

## **Investigation of the Effectiveness of Advertisement Campaigns (Case Study: Goldiran Company)**

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### **ABSTRACT**

The present research aims to investigate the influence of effectiveness of advertisement campaigns of Goldiran Company regarding mobile phone and LG Tablets sales. Different models have been provided by researchers for evaluation of effectiveness of advertisement campaigns. DAGMAR framework was used in the present research. In terms of goal, the present research is an applied study and in terms of methodology, it is a descriptive survey. The statistical population of the research included all potential purchasers of mobile phone and tablet in Tehran City. Questionnaire was used for data gathering. 300 questionnaires were distributed and 273 complete questionnaires were returned. The results showed that Goldiran Company advertisement campaign was effective on dimensions like customer awareness, customer perception and customer convincement. However, the campaign did not influence on customers' action (purchase).

**KEYWORDS:** advertisement campaign, DAGMAR model, effectiveness, Goldiran Company, LG

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### **INTRODUCTION**

The present era is the age of rapid and unpredictable changes and companies are confronted with difficult and unprecedented competition conditions due to factors like unclear borders of markets, markets fragmentation, short lifecycle of products, rapid changes in customers' purchase behaviors and awareness of customers (Rahnama et al, 2012). Today, considering fierce competition among companies and rapid development of markets, advertisement is considered as an important instrument in awareness of consumers. Billions of dollars are spent on advertisement every year. Therefore, it seems necessary to evaluate the effectiveness of advertisement costs. The present research aims to investigate the effectiveness of Goldiran Company (agent of LG company in Iran) advertisement campaign in Iran. One of the indices for success measurement in any organization is the level to which organizational targets are fulfilled. This is referred to as effectiveness in management literature. In fact, effectiveness means the level to which organizational goals are fulfilled. The important point in determination of effectiveness of any organization is that goals which are defined for the organization should be capable of being compared with the results. One of the preconditions for this issue is that the goals should be measurable. For decades, the value of a company was measured based on its properties, tangible assets, factories and equipment. However, it is now believed that the real value of a company lies somewhere beyond that, i.e. in potential purchasers' minds (Heidarzadeh et al, 2011). In order to measure the effectiveness of advertisement, some goals should be defined for advertisement in the first stage. There are different models for advertisement planning. We used AIDA model for investigation of effectiveness of advertisement campaign in Goldiran Company. Most advertisement activities follow some targets but what differentiates a good advertisement plan from a bad one is the quality of the targets. An advertisement plan should evaluate communication and sales results and check if the advertisement was able to establish relationship with addressees or not? Unfortunately, effectiveness of advertisement campaigns has received small attention by companies and few companies evaluate advertisements. Maybe if advertisement effectiveness was evaluated, the level of non-technical, non-artistic and non-scientific advertisements would have been reduced and maybe we had fewer copies and production companies had more trust in advertisements. Effectiveness of advertisement campaigns is one of the important issues in advertisement area. In other words, we should specify the level to which advertisement goals have been fulfilled.

### **RESEARCH THEORETICAL LITERATURE**

Commercial advertisement has a long history and contemporary methods of advertisement and marketing is the consequence of evolution of centuries of activities of messengers, advertisement agent and businessmen. Advertisement became important for human when he started product trading. Product trade was an instrument

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for exchanging products (including vegetables and foods, clothing, appliances and so on) for needs via other people's products. Advertisement received a lot of attention by emergence of urban life and evolved gradually. Study of history of advertisement has different classifications. In one of these classifications, 6 different advertisement periods have been propounded in history of emergence of this human phenomenon (Masoudi, 1970).

### **Advertisement**

Kotler defined advertisement as a kind of present and supply of ideas, products and services from an advertisement unit, individual or institute which involves cost payment. However, an effective advertisement is one which can attract an addressee's attention and has a memorable impact and stimulates addressee's purchase behavior and awakes sentimental reception.

Advertisement means communication and introduction of a product or service via different media through receiving an amount of money for profit-making or not-for-profit institutes or individuals. Commercial advertisement is a dynamic science which takes new forms by social and political and economic changes and has special contents in different environments considering culture, customs and religions. Advertisement means conveying a message, presenting something new to others or pretending something as bad or good. It includes visual and spoken messages which are given to a society for spreading a belief or product via a resource and advertisement channels (Ibrahimi et al, 2001). In its simplest form, advertisement is a kind of public announcement. In the past, announcement was used for informing people in different forms like "chanting" in public places, "sticking public notices" in passages or "printing notices" in the press. In today's world which is called era of mass production and consumption, an important goal of advertisement is informing people about novel products and advertisement is a systematic attempt for affecting others' beliefs, attitudes or behaviors using symbols like words, points, banners, monuments, music, clothing, hair model, symbols, design of coins, stamps and things like that. Differentiating aspect between advertisement and regular conversations and free exchange of ideas is the considerable emphasis of advertisement on purposefulness and ability to influence on people. That is to say, an advertisement agent looks for a goal and starts to pick some symbols or discussion for reaching these goals and selects a way which is the most effective way. From a scientific viewpoint, advertisement refers to a collection of concepts, methods, instruments and actions which are used for presenting and publicizing benefits, advantages, disadvantages and features of objects, products, services, plans, phenomena, thoughts, attitudes and beliefs. The addressees may be organizations, social institutes and society. Therefore, advertisement is a method which seeks for fulfillment of benefits of advertisement agent in a process (and possibly addressees of advertisement). However, it is important to know that in most cases, internal aspects related to advertisement agent like activities, processes, organizational goals, competitors and so on remain concealed from addressees. Advertisement involves advertisement agent experience, scientific and financial power, planning power, goals and strategies and weaknesses. Advertisement contents include three elements: brand advertisements, subject and message advertisement, result advertisement (Khanjari, 2002). Advertisement means informing, giving a message and publicizing thoughts, information and insights within the framework of a favorable value system. In other words, advertisement is a technique for affecting human action via manipulation of his beliefs (Blurian Tehrani, 2000).

### **Place of advertisement in marketing**

In today's marketing literature, marketing refers to a wide range of research, production, distribution and service operations of a firm so that customer's satisfaction will be fulfilled. In early 1960s, Professor Germ Mac Carty proposed four factors for marketing mix (product, price, promotion and place) which is known traditionally as marketing mix (4p). 4p is any kind of action a company can do for affecting demand, although many different activities are effective in marketing mix (FarajiNia, 1997). In customers' strategy, customer's loyalty is of strategic importance for any organization. An increase in customer's loyalty is a challenging subject for managers and advisors and commentators (Haghighi et al, 2012).

### **Advertisement campaign**

An advertisement campaign is prepared and implemented by advertisement advisor or public relations of the organization (if possible) based on policies, budget, and product type and advertisement goals. This planning is conducted based on the following items:

1. advertisement budget, 2. Pre-determined timing, 3. Advertisement method  
Advertisement is not a collection of unrelated events but it is multi-faceted pre-planned advertisement activities which are related to each other with a specific goal and a specific addressee. An advertisement campaign should include the followings:

1. It must clarify advertisement goals.
2. It should specify what message and with what addressee and in what period of time and with what budget and for what is sent.

3. It should consider all elements of advertisement plan and sales promotion (advertisement in media, advertisement in sales place, sales promotion, direct written marketing, financial support, public relations and so on) as a part of an integrated marketing campaign (IMC) and use them simultaneously.
4. It should specify appropriate budget for implementation of the project.
5. Advertisement project time should be specified.
6. It should evaluate addressees' viewpoints in all stages of the program (Ashti et al, 2003).

#### **Advertising campaign goal**

Product owner holds the main responsibility for determination of goals for advertisement campaign but consulting with an advertisement company is useful in this stage. The main target of a campaign can be one of the followings (Ashti et al, 2003):

- Market share increase

The goal of advertisement for a product or service which has been presented for the first time is to introduce the new product, encourage people to buy it and substitution of similar products in order to acquire a larger share.

- Maintenance and development of market share

Advertisement is responsible for keeping and expanding market share for products which are already present in the market. For example: washing powder, soda, tissue.

- Continuing presence and reminding

Regarding a well-known product or brand, an advertisement campaign aims to continue presence and remind people of the brand like TV/SONY (although long-term goal is keeping and expanding market share).

- Introduction of new consumption habits

Encouragement of consumers to use products can be the main target of advertisement like: herbal butter, mineral water, bag tea and so on.

- Building a different place

This is used for a product with an existing name in the market but it needs to be updated so that it does not fall behind other competitors. Examples for this case include an old name for house appliances or a bank which needs to have a new position and this kind of advertisement aims to reach a new place. These are samples of general targets which are usually sought in advertisement campaigns. In special conditions like comprehensive competition between several names for a product, it might be necessary to define more exact goals, or a campaign may be affected by a temporary campaign of a competitor. An advertisement campaign may follow more than one target but these goals must be concordant and their ranks should be specified. Sensitivity of this item is sensed when formulating a creative strategy for message. We should avoid following different targets in a single advertisement message.

#### **Target audience of advertisement campaign**

Audience is the main target of a battle. In fact, all activities of an advertisement campaign are aimed at attraction of mind of the main audience. Therefore, identification of audience means finding a guide map for making a campaign successful. Identification and classification of audience of an advertisement campaign using findings of market research is done by product owner and may require consultancy with Advertisement Company. By identification of audience, we mean separation of consumer groups, election influencing groups, main purchaser and also sales agents and classification of them in terms of gender, age group, socio-cultural group (education, occupation, income and so on). An advertisement agent must make much of its facilities and improve its knowledge about advertisement and audience. As this knowledge increases, the possibility for creation of an effective plan is also increased (Ashti et al, 2003).

#### **Research conceptual model**

In order to investigate the effectiveness of campaign of "festival of LG cellphones gifts", we used DAGMAR framework. It is a conceptual model for measurement of effectiveness of advertisement campaigns. DAGMAR stands for "Defining Advertising Goals for Measured Advertising Results (DAGMAR)" and it is also known as persuasive technique. This technique is based upon a model introduced by Russell H. Colley in 1961 and convincement is the criterion for its measurement. In other words, commercial advertisements convinces consumers to buying products and services. DAGMAR model includes four stages:

Awareness: in the first stage, product commercial ads makes consumers aware of the presence of this product.

Comprehension: a consumer should understand the fact that what the product is and which of his needs are satisfied with the product after seeing the ads about the product. In other words, the consumer should understand the application of the messages.

Conviction: the third stage is that we should try to convince the consumer to buy our product. That is to say, after recognition of the advertised product, we should inspire behavioral tendency in a consumer after knowing about the product and convince him or her to buy the product.

Action: (purchase behavior): purchase behavior takes place when the consumer buys the advertised product. Considering the framework of DAGMAR framework in figure 1, research hypotheses are as follows:

DAGMAR Framework

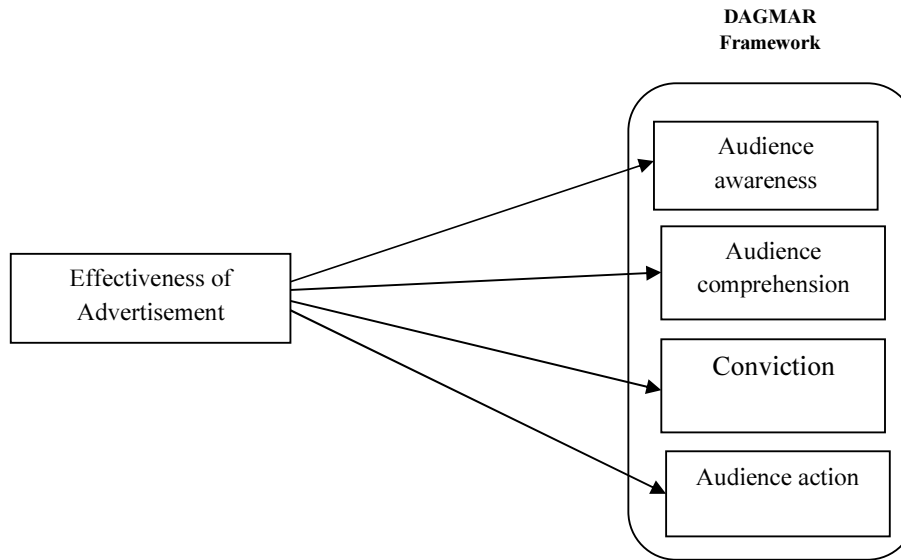


Figure 1: research model based on DAGMAR framework

- H1: Goldiran Company's advertisement campaign influenced awareness of audience.  
H2: Goldiran Company's advertisement campaign influenced comprehension of audience.  
H3: Goldiran Company's advertisement campaign influenced conviction of audience.  
H4: Goldiran Company's advertisement campaign influenced action of audience.

## RESEARCH METHODOLOGY

The present research investigates the effectiveness of advertisement campaigns conducted by Goldiran Company. In terms of goal, it is an applied study. In terms of data gathering, it is a descriptive study. Statistical population of the research included all potential purchasers of cellphones and tablets in Tehran City. In the present research, the following correlation was used for determination of sample size because the population was unlimited.

$$n = \frac{Z_{\alpha/2}^2 \times P(1 - P)}{\epsilon^2}$$

Z is standard normal probability, alpha is error level, P is success rate and E is exactness assumed by researcher (Momeni, Faal Ghayyoumi, 2007: 220). In the present research, certainty level was 95% and exactness was assumed to be equal to 6%. Considering the fact that there was no estimation for success rate, it was equal to 0.5. Therefore, the sample size will be maximized.

For sampling, three Iranian mobile phone markets and Ala-Eddin arcade-which is an important center for tablet and mobile purchase and sales- were considered. In each of the arcades, 150 questionnaires were distributed.

$$n = \frac{(1.96)^2 \times 0.5 \times 0.5}{(0.06)^2} = 267$$

### Data gathering instrument

Questionnaire was used for data gathering. 5-point Likert scale was used as measurement scale. After preparation of the questionnaire, 30 questionnaires were distributed as pretest in order to test reliability. Cronbach's alpha was used for investigation of reliability. The results showed that Cronbach's alpha for all

variables and total questionnaire were above 0.7 (the Cronbach's alpha coefficients have been summarized in table 1). On the other hand, content validity of the questionnaire was verified by experts. Therefore, the questionnaire was reliable and valid enough to be distributed among respondents.

Table 1. Cronbach's alpha coefficient

research variables	questions	Cronbach's alpha coefficient
awareness	5 questions	0.776
comprehension	4 questions	.807
conviction	3 questions	.827
action	3 questions	.713
Total questionnaire	1 to 15	.822

As it can be seen, this coefficient is greater than 0.7. Therefore, the present research has enough reliability for being distributed among respondents.

Table 2. Research demographic variables

Frequency percentage	frequency	dimensions	Variable
63.0	172	male	gender
37.0	101	female	
42.1	115	married	Marital status
57.9	158	Single	
11.4	31	20 years and lower	age
35.2	96	21-30	
26.7	73	31-40	
19.0	52	41-50	
7.7	21	51 and above	
17.9	49	high school and lower	education
16.1	44	Associate's degree	
45.1	123	bachelor	
20.9	57	master and above	
0.48	178	TV	media
0.08	31	radio	
0.26	98	Journals and newspaper	
0.27	102	Internet	
0.37	139	Street and high ways billboards	
0.26	98	message	
0.23	87	Catalog, poster and brochure	

Table 3. Kolmogrov-Smearnov test

		awareness	comprehension	conviction	Action (purchase)
N	Mean	248	255	267	268
	Std. Deviation	3.7742	3.6000	3.5231	3.0945
Most Extreme Differences	Absolute	.60120	.67783	.77327	.55660
	Positive	.100	.125	.122	.138
	Negative	.087	.125	.089	.125
Test Statistic		-.100	-.125	-.122	-.138
		.100	.125	.122	.138
Asymp. Sig. (2-tailed)		.000	.000	.000	.000

As it can be seen in the tables above, all significance numbers for research variables are smaller than 0.5. therefore, distribution of the variables are not normal and non-parametric methods should be used for testing research hypotheses.

### Hypotheses test

#### First hypothesis test

H1: Goldiran Company advertisement campaign was effective in audience awareness.

We use binomial non-parametric test for testing the hypothesis. The statistical hypothesis for the binomial test is as follows:

H0:  $p \leq 0.5$

H1:  $p > 0.5$

H0 states that mean value is smaller than or equal to 3 and H1 states that mean value is greater than 3. The results of binomial test have been summarized in table 4.

Table 4: results of binomial test for awareness dimension

		categories	Number in each category	Observed ratio	Test ratio	Significance number
awareness	Group 1	$\leq 3$	32	.13	.50	.000
	Group 2	$> 3$	216	.87		
	Total		248	1.00		

Considering table 4, the results of binomial test for awareness dimension of DAGMAR model indicate that about 87% of respondents evaluated the role of advertisement campaign of Goldiran Company in awareness of customers as greater than average (group 2). This ratio is greater than test ratio (50%). Moreover, significance number for the observed ratio was smaller than 0.05. this indicates that the observed ratio is significant. Therefore, the results of research hypothesis analysis indicate that the first hypothesis is supported. Therefore, it can be said that Goldiran Company advertisement campaign influenced audience awareness.

### Second hypothesis test

H2: Goldiran Company advertisement campaign influenced audience comprehension .

In order to investigate this hypothesis, we used binomial test. The results are summarized in table 5.

Table 5: results of binomial test for awareness comprehension

		categories	Number in each category	Observed ratio	Test ratio	Significance number
comprehension	Group 1	$\leq 3$	63	.25	.50	.000
	Group 2	$> 3$	192	.75		
	Total		255	1.00		

Considering table 5, the results of binomial test for awareness dimension of DAGMAR model indicate that about 75% of respondents evaluated the role of advertisement campaign of Goldiran Company in comprehension of customers as greater than average (group 2). This ratio is greater than test ratio (50%). Moreover, significance number for the observed ratio was smaller than 0.05. this indicates that the observed ratio is significant. Therefore, the results of research hypothesis analysis indicate that the second hypothesis is supported. Therefore, it can be said that Goldiran Company advertisement campaign influenced audience comprehension.

### Third hypothesis test

H3: Goldiran Company advertisement campaign influenced audience conviction.

In order to investigate this hypothesis, we used binomial test. The results are summarized in table 6.

Table 6: results of binomial test for awareness conviction

		categories	Number in each category	Observed ratio	Test ratio	Significance number
conviction	Group 1	$\leq 3$	75	.28	.50	.000
	Group 2	$> 3$	192	.72		
	total		267	1.00		

Considering table 6, the results of binomial test for conviction dimension of DAGMAR model indicate that about 72% of respondents evaluated the role of advertisement campaign of Goldiran Company in conviction of customers as greater than average (group 2). This ratio is greater than test ratio (50%). Moreover, significance number for the observed ratio was smaller than 0.05. this indicates that the observed ratio is significant. Therefore, the results of research hypothesis analysis indicate that the third hypothesis is supported. Therefore, it can be said that Goldiran Company advertisement campaign influenced audience conviction.

### Fourth hypothesis test

H4: Goldiran Company advertisement campaign influenced audience action (purchase) .

In order to investigate this hypothesis, we used binomial test. The results are summarized in table 7.

Table 7: results of binomial test for awareness action

		categories	Number in each category	Observed ratio	Test ratio	Significance number
action	Group 1	$\leq 3$	145	.54	.50	.199
	Group 2	$> 3$	123	.46		
	total		268	1.00		

Considering table 7, the results of binomial test for action dimension of DAGMAR model indicate that about 54% of respondents evaluated the role of advertisement campaign of Goldiran Company in action of customers as greater than average (group 2). This ratio is greater than test ratio (50%). Moreover, significance number for the observed ratio was greater than 0.05. This indicates that the observed ratio is not significant. Therefore, the results of research hypothesis analysis indicate that the fourth hypothesis is not supported. Therefore, it can be said that Goldiran Company advertisement campaign did not influence audience conviction.

### Conclusion and recommendations

The results showed that Goldiran advertisement campaign influenced 3 dimensions: awareness, comprehension and action. Therefore, we present the results of comparison of these three dimensions of DAGMAR model in demographic dimensions of the research.

The level of awareness, comprehension and conviction created by Goldiran Advertisement Campaign was equal for men and women.

Levels of comprehension and conviction created by Goldiran Company advertisement campaign was the same in single and married people. However, the campaign was more effective in single people than married people in awareness dimension.

Levels of awareness, perception and conviction were the same for all age categories.

Levels of awareness, comprehension and conviction were the same for all educational categories.

The results showed that the advertisement campaign of Goldiran was effective in three dimensions: awareness, comprehension and conviction. However, the effectiveness of campaign for the case of action was not verified. In general, it can be concluded that the advertisement campaign was successful in the field of awareness and comprehension in customers for LG products and conviction of customers. The reason for ineffectiveness of the campaign in the field of action (purchase behavior) may be as follows: since mobile and tablet are high-tech products and customers pay relatively high prices for them, they have high mental involvements when purchasing these products. Therefore, they get involved in more searching behaviors and consider different dimensions when comparing different brands. Therefore, they do not purchase only by receiving advertisements. Of course, it must be noted that Goldiran advertisement campaign was effective in creation of awareness, comprehension and conviction. This means that creation of awareness, conviction and comprehension towards a brand means being placed in awareness (Moven, Minor, 2013: 291) and it can be effective in customers' action indirectly. The following recommendations are based on research results:

- The results of the present research showed that Goldiran Company's advertisement campaign was not effective in action (purchase behavior). Therefore, it is recommended that besides preparation of advertisement plans and dealing with issues like introduction of products, awareness of customers, introduction of campaign prizes and ..., some items like introduction of specific features of a product, introduction of advantages which will be given to LG customers and key advantages of products over competitors' products should be noticed. This will convince customers to buy LG products.
- The results showed that most customers (about 48%) had become familiar with Goldiran Company campaign via TV. Therefore, advertisement agents and officials are proposed to prepare effective advertising items, plan for broadcasting ads in hours with many watchers in order to maximize TV effectiveness.
- As it was said, most respondents announced that they had become familiar with Goldiran ads via TV. Use of TV has many costs besides its advantages. Therefore, other media are recommended for advertisements.

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