

# **Are the billboards effective in Yerevan?**

**Hovhannes Minasyan**

American University of Armenia

Research Methods Section B

Maria Titizyan

09.12.2016

## **Abstract**

“Doing business without advertising is like winking at a girl in the dark. You know what you are doing but nobody else does.”

— Stuart Henderson Britt, Marketing Management and Administrative Action

Companies spend thousands of dollars every month to place their advertising on these billboards. Usually they do not get return of investments, because the excessive amount of billboards makes the companies that advertise work on quantity not quality. Of course, if one uses half of the billboards of Yerevan, they will achieve their result, because the billboards that are positioned effectively will give a result and those which are positioned in a wrong place, will be a waste of money. To help marketing companies and businesses to make competent decisions, a research will be conducted. Answering the proposed research question will help advertisers and advertising agencies to optimize their work. People who seek means of advertising and cannot choose a proper tool will have a better understanding of the effectiveness of outdoor advertising. The research serves as a teaching material to marketing or advertising companies to learn more about the selection of advertising channels creation of a good message and to plan their media marketing campaigns accordingly. The marketing and advertising industry is rapidly moving itself into the internet and digitalizing the practice. It is vital to understand which traditional marketing and advertising channels are relevant nowadays to the advertisers and marketing professionals. Some practitioners consider some usual channels irrelevant and that those do not possess any common sense due to the fact that the internet industry and technology are developing very fast and it is easier to reach the potential audiences there. Thus the research aims

to develop an answer to the question whether billboard advertising is still admissible in the industry of marketing, advertising and public relations.

## **Literature Review**

### **Criteria for good billboard advertising**

Nowadays, a lot of companies complain that they spend tons of money on advertising using various channels of media mix and do not get a result. It is very logical that ineffective advertising will not give a good outcome, such as a better recognition of a brand, conversion into an increase of sales, etc. Mariam Harutyunyan, the founder of G Marketing, is an expert in marketing and advertising, who deals with all kinds of clients on a daily basis. She provided an example of an Armenian company that spent 1 000 000 AMD on a 30-second radio advertising spot and did not have positive results because an optimal and effective length of a radio advertising is 10-20 seconds. The abovementioned example was aimed to illustrate the ineffectiveness of incorrect advertising in general.

Talking about billboard advertising, just like any other type of media mix, an outdoor advertising should follow some minimum criteria to be considered a good one. Taylor and Franke in their work have presented why companies use billboard advertising, as well as, talk about the factors that the advertisers and marketing specialists should use while dealing with outdoor advertising. **Such factors include spatial positioning, amount of words and phrases used on a billboard, its availability throughout the day (i.e. the billboard may not have to light, so it will be invisible at night), exposure to civilians who regularly pass by the affected area, size and creativity of the message, distance of the advertising from the selling point, etc.** “Companies use

billboards because they provide high visibility to the target audience; they are easily seen, make a strong impression and are visible 24 hours a day.” (Taylor & Franke, 2006)

Naveen Donthu and Mukesh Bhargava also argued about what are the factors that make an outdoor advertising effective. Thus, they conducted research to find out the criteria of good billboard advertising. Particularly, the researchers measured the influence of location, positioning, colorfulness, the wordiness of the message, etc. They interviewed 142 adult people if they can recall certain billboard advertising with and without help. The researchers came to a conclusion that “All of the advertisement-related independent variables were significantly related to the recall of advertisements. Recall of outdoor advertisements was influenced by its location, position, color, and a number of words. However, among the respondent-related independent variables, only attention to billboards and attitude toward advertising were significantly related to unaided and aided recall. Product involvement was not significantly related to the unaided recall of advertising” (Donthu & Bhargava).

Once again, in a study called “Improving the Effectiveness of Outdoor Advertising: Lessons from a study of 282 campaigns” Naveen Donthu and Mukesh Bhargava argue about the criteria of good outdoor advertising. Based on over 13 years of research and 282 outdoor advertising campaigns the authors once again prove the reader that the design, the message, the spatial placement of the billboard, the price of the product, the brand recognition, etc. affect the recall of advertising. According to research on average, the percentage of the recall was 33% which is almost the same as in television advertising (Stewart & Furse).

The abovementioned material will serve as a firm foundation for defining what good billboard advertising should be like. The studies will serve as criteria to understand what the marketers and advertisers should do, in order to come up with an effective advertising. Thus,

understanding the last, I can exclude the examples of bad billboard advertising while studying the use and effectiveness of the billboards and trying to answer the question regarding the optimal amount of billboards in Armenia.

### **Advertising effectiveness**

What are the main differences between effects of advertising and effectiveness of advertising? Having many parallels and similarities, the differences between two are evident. The effectiveness of advertising is much more related to the contribution made by the company and brand. For it to be considered relative, it should exceed its costs by benefits it brings. The necessary condition for effectiveness is time, and mostly it impacts on human feelings, attitudes, and behaviors (Lucas & Britt).

Now that we understand the major factors and the criteria that an outdoor advertising should follow we can start measuring how effective billboards are. Here doctors Mukesh and Bhargava provide us with insight. These researchers conducted experiments to understand if the billboards can increase sales after an advertising campaign. They conducted two field studies first of which was aimed at studying the effectiveness of billboards depending on their positioning, their message, images and colors used, etc. The billboards were made in accordance with their previous study which was aimed to provide marketing managers and advertisers with some criteria to make a perfect billboard. Their second experiment was aimed at measuring the advertising effectiveness of the same billboards as in the first experiment, however, in this case, they were accompanied by other components of media mix and were a tool of a marketing plan. The first study of the researchers showed an immediate increase in the sales of the company, however, as mentioned before they were highly dependent on their location, quality of the message and other factors discussed before. The second study, however, the billboards proved

themselves to be more effective as a part of a marketing plan, in cooperation with other media vehicles.

Return of Investments is one of the most important things to take into account when planning a media campaign. Any company wants to return the money it spends on advertising. Although according to Lucas and Britt measuring a billboard advertising is a long term wish, authors also agree that the measurement of advertising is a very difficult but a possible thing. For example, if the advertising campaign is done by billboards only if the campaign is giving successful results, this means that the billboards work. However, if the marketing campaign is done through various media channels, another technique is used to measure whether the billboard is working or not. Thus, if presumably there is a contact number indicated for the advertising campaign, a different one is written on the billboards. Therefore, counting the calls on the phone number helps us understand the conversion and the effectiveness of the billboard.

Psychology in marketing and advertising plays a vital role. Similarly, the targeting, the quality of the message, the design, the product and other factors influence the quality of advertising.

I don't know who you are.

I don't know your company.

I don't know your company's product.

I don't know what your company stands for.

I don't know your company's customers.

I don't know your company's record.

I don't know your company's reputation.

Now-what was it you wanted to sell me? (D. Wells).

The researchers King and Tinkham placed interviewed around 1015 people and asked, whether they know who the fifth and the thirtieth presidents of the USA were. James Monroe and Calvin Coolidge are the answers to the interview questions, respectively. Soon, a billboard was placed in the city which stated the following: “Calvin Coolidge was the 30<sup>th</sup> president of the United States.” The board was visible to civilians for four weeks. After those four weeks, the interviewed people were asked the same questions again. As expected there was an increase in the number of correct answers regarding the thirtieth president of the United States of America.

A study called Arbitron 2009 (Bouvard & Noel) shows the significance of the outdoor advertising by measuring its effectiveness with the most common measurement unit for ads in general: the outreach. At the same time, if we compare the outdoor ads with the other, they have a privilege over other means of communications. The outdoor media is cost efficient in comparison with its counterparts. At the same time according to the study, the most of the target of the outdoor ads are the young demographics: young adults and teenagers. Regarding target, this demographic is the most vulnerable and essential unit for the producers of the shopping products. Also the fact of the practicality of the outdoor advertising in terms of outreach and simplicity of the message puts the outdoor advertisement ahead of other means of communication and advertisement.

### **Measuring advertising effectiveness**

Almost everything in this world can be measured. Advertising effectiveness is not an exclusion from this. As we all very well know advertising is not for free. But how do companies decide

what price they should put on the advertising spot or channel they are selling and how do advertisers measure whether their investment was worthy or not. Gross rating point (GRP) is a general term used in marketing and advertising to measure the popularity of the billboard and have an imagination regarding its effectiveness. Gross rating point is calculated by a simple formula:  $GRP = \text{Reach (\% of audience reached)} \times \text{Frequency (number of ad impressions)}$ . In other words, to understand how effective an ad can be we look at the number of the people who saw the ad and multiply it with the number of times a person saw that particular billboard. As to the issue how to know how many people will see the ad there is a term called Opportunity To See (OTS) which indicates the amount of times a person can see the ad.

Obviously, the GRP can differ from place to place as the traffic of pedestrians and cars varies in different regions of a city or a country.

### **Research Statement**

R/Q Are the billboards effective in Yerevan?

### **Methodology**

#### **Observations**

One of the most important variables in measuring advertising effectiveness is its spatial placement. Obviously, if a billboard is placed in a desert, the likelihood of its visibility is very low. On the contrary, placing an outdoor advertising in the downtown of a megalopolis increases the chance of its visibility and there the chances of accomplishing its mission ( an increase of brand image recognition, a public service announcement, some information delivery, advertising of a product, sales, etc.). The position of a billboard can play a vital role in the targeting of the advertising campaign as well. Usually, the elite and the richer part of the population lives in the



downtown, rather than in the suburban parts of the city. Thus, placing an outdoor advertising of luxury watches in the suburbs of the city, most probably will not give the advertiser the desired results.

Several administrative districts will be observed to understand the spatial positioning of billboards. Administrative districts Shengavit, Kentron and Nor Nork, will be subjects of observation on research purposes. Administrative district Kentron is chosen as it is the downtown of the city. Districts Shengavit and Nor Nork are chosen as suburbs even though they have borders with Kentron district; they also border with regions out of the city of Yerevan. All administrative districts are densely populated and like in most of the megalopolises there are a lot of traffic jams in these districts. To have more precise information on the population, crowdedness, traffic, length of traffic jams, age, gender and social status of the civilians in the districts, observations will be conducted. The number and density of the billboard will also be recorded. After the collection of the abovementioned information, the next step is the content analysis.

## **Content Analysis**

The analysis of the content is one of the most important tools to be used in the project. Some of the most important variables for calculation of advertising effectiveness are the message, color, targeting and spatial positioning (Donthu & Bhargava). Naveen Donthu and Mukesh Bhargava in their scholarly project dedicated to advertising research discussed the experience they gained during their research. The purpose of their research was to find out what factors make people remember outdoor advertising that they see every day. After the analysis of various campaigns, they came to a conclusion that the messages the advertisement transfers, the

colors that are used in it, the design of the advertisement and other factors make people remember ads better. Even the font, the size of the font and the manner the text is written in (bold, italic, underlined, including a combination of before mentioned variations), play a role in making an advertisement a memorable one.

Taking into account all these information, a content analysis of local outdoor advertising will be conducted. The subject of the analysis will become billboards in administrative districts Kentron, Shengavit and Nor Nork. The outdoor advertising in regions above will be photographed, factors of color, shape, message, stylistic and graphic components will be analyzed to meet the good billboard advertising criteria that were come up with before. After the analysis is complete, the data will be compared with the demographics of the administrative districts to assess the targeting and understand how suitable the advertisement is to the place it is shown at.

Thus, using content analysis, bad examples of advertising will be excluded from the assessment of the effectiveness of billboard advertising.

After the data is collected, bad examples are excluded, and effectiveness is understood – an approximate optimal number of billboards can be counted.

## **Interviews**

To better understand the effectiveness a survey will be conducted among ordinary civilians of men and women aged 18-45. Listed below are the questions of the survey.

The purpose of these questions is to get a general idea what ads people remember and what attitude they have towards outdoor advertising.

- What is the last billboard advertising you remember?

- Have you ever bought something after seeing an ad on a billboard?
- Do you trust the information on the billboards?
- Do you read what is on a billboard when riding in a car or walking on the street?

This group of questions is aimed at helping us understand how attentive the pedestrians are and how certain attractive ads are. The questions will be asked on the streets next to certain billboards.

- What was on the billboard you just walked by?
- What color was the background of the ad you just walked by?

Questions about specific aspects of the ad will be asked. Examples of such questions are:

- Was there anything on the top right corner of the ad?
- What was written in the middle of the ad?

Such questions will give us a general understanding of the quality and effectiveness of outdoor advertising in Yerevan.

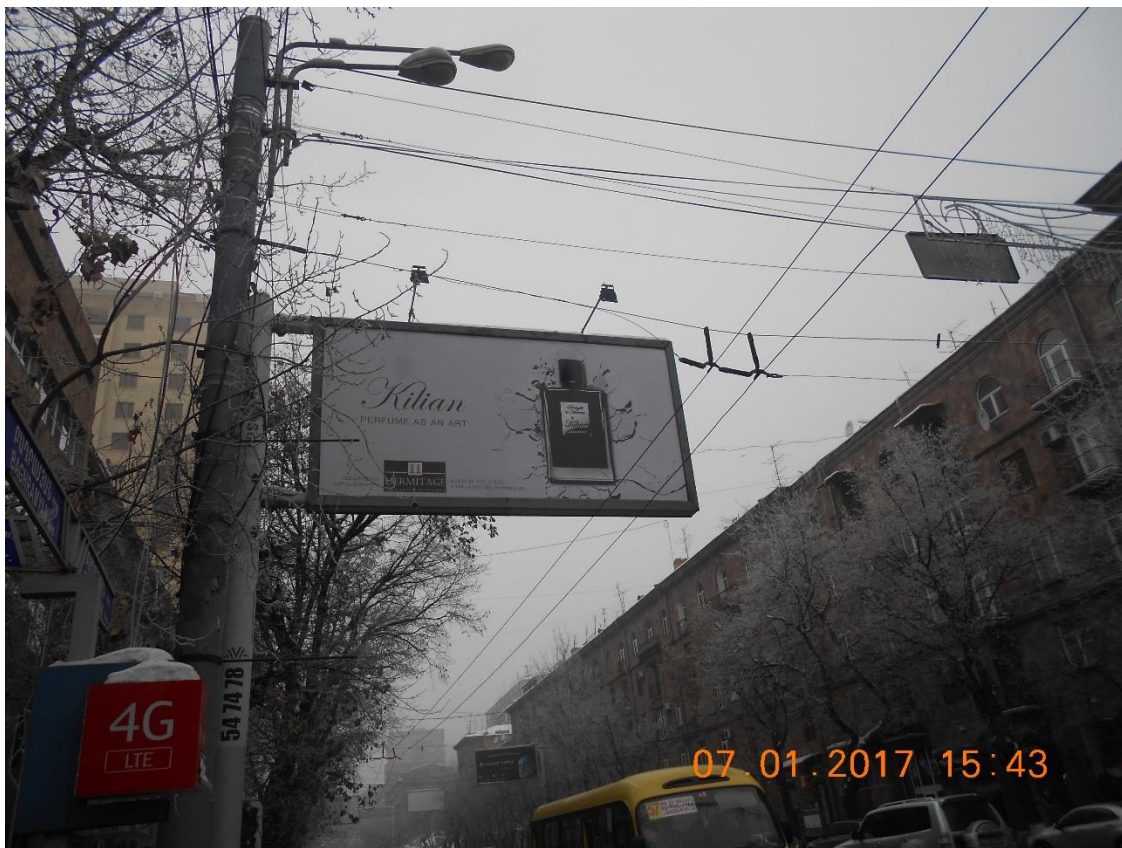
### **Findings and analysis**

As it has already been discussed previously there are certain criteria which can somewhat be applied as a rule to creating an advertising. Researchers Taylor and Franke in their works talked about studies that they have conducted. These studies were targeted at understanding which

factors influence pedestrians and drivers to not only pay attention at billboards and the messages that they carry but also remember them. The research conducted by doctors Taylor and Franke provides us with an insight that there are specific factors that impact the memory of the pedestrians and drivers around the city and capture their attention. These factors are the color of the advertisement on the billboard, the place where the billboard is positioned, amount of printed text (words, phrases, sentences) on the advertisement, their visibility to the people walking or driving around, the amount of creativity and originality of the message as well as their availability throughout the day. Thus, a survey has been conducted among stranger pedestrians and drivers on Baghramyan Avenue, Myasnikyan Avenue and Mashtots Avenue in Yerevan, Armenia. People were stopped and asked questioned about billboard advertising. The interviewees had no suspicion that they were being checked whether they noticed the billboard they just walked by. Having acquired some statistical data kindly provided by Arm Media Monitoring – a company that does outdoor advertising monitoring and provides statistical data I have had a general knowledge regarding the opportunity to see (OTS) data. Which means that I know the number of people who are the potential audience for anyone putting an advertisement on billboards on the abovementioned avenues. While acquiring the information the Chief Executive Officer (CEO) of the Arm Media Monitoring company shared his knowledge and had drawn upon a fact that there are not enough resources in Armenia to measure the effectiveness of billboards and concomitant factors. Thus, the CEO of the abovementioned company told that the lack of resources to measure the effectiveness of billboards forced the representatives of the company to make approximate calculations and thus provide approximate and generalized statistics. The thing is that in different parts of the avenues the OTS rating can differ. In some places the OTS may also vary due to the message, design and visibility of the billboards.

Therefore, what the representatives of the company did, is they assumed that the OTS rating is the same for the whole avenue and that all the billboards are in equal conditions. Which means, if, for example the OTS of Arshakunyats Avenue is 74 000 it is assumed that one billboard can potentially be seen by 74 000 people on that avenue. Having acquired the statistics regarding the flow of pedestrians and drivers it became clear that from the three abovementioned avenues (Mashtots, Myasnikyan and Baghramyan) Mashtots avenue had the most opportunity to see rating (62 000 per day) compared to Myasnikyan (38 340 per day) and Baghramyan avenues (32 940 per day).

During my research I interviewed 70 strangers on Baghramyan avenue to understand whether they noticed what billboard they just passed by. The purpose of the survey was also to understand the attitude of people towards the messages on the billboard ads, whether our fellow citizens trust the messages that they read on the billboards, as well as to understand whether people pay attention to billboards and read the messages of the ads purposefully. I spent some time standing around the crossroads of M. Baghramyan avenue and James Bryce street. There I observed a billboard advertising made by Hermitage Armenia perfume and cosmetics boutique. The billboard showcased the Kilian perfume brand, displayed the bottle of the perfume and contained a slogan “PERFUME AS AN ART . ”



As it can be seen on the photo above the billboard is situated on Baghramyan avenue and is clearly seen to both pedestrians and drivers. The image has white background contains a small amount of text and is using black and white colors. The name of the famous brand and the logo of the company which is advertising the product are clearly visible and can be distinguished among other elements on the billboard. Thus, we can come to a conclusion that the billboard follows most of the criteria of an effective advertising discussed above. It includes little amount of text, it can be seen throughout the day and night (lighting equipment can be observed above the billboard, it is well positioned and can be seen by pedestrians and drivers, etc.

After observing the billboard, I interviewed fifty people who were simply passing by to understand whether they noticed the billboard. “What is the last billboard advertising you remember?”, - was asked to the interviewees. It was assumed that if the person saw the billboard he or she would recall it as the last advertising that he or she saw. Not surprisingly the billboard was noticed by a many people. Almost the half of the respondents noticed the advertisement

placed on the billboard. Though I expected a bigger number of people to notice it, 23 out of 50 is again a solid number. However, this number can be increased by adding some attention grabbing elements to the billboard.

Spending most part of the day in Baghramyan avenue interviewing people is quite tiring but eventually it turned out to be a fruitful research. Going upper the crossroads of Baghramyan avenue and James Bryce street one may notice a billboard near supermarket SAS. The billboard displays a light blue background and a writing “SLAVMED Medical Center” (Armenian: «ՍԼԱՎՄԵԴ Բժշկական կենտրոն») . The billboard also contains the logo and contact details of the medical center. It is placed very close to the hospital and since the medical center is not situated in a visible place, the marketing team has rented the billboard to indicate the directions towards the hospital. Thus, they have hanged a red arrow indicating the way to the hospital.



Analyzing the billboard in the picture above, first of all, we can say that the choice of colors is very good, because the light blue and white colors are very much associated with medical centers and medicine in general. Hospitals and medical centers usually try to paint their interior in white and/or light blue. These colors are also associated with the uniforms of medical personnel.

Therefore, the use of colors is pretty much transferring the message on the billboard advertisement. Spatial placement of a billboard plays a great role in the effectivity and success of an advertising campaign. Just like in case of the previous billboard analysis the placement of this billboard with “Slavmed” advertisement is also quite good. First of all, it is situated between two supermarkets, it is next to apartment buildings and is close to a metro station. Even though it has already been mentioned that we suppose that the opportunity to see rating is the same for the all billboards on this avenue, if we look at them separately the OTS rating for this particular billboard would be much higher than that of perfume ad that was discussed previously.

Unlike the previous billboard case, where the main purpose of the ad was selling a luxury perfume product, in case with “Slavmed” the purpose is less selling, but is more increasing the brand recognition and the knowledge of the fact that there’s a medical center behind the building. But most importantly, the billboard serves as a helping tool for those who want to find the medical center. In order to understand whether the billboard serves to its purpose successfully, a survey has been conducted in front of the hospital, with people who were coming to or leaving the hospital. After interviewing thirty people in the selected area, 70% percent of the interviewees (21 people) indicated that they have found the way to the medical center thanks to the billboard that indicated the direction, when they first came to the hospital. The other 30% (6 people) knew the place in advance from other sources, when first visiting the medical center.



Areal observations and surveys helped us understand, whether the billboards in the selected areas are serving their purpose and follow the criteria of creating an effective advertising. It is now time to understand how can one measure the effectiveness of a billboard or set of billboards in a selected area. After conducting an interview with the CEO of Arm Media Monitoring company my attention was drawn to several interesting facts about Armenian market of outdoor advertising. As stated on the company's website – "... web site presents exhaustive information about the OOH Media Market sector of Yerevan, Armenia. The outdoor monitoring program iMon avails you the opportunity to be aware of the types of the advertisement carriers located in Yerevan, Armenia, as well as about their quantity, surfaces, places, owner companies and the free and used surfaces. All the analyses on the information of OOH market in Yerevan, Armenia, are reflected in the Analyses sector. iMon outdoor monitoring program presents the whole field of the OOH media Market of Yerevan, Armenia, with photos and videos." The CEO of the company has kindly drawn an insight on the fact that unlike American or European markets, Armenian market does not possess enough resources to measure the effectiveness of a billboard. In the age of developing technologies new technological advancements have been introduced to the sphere of advertising. Such technologies include special type of equipment which is placed on an outdoor advertising platform to capture the sight of people drawn to the billboard, thus counting almost exactly how many people looked at the billboard. Unfortunately, such kind of equipment is quite expensive, therefore Armenian advertising companies cannot afford themselves to buy and install such devices. So, Arm Media Monitoring is using traditional methods of measuring the effectiveness. The problem with these methods is that the results are quite far from exact, in other words are more approximate. As already mentioned, currently, the most effective way to measure effectiveness in Armenia is OTS (opportunity to see) rating.

As a result of research conducted it became clear that measuring out of home advertising in Armenia depends on many factors and unfortunately, the Armenian market currently does not possess enough resources to use advanced methods of measuring the effectiveness. The effectiveness of billboard advertising is heavily dependent on advertisement itself (color, creativity, size of the text, amount of the text, etc.) it also very much depends whether the billboards were used as a component of a marketing mix alongside with other advertising channels. Relying solely on a billboard is not always a right thing to do. Currently advertisers can obtain information regarding about ratings of billboards in Yerevan, however, as it has already been mentioned this data is far from perfect. Hence, us, professionals have to use that information because something is better than nothing. Clearly, currently we cannot properly measure the effectiveness of the outdoor advertising mostly due to the lack of the resources.