

Evaluation of Advertising Media Effectiveness Used by Mehr Eghtesad Bank

Dr. Abdolreza Shahmohammadi¹, Jamshid Ghazvinian²

1- Department of Social Communication Sciences, Central Tehran Branch, Islamic Azad University, Tehran, Iran

2- Department of Social Communication Sciences, Central Tehran Branch, Islamic Azad University, Tehran, Iran

Abstract

This research aims to evaluate the effectiveness of the advertising tools employed by "Mehr Eghtesad Bank". This research, which is an applied study in terms of its objective and a descriptive survey in terms of its nature and method, has used all customers of this bank as the members of the statistical population, from which a sample was taken by two-stage cluster sampling method. Considering the statistical significance value of tests which is 30 (Sekaran 2009, 241), the size of the statistical sample of each second cluster was determined. Then, the size of the sample of each cluster was calculated based on the number of the branches in each cluster. Finally, 1,770 customers were selected to form the sample of this research. To collect data required for this research, library method, interview with marketing experts and some banking experts and managers, as well as questionnaire were employed. The results of this research show that the different advertising methods employed by Mehr Eghtesad Bank including television, radio, environmental, print, internet, and intra-branch advertising methods, have passed all levels of AIDA model. However, the last levels were weakened (that means the last two levels were not as significant as the prior two levels were). In addition, the order of priority of the advertising media affecting the purchase action of the customers is as follows: television advertising, internet advertising, environmental advertising, radio advertising, intra-branch advertising, and print advertising.

Keywords: *evaluation, effectiveness, advertising, media, bank*

Introduction

Recently, different organizations use various advertising media to introduce their goods and services and send effective messages to encourage them to purchase their products. Among these promotional activities, those advertisements are more effective that can attract more people, regain memories, and at last provoke people to purchase the intended products. The evaluation of advertising effectiveness is indeed a scientific model that is employed to assess if the objectives planned before advertisements are achieved. In an advertising plan, it is required to evaluate the communication impacts and advertising outcomes of the advertisements and find out if such advertisements were able to communicate with the audience.

1- Assistant professor

2. M.A. Student

Unfortunately, the evaluation of advertising effectiveness has not attracted attentions as it was expected, and few companies evaluate the effectiveness of their advertising activities. If advertising in Iran was evaluated in terms of its effectiveness, non-technical and inartistic advertisings would decrease and companies and organizations would place more trust in advertising. Many advertisements carried in our country (Iran) bring no profit to the company ordered the advertisement, since they have used wrong methods. By contrast, the competitors are benefited from such advertisements, and advertising companies are not aware of such a failure, as they have never evaluated the effectiveness of their advertising.

Assessment and evaluation of advertising effectiveness provides us with feedback, reveals the strength and weakness of our advertising, and the inefficiencies of such advertising is uncovered. In fact, effectiveness is the degree of achieving the objectives of the related organization. To assess the effectiveness advertising at any organization, some objectives are to be defined. Thereafter, some plans are developed and implemented to achieve these objectives.

About the research Literature, it should be said that in 2011, "A. Rabiee", "M. Mohammadian", and "B. Baradaran Jamili" conducted a research to evaluate the advertizing effectiveness of "Parsian Bank" and recognize the most important factors that increase such effectiveness in the city of Tehran. In this research, a descriptive survey was conducted using questionnaire. The research aimed to study the effectiveness of advertising of "Parsian Bank" in soliciting customers in Tehran based on passing the different levels of AIDA model. The findings of this research indicated that newspaper and television advertisements of the bank were not only successful in passing the different levels of AIDA but also demonstrated effectiveness. The comparative study of advertising effectiveness of the media indicated that, accosting to the customers, television is the most effective media in attracting customers and then, newspaper has placed in the second rank. According to the customers, the most important factor that increases the effectiveness of bank advertisements is the honesty and truth of the message. In addition, respectful and good conduct of the personnel is another important factor for attracting customers.

Television and newspaper are respectively the media, whose advertisements are more accessible and more time is spent using them. Television and radio are the media with highest quality. In that research, television and newspaper were recommended for the future promotional activities of "Parsian Bank".

In 2000, "H.R. Shamshiri", master student of Tehran University, conducted a research under the supervision of "Davar Venus" to assess the effectiveness of advertising of commercial banks and its impact on the behavioral and psychological reactions of those using bank services and provide the best solutions. The main problem of this research is to evaluate the effects of the present advertisements of the commercial banks on the behavioral and psychological reactions of the consumer groups. In fact, the main problem aims to find out that if these advertisements can communicate with the consumers of services.

In 2001, "D. Asad", master student of Tarbiat Modarres University, conducted a research under the supervision of "H. Khodad Hosseini" to study the effects of the implementation of advertising plans of "Bank Refah Kargaran" (Refah Bank) on the attraction of costumers of interest-free saving services of the bank. According to this dissertation, today's people are heavily exposed to advertisements and consequently, they pay attention only to a limited number of ads. Therefore, it is required to develop ads in a correct and logical manner for having success. To assess the effectiveness of advertising plans of "Refah Bank" in attracting customers of interest-free saving accounts, AIDA model was employed. According to this model, effective advertising is the one that can take four steps: attract the attention of the customer, raise customer interest, convince customers' desire, and lead customers towards taking action and purchasing. The hypotheses of this research are as follows: Advertising of "Refah Bank" has positive effects on attracting the attention of the customers to the awards of the interest-free saving accounts. Advertising has positive effects on attracting attentions to the awards of the interest-free saving accounts of "Refah Bank". Advertising of "Refah bank" has a positive effect on the desire (positive trend) of people to the awards of the interest-free saving accounts of "Refah Bank". Finally, advertising of "Refah Bank" has a positive effect on attracting customers to open interest-free saving accounts. The first, second, and third hypotheses, study the communicative effects of advertising and the fourth one surveys sales impact. For the purpose of this research, a sample was taken from 207 customers of 22 branches of "Refah Bank" in the city of Tehran. The results obtained from the analysis of data indicated that advertisements of "Refah Bank" were successful in terms of its communicative effects and however unsuccessful in selling services.

In 2000, "Marjan Forouzandeh", Master student of Mazandaran University of Science and Technology, prepared her dissertation under the supervision of "Mohammad Haghghi" about the study of the effects of advertising on the increase of deposits of the commercial banks of Tehran Province. This research has three hypotheses that were studied in five chapters. First hypothesis: implementation of advertising plans increases the use of ATM and telephone banking services. Second hypothesis: Advertising of commercial banks has increased their long-term investment deposit. Third hypothesis: Advertising of commercial banks has increase short-term deposits. It must be noted that the statistical population of this research consists of the managers of the different branches of "Bank Melli", "Bank Sepah", and "Bank Saderat". The results indicated that advertising has effects on the demands of people for using the services of ATM and telephone bank. Advertising of commercial banks has increased in the long-term investment deposits and short-term deposits.

In the following, the researcher has provided foreign researches. "Shwu-Ing Wu" (2001) studied the relationship between consumer involvement and advertising effectiveness. The results of this research showed that the level of customer involvement in a product category is the most important variable in advertising strategies, since high level of consumer involvement leads to the high advertising effectiveness. In this research, customer involvement was used for the segmentation of market and consequently study of the relation between advertising effectiveness and consumer involvement. To

determine consumer understanding, a focus group was formed and based on the results, a questionnaire was prepared and distributed randomly among 500 consumers.

"Ronald", "Goldsmith" and "Lafferty" (2002) studied the response of consumers to websites and their effects on advertising effectiveness. They provided in their research four hypotheses on the effects of websites on the internet advertising. For this purpose, a sample consisting of 500 bachelor's students was taken and the members of the sample were asked to remember the marks that they saw in these sites. Based on the results, advantages and disadvantages of the internet advertising were studied. Finally, it was concluded that the consumers are more interested in the advertising in television and magazines. In addition, the results showed that complex images used in internet advertising are suitable for companies.

"Spake" and "Joseph" (2007) studied the customer attitudes to direct-to-consumer advertising effectiveness. This research was conducted on pharmaceutical advertising. The findings of this research showed that the information provided in drug advertisements is insufficient. Although many people were exposed to such advertisements and advertising was considered effective and suitable for the improvement of their pharmaceutical knowledge, they did not accept advertising as a driving factor and motivation for the drugs consumption, and preferred physician's prescriptions.

"Mortimer" (2008) identified the effective factors in the effectiveness of service advertisements. For this purpose, a sample of the advertisements that were recognized as successful was studied. The advertisements were analyzed with reference to two parts of discussion, that is, rational and emotional appeals, and three executional tools including 1) physical representation, 2) documentations, 3) showing the service provider. The research method is a combination of case study and content analysis of effective advertisements. The results show that emotional appeals are more used for effective advertising and showing the suitability of the services provided. In addition, physical representation and instances of service provider are used. However, the level of documentation in all advertisements is low.

"Patsioura" *et al* provided a new advertising effectiveness model for the advertising websites of large companies with a relationship marketing approach in order to provide a conceptual framework for the evaluation of the total effectiveness of such advertising websites of large companies and organizations and study communication, feedback, and customer support policies and identify their share in advertising effectiveness. In this research, 160 undergraduate and postgraduate students of informatics were asked to give their opinions. The results of this research showed that considerable dimensions of participants' behavior are based on their actions, activities, preferences, and intentions. In addition, the research showed that the quality of relationship marketing has a significant impact on the indices of effectiveness advertising.

Methodology

Scientific research is classified on two bases of objective and data collection method. Those classified based on objective are basic, applied, and practical researches (Hafeznia

2003, 50). This research uses applied method in terms of its objective since its results can be applied. Based on the nature and method, this research is of descriptive-survey type. The population of the research consists of all customers of "Mehr Eghtesad Bank" (M.E. Bank), who were benefited from the different services of this bank. To take a sample, a two-stage cluster sampling method was employed. At first, the clusters of research including the centers of 13 provinces were selected based on the systematic random method. The provinces include Tehran, Isfahan, Fars, Qom, Semnan, Guilan, East Azerbaijan, Khorasan Razavi, Hormozgan, Sistan and Baluchistan, Khuzestan, Kermanshah, and South Khorasan. From the first clusters, the branches of each center were selected based on simple random method as the samples of the second cluster. The size of the statistical sample of each second cluster was determined based on the statistical significance value of each test, which is equal to 30 (Sekaran 2009, 241). The size of the sample in each cluster was determined based on the number of the branches, and finally, 1,770 customers were selected as the members of the sample. To collect data required for this research, library method, interview with marketing experts and some banking experts and managers, as well as questionnaire were employed.

Results and Discussions

- 1- The findings of this research showed that there is a significant relation between television advertising of "Mehr Eghtesad Bank" and customer's purchase action. This relation calculated by "Pearson" correlation coefficient test which is about 0.874. That means there is a direct relation between television advertising and purchase customers. In other words, these two variables change congruently and increase in television advertising increases customer's purchase action.
- 2- The findings of this research showed that there is a significant relation between radio advertising of "Mehr Eghtesad Bank" and customer's purchase action. This relation calculated by "Spearman" correlation coefficient test which is equal to 0.761. That means there is a significant direct relation between radio advertising and customers' purchase. In other words, these two variables change congruently and increase in radio advertising increases the purchase action of the customers.
- 3- The findings of this research showed that there is a significant relation between environmental advertising and purchase action of the customers of "Mehr Eghtesad Bank". This relation calculated by "Spearman" correlation coefficient test which is equal to 0.805. That means there is a significant direct relation between environmental advertising and customer's purchase action. In other words, these two variables change congruently and increase in environmental advertising increases the purchase action of the customers.

- 4- The findings of this research showed that there is a significant relation between print advertising of "Mehr Eghtesad Bank" and customer's purchase action. This relation calculated by "Spearman" correlation coefficient test which is equal to 0.721. That means there is a direct relation between print advertising and customer's purchase action. In other words, these two variables change congruently and increase in print advertising increases the purchase action of the customers.
- 5- The findings of this research showed that there is a significant relation between internet advertising of "Mehr Eghtesad Bank" and purchase action of the customers. This relation calculated by "Spearman" correlation coefficient test which is equal to 0.856. That means there is a significant direct relation between environmental advertising and customer's purchase action. In other words, these two variables change congruently and increase in internet advertising increases the purchase action of the customers.
- 6- The findings of this research showed that there is a significant relation between intra-branch advertising of "Mehr Eghtesad Bank" and customer's purchase action. This relation calculated by "Spearman" correlation coefficient test is equal to 0.743. That means a significant relation between intra-branch advertising of M.E. Bank and customer's purchase action. This correlation coefficient indicates a significant relation between these two variables.
- 7- The findings of this research indicated that different types of advertising of "Mehr Eghtesad Bank" have their own priority in terms of affecting purchase action of customers. That means these types of advertising have different effects on the purchase action of the customers of M.E. Bank. Therefore, "Friedman" test was employed to determine the ranks of each factor (the priority of factors). The results have been provided in the following tables.

The Priority of Advertising Effectiveness of M.E. Bank in Customer's purchase action

	Ranks	
	Advertising Types	Mean Rank
Priority 1	Television Advertising	۷.۹۰
Priority 2	Internet Advertising	۶.۷۸
Priority 3	Environmental Advertising	۶.۰۰
Priority 4	Radio Advertising	۰.۹۴
Priority 5	Intra-branch Advertising	۰.۶۱
Priority 6	Print Advertising	۴.۹۳

The above table shows that the order of priority of advertising media is as follows: television advertising, internet advertising, environmental advertising, radio advertising, intra-branch advertising, and then print advertising.

- 8- Considering the studies and analyses and taking into account the "Pearson" correlation coefficient equal to 0.803, there is a significant relation between the different advertising media of "Mehr Eghtesad Bank" and customer attention. That is a significant direct relation. In other words, these two variables change congruently and any increase in these advertising media would increase the attention of the customers of M.E. Bank.
- 9- The findings of the research showed that there is a significant relation between the different advertising media of "Mehr Eghtesad Bank" and customer interest. The value of this relation calculated by "Pearson correlation coefficient" test is equal to 0.744. That is a significant direct relation. In other words, these two variables change congruently and any increase in the types of advertising media would increase the interest of customers.
- 10- The findings of the research showed that there is a significant relation between the different advertising media of "Mehr Eghtesad Bank" and customer desire. The value of this relation calculated by "Pearson correlation coefficient" test is equal to 0.625. That is an acceptable direct relation. In other words, these two variables change congruently and any increase in the types of advertising media would increase the desire of customers. However, this relation is not as significant as the two other levels of AIDA namely "attention" and "interest".
- 11- The findings of the research showed that there is a significant relationship between the different advertising media of "Mehr Eghtesad Bank" and customer purchase action. The value of this relation calculated by "Pearson correlation coefficient" test is equal to 0.611. That is an acceptable direct relation. In other words, these two variables change congruently and any increase in the types of advertising media increases the purchase action of customers. However, this relation is less significant than the other three levels of AIDA, namely "attention", "interest" and "desire".
- 12- The findings of the research (results of Friedman test) showed that advertising effectiveness of "Mehr Eghtesad Bank" is not equal in each level of AIDA model. To determine the rank of advertising effectiveness of each level of AIDA model, "Friedman" test was conducted. The results have been provided in the following tables.

13-

	Ranks	
	Levels of AIDA MODEL	Mean Rank
Advertising Effectiveness of M.E. Bank	Attention	۷.۰۶۴
Advertising Effectiveness of M.E. Bank	Interest	۶.۲۲۱
Advertising Effectiveness of M.E. Bank	Desire	۵.۲۳۰
Advertising Effectiveness of M.E. Bank	Action	۴.۵۶۸

The upward trend of mean ranks showed the priority of the effectiveness of advertising media used by "Mehr Eghtesad Bank" in each AIDA levels (Hackley 2005, 12).

14- The findings of this research showed that there is a significant difference between the different types of advertising media in sense of customers' attention. Considering the means, ANOVA was used to test the hypothesis. Taking into account the significant difference between the means, correlation coefficient test was employed for the ranking of media. The results have been provided in the following table:

	Attention
Print Advertising	0.812
Internet Advertising	0.780
Television Advertising	0.744
Environmental Advertising	0.610
Intra-branch Advertising	0.601
Radio Advertising	0.514

15- The findings and ANOVA analysis showed that there is a significant difference between the different types of advertising media used by M.E. Bank to make the customers interested. To rank the different advertising media of "Mehr Eghtesad Bank", "Friedman" test was employed. The order of priority of each advertising medium that were effective in creating interest in customers has been shown.

	Interest
Television Advertising	0.854
Intra-branch Advertising	0.742
Print Advertising	0.641
Radio Advertising	0.602
Internet Advertising	0.519
Environmental Advertising	0.517

As shown in the above table, television advertising is the most effective type of advertising in making interest as mentioned in AIDA model. By contrast, environmental advertising is the least effective one. Considering the previous researches, this result has been expected. The attraction of this medium is because of its audio-visual system.

- 16- Considering the results, there is a significant difference between the different types of advertising media used by "Mehr Eghtesad Bank" to create the desire of purchase in the customers. The following table showed the order of priority in the advertising media that create desire of purchase in the customers.

	Desire
Intra-branch Advertising	0.856
Environmental Advertising	0.820
Internet Advertising	0.746
Radio Advertising	0.650
Television Advertising	0.619
Print Advertising	0.591

As shown in the above table, intra-branch advertising is the most effective advertising media that creates desire of purchasing services in the customers.

- 17- The findings also show that there is a significant different between the different types of advertising media used by "Mehr Eghtesad Bank" to make the customers convince to take action for purchase (ANOVA). As shown in the following table, television advertising is the most effective and environmental advertising the least effective types of advertising that makes the customers to take actions to purchase services.

	Desire
Intra-branch Advertising	0.901
Environmental Advertising	0.750
Internet Advertising	0.687
Radio Advertising	0.650
Television Advertising	0.632
Print Advertising	0.578

18- According to the findings of the previous sections, "Pearson correlation coefficients" have been summarized in the following table showing the effectiveness of each advertising type of "Mehr Eghtesad Bank" classified in terms of the levels of AIDA including "attention", "interest", "desire", and "action".

19-

	Attention	Interest	Desire	Action
Television Advertising	0.744	0.854	0.619	0.901
Radio Advertising	0.514	0.602	0.650	0.632
Environmental Advertising	0.610	0.517	0.820	0.578
Print Advertising	0.812	0.641	0.519	0.650
Internet Advertising	0.780	0.519	0.746	0.687
Intra-branch Advertising	0.601	0.742	0.856	0.750

20- The different advertising types of "Mehr Eghtesad Bank" that were implemented using different media have passed the different process levels of AIDA model. In the following, these levels have been summarized.

21-

The Effectiveness of the Advertising of M.E. Bank (based on the Levels of AIDA model)	
Attention	0.803
Interest	0.744
Desire	0.625
Action	0.611

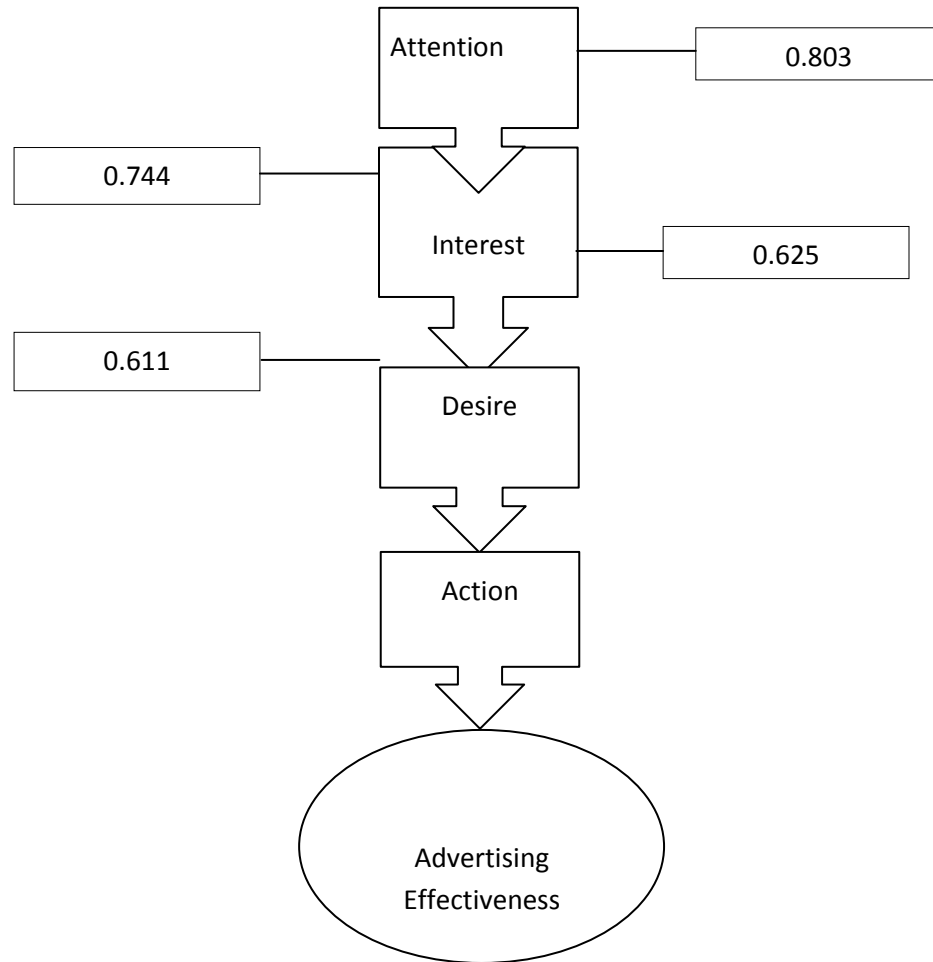
Considering the results of T-test, it has been revealed that the different advertising types implemented by M.E. Bank using different media have passed all process levels of AIDA model.

Conclusion

Today's people are highly exposed to advertising and thus, they pay attention only to a limited number of advertisements. Therefore, advertising is to be correctly designed and implemented in order to be successful. Among advertising media including newspapers, banners, brochures, etc, television is the most effective one that covers many people, have distinguished influence over families, and plays an important role in advertising. According to this fact, banks, as the largest financial and monetary institutes, should pay enough attention to advertising and use it as an importantly effective factor to attract customers. The studies conducted in this research showed that most people were

introduced to "Mehr Eghtesad Bank" through their friends and relatives. However, they were introduced to the services of this bank through advertisements.

Considering the main objective of this research and its results showing that these advertising activities have passed the levels of AIDA model, and additionally, the importance of the effectiveness of advertising, the results of the effectiveness of the advertising of M.E. Bank in achieving the different levels of AIDA model has been shown in the following diagram:



As shown in the advertising evaluation models including the hierarchical "Lavidge" and "Steiner" Model (Lavidge *et al* 1961, 32) and AIDA model used in this research, the advertising activities of Mehr Eghtesad Bank have obtained the following scores in the four levels of AIDA model.

- 1- Attention: 0.803
- 2- Interest: 0.744
- 3- Desire: 0.625

4- Action: 0.611

Although the advertising of Mehr Eghtesad Bank has been able to pass all levels of AIDA model, the two lower levels of this model, desire and action, weakened significantly. Therefore, it is required to take actions accordingly. As shown in the above tables, intra-branch advertising plays a great role and therefore, this issue must receive more attention.

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