities and intensive proliferation of new markets. The more unstable the environment, the greater the manager’s need for, and use of, information when evaluating performance (Menon and Varadarajan, 1992; Low and Mohr, 2001). According to agency theory, most managers do what is safest for them in terms of advertising decisions (West and Prendergast, 2009), and decisions based on information should therefore be safer in high market turbulence conditions. Since managers in competing industries with high market turbulence are more likely to use information when evaluating performance (Low and Mohr, 2001), they are expected to monitor the effectiveness of various promotional and advertising activities in a systematic way. Therefore, the following hypothesis will be tested:

H₃: Managers that experience greater market turbulence use more marketing information in evaluating advertising effectiveness than managers that experience less market turbulence.

3. METHODOLOGY

Survey method applied for data collection allowed us to assess managers’ perceptions and gain insight into their evaluation of advertising effectiveness and efficiency measurement. The research instrument was adapted from existing measures in the marketing and communication literature, based on conceptual definitions of variables: for the evaluation of the use of marketing information for advertising effectiveness evaluation we applied Low and Mohr (2001), for further attitudes about measuring advertising effectiveness items from Podnar, Kitchen and Jančič (2003) were used, while market turbulence scale items (technological and customer change) were based on Jaworski and Kohli (1993). These items were extended with items suggested by eight marketing managers in a focus group, conducted in Slovenia in January 2006. The suggested items included legal and political restrictions in the industry (the extent to which government regulation inhibits the ability to expand product or customer markets), ownership consolidation and cost-cutting as a norm in

the industry. Seven-point Likert-type scale (1-completely disagree, 7-completely agree) was used for all applied variables.

A mail survey was conducted by the Institute of Marketing, Faculty of Economics, in January-February 2006, with the purpose of analyzing the specifics of marketing and marketing communications in companies in Slovenia. The survey included 2000 firms from different industries with more than ten employees. A stratified random cross-industry sample was based on company size (240 large, 760 medium and 1000 small companies). The marketing vice president, marketing director or sales manager was approached. For small companies (fewer than 50 employees), the president or owner was included. An early version of the questionnaire was administered to three academics in the fields of marketing and marketing communications. The research instrument was refined on the basis of the feedback received. The revised questionnaire was further tested with a group of marketing directors. Responses from 235 companies were received (11.8% total response rate, 24.6% for large companies, 13.3% for medium and only 7.1% for small companies). With regard to the mail administration of the survey, we consider the response from large and medium companies to be encouraging.

4. FINDINGS

The results show that the measuring of advertising effectiveness is applied only after the campaigns and not before, especially in medium and large companies (see Table 1). These companies also rely more on marketing information when they evaluate advertising effectiveness. According to the results it seems that measurement of advertising effectiveness is not fully integrated in campaign programmes and therefore managerial perceptions do not correspond the view that the measurement of advertising effectiveness would be fully integrated in campaign programmes/planning (H_1). Regarding specific forms of measuring advertising accountability and effectiveness the results show that the majority of companies connect measurement of advertising effects with sales increases and significantly less with marketing communication indicators. Financial indicators are in manager's views on average more important than communication indicators. Again, contrary to our hypothesis (H_2), managerial perceptions do not correspond to the view that measurement of sales results should not be the primary objective of marketing communication. This is a sign of a short-term orientation in managers' advertising strategy, while preference for communication effects would be more in line with a long-term orientation in advertising strategy. When comparing companies of different sizes, the differences are not significant except for reliance on marketing information for the evaluation of advertising effectiveness (higher for large companies than for small companies). Among companies of different sizes there were no significant differences about indicators used for measuring advertising effectiveness or understanding of method development for measuring advertising effectiveness.

Table 1: Attitudes on advertising effectiveness in companies of different sizes

		Mean	Std. Dev.	Std. Err.
We regularly measure advertising effects before the campaign.	Large c.	2.74	1.377	.236
	Medium c.	3.39	1.922	.300
	Small c.	2.48	1.377	.287
	Total	2.95	1.658	.168
We regularly measure advertising effects after the campaign is rolled-out.	Large c.	4.56	1.599	.274
	Medium c.	4.51	1.976	.309
	Small c.	3.83	1.875	.391
	Total	4.37	1.835	.185
We heavily rely on marketing information when evaluating advertising effectiveness.	Large c.	4.78	1.211	.214
	Medium c.	4.64	1.423	.228
	Small c.	3.73	1.667	.355
	Total	4.47	1.464	.152
We measure advertising effectiveness through increased sales.	Large c.	5.47	1.710	.293
	Medium c.	5.12	1.308	.204
	Small c.	5.13	1.632	.340
	Total	5.24	1.527	.154
We measure advertising effectiveness with recall, recognition, preference or other communication indicators.	Large c.	4.65	1.631	.280
	Medium c.	3.98	1.981	.313
	Small c.	3.83	1.696	.354
	Total	4.18	1.814	.184
We measure advertising effectiveness with increased revenues, profit or other financial indicators.	Large c.	4.82	1.914	.328
	Medium c.	4.98	1.423	.225
	Small c.	4.77	1.541	.329
	Total	4.88	1.624	.166

Scale: 1=completely disagree, 7=completely agree, N=235.

Core market turbulence was measured with 12 items covering technological change, customer change and issues suggested by marketing managers. A factor analysis was used for data reduction and summarization as our concern was to identify the two underlying dimensions. For this purpose, a common factor analysis with principal axis factoring was applied. Data was analyzed with SPSS 17.0. The factors were rotated (using Oblimin rotation and Kaiser Normalization). Kaiser-Meyer-Olkin Measure

of Sampling Adequacy was above 0.80 and acceptable. Variables that correlated highly with more than one factor were excluded from further analysis; leaving 8 variables in the analysis (see Table 2). The obtained factors can be interpreted as follows: 1. Technological/customer change (explains 21% of the variance); 2. Legal/political change (8% of the variance). In all, the two factors explain 29% of core market turbulence for the sample of companies.

Table 2: Core market turbulence

	Factor	
	1	2
Technology in our core market substantially changed in the last 3 years.	.562	
Annual growth of total sales in the last 3 years is very high.	.473	
Our industry is very RandD active.	.490	
Customer preferences and expectations in our industry often change.	.552	
Our industry is very export active.	.572	
Our industry is legally and politically very restrictive.		.533
Consolidation of the ownership is strong in our industry.		.494
Cost cutting is almost a norm in our industry.		.434

Extraction Method: Principal Axis Factoring.
 Rotation Method: Oblimin with Kaiser Normalization.

Since the overall level of perceived market turbulence cannot be explained in absolute terms, companies were divided into two groups, based on their responses about core market turbulence: companies with lower market turbulence (55% of the sample) and companies with higher market turbulence (45% of the sample). More companies in the sample that experience higher market turbulence measure effectiveness of advertising (41.2% of such companies) compared to companies that experience lower market turbulence (32.7% of such companies).

When comparing results for companies with different level of market turbulence (H_3) we found significant differences (see Table 3): companies with higher level of market turbulence more often measure advertising effectiveness after the campaign, more heavily rely on marketing information and apply sales indicators, financial indicators as well as marketing communication indicators when evaluating advertising effectiveness, compared to the companies with lower levels of market turbulence.

5. DISCUSSION AND CONCLUSIONS

The focus of this paper is to examine managers' evaluation of advertising effectiveness in the context of more or less turbulent market environment. By focusing on managers' attitudes and reported behaviour, a greater understanding of the factors that enhance usage of marketing information for advertising effectiveness evaluation was established. It is important to note that some, mainly behavioural, forms of measuring advertising effectiveness are present in most companies, even in small ones. What is worrying the most is the fact that these measurements are often simplified by measurements of sales increases or financial results only, without considering communication effects on advertising which would, of course, require additional costs and research to be determined. Since the primary objectives of marketing communications should not be sales results, the dominant approach to measure advertising effectiveness should necessarily include measurement of communication effects.

However, research showed that the measurement of advertising effectiveness is not fully integrated in the campaign programme/planning in order to avoid costly mistakes. Also, the dominance of sales results in advertising effectiveness measurement might be a sign of a short-term orientation in the advertising strategy. The research further shows that there are differences between perceptions and reported behaviour among managers with different level of perceived market turbulence. It seems that managers under market pressure indeed more systematically

monitor the effectiveness of advertising compared to their less pressed colleagues. Higher usage of marketing information is a good sign for turbulent times, which the global markets are entering nowadays. On the other hand, the dominance of measurement of advertising effectiveness through increased sales for companies with higher level of market turbulence shows the importance of a short-term advertising strategy orientation. Such a view can be in our opinion far from the ideal in the peak of the economy and especially hard to overcome in

Table 3: Comparing advertising effectiveness measurement in companies according to the level of market turbulence they experience

		Market turbulence		Levene test of var. equality		Two sample T-test:		
		Low	High	F	Sig.	T	d.f.	Sig.
We regularly measure advertising effects after the campaign is rolled-out.	Mean	3.70	5.21	6.45	0.01	-4.24	70.43	0.00
	Std. Dev.	1.88	1.24					
	Std. Error of Mean	0.29	0.20					
We heavily rely on marketing information when evaluating advertising effectiveness.	Mean	3.86	4.99	3.52	0.06	-3.31	72	0.00
	Std. Dev.	1.59	1.28					
	SE of Mean	0.25	0.22					
We measure advertising effectiveness through increased sales.	Mean	4.96	5.7	1.98	0.16	-2.23	76	0.03
	Std. Dev.	1.67	1.21					
	Std. Error of Mean	0.26	0.2					
We measure advertising effectiveness with recall, recognition, preference or other communication indicators.	Mean	3.81	4.64	8.05	0.01	-2.12	74.04	0.04
	Std. Dev.	1.96	1.48					
	Std. Error of Mean	0.31	0.25					
We measure advertising effectiveness with increased revenues, profit or other financial indicators.	Mean	4.66	5.4	4.27	0.04	-2.13	72.90	0.04
	Std. Dev.	1.72	1.34					
	Std. Error of Mean	0.27	0.22					

Scale: 1=completely disagree, 7=completely agree, N=235.

the times of recession. One of the limitations of the present study is that data refers to the period before the recession. However, a more recent survey among marketers in the recession period (DMS, 2009) consistently reports that the majority of advertisers reduced marketing budgets and implemented structural changes in marketing spending where budgets for marketing research and advertising were reduced. Although the DMS (2009) study does not report specifically on measurement of advertising effectiveness, it is expected that under conditions of reduced research budgets this measurement would be hard to implement and it is unlikely that behaviour regarding advertising effectiveness measurement would improve significantly.

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