

# QUALITY ANALYSIS REGARDING ADVERTISEMENTS OF SMALL AND MEDIUM-SIZED ENTERPRISES LATVIJAS MAZO UN VIDĒJO UZŅĒMUMU REKLĀMAS ZIŅOJUMU KVALITĀTES ANALĪZE

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***Abstract.** The aim of the paper is to determine and analyse the quality of advertisements created by small and medium-sized enterprises (SMEs) of Latvia. SMEs often devote unreasonably little attention to the quality of making an advertisement regardless of the restrictions faced by SMEs in their activity: lack of resources, lack of marketing experience, scope of business activity, as well as tactical and strategic customer-oriented problems. The owners of SMEs do not have the required knowledge and experience in making efficient advertisements, entrepreneurs do not believe in the effect, which may be obtained from marketing communications by laying greater emphasis on other marketing activities and, thereby, underestimating the contribution of advertising in relation to promotion of products in the market. (2; 5; 12)*

***Keywords:** advertisement, SME.*

## **Introduction**

Advertising is one of the tools providing help to the entrepreneurs to generate a new flow of customers. Taking into account the restrictions faced by SMEs in their economic activities, entrepreneurs may allocate very limited and sometimes even little resources for advertising activities. This fact substantially increases the importance of quality of an advertisement. The more qualitative and correct is the advertisement made, the greater is the return of advertising. (1; 9; 11).

Entrepreneurs will have a possibility to use the results of this research in order to improve the quality of advertisements and to increase the return from the resources invested in advertising.

## **Methodology**

There are 231 press editions in Latvia (magazines and newspapers in Latvian and Russian). The author of the paper has selected advertisements at random: out of 231 press editions every third edition was taken. Advertisements were selected out of 77 press editions. Circulation of these media for the last three months was selected. Every third advertisement was selected from each press edition apart from the advertisements of large enterprises. Thereby, 824 advertisements were selected (13.).

The author of the paper has assumed that SMEs make substantial mistakes in their advertisements. In order to check this statement the author of the paper has investigated 824 advertisements created by SMEs. The author of the paper has also invited five highly qualified experts to evaluate the selected advertisements: two experts represented science and three experts were representatives of the leading advertising agencies: Euro RSCG, JWT and Inorek&Grey.

Each advertisement consists of several components performing certain functions. The key components of an advertisement are as follows: headline, basic text, slogan, logo and visual layout. The author has analysed all the aforementioned components in this paper (3.).

All the components except a logo were evaluated by experts according to the five-grade scale where 1 means "totally unsatisfactory" and 5 – "satisfactory".

## **Research results**

### **Headline**

A headline performs an important function in the advertisement. Several studies have proved that while turning over the pages, a person initially spends only 2–3 seconds for reading an advertisement. During this time the advertiser must attract the reader's attention, as well as motivate to read the content of the advertisement. In other words, the amount of people willing to acquaint themselves with the content of advertisement greatly depends on the headline. By reading the headline a person quickly determines whether the particular advertisement is interesting for him/her at that moment or not. If there is no headline, a person is not able to make a decision whether it is worth to acquaint himself/herself with an advertisement. The headline must be simple and easily understandable. If it is not possible to understand the headline, there is a great possibility that a person will not pay any attention to the advertisement. One should avoid "blind" headlines when they are made with the only purpose to attract people's attention. In such case a lot of people can acquaint themselves with an advertisement, except the target audience of an advertiser (1; 7; 8; 9).

In the framework of this research, the experts were offered to evaluate the headline from 0 to 5 grades, where 0 meant that, in the expert's opinion, the advertisement did not have a headline at all, 1 – that the headline was totally unsatisfactory (did not express the essence of the content of an advertisement, nor encouraged to read the advertisement further) and 5 meant that the headline of the advertisement was completely satisfactory and encouraged to read the advertisement thoroughly. The analysis of the results showed that the

evaluation made by each expert is below the average, namely, below 3 grades. The higher average evaluation is made by expert No.3 (JWT) and equals to 2.71 grades. The lowest evaluation is made by expert No.1, being 2.51 (University of Latvia). A mode or the most frequently used evaluation is 2. Regardless of the critical importance of the headline, in 10.7% of the cases on average there was no headline in SMEs advertisements at all. Figure 1 demonstrates how each expert individually evaluated the headlines.

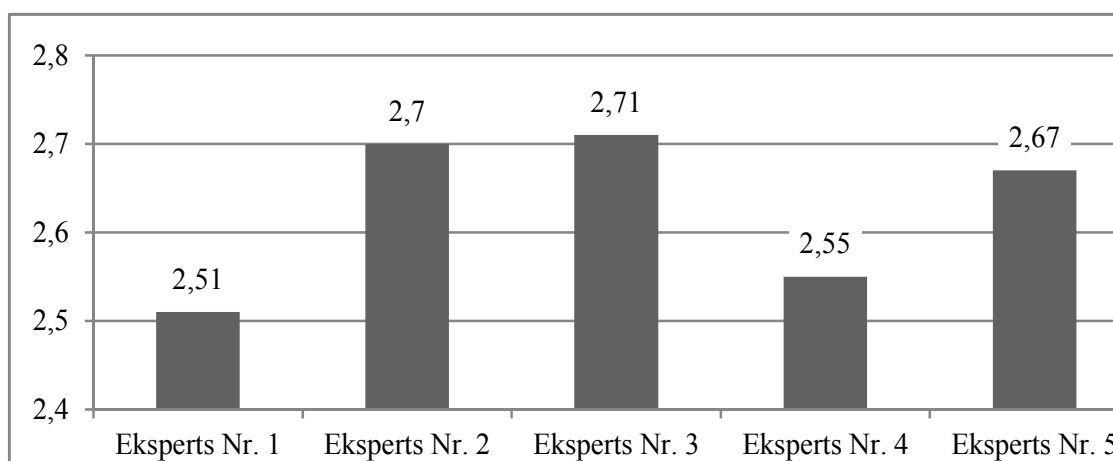


Figure 1. Average evaluation of the headline made by each expert (author's research results)

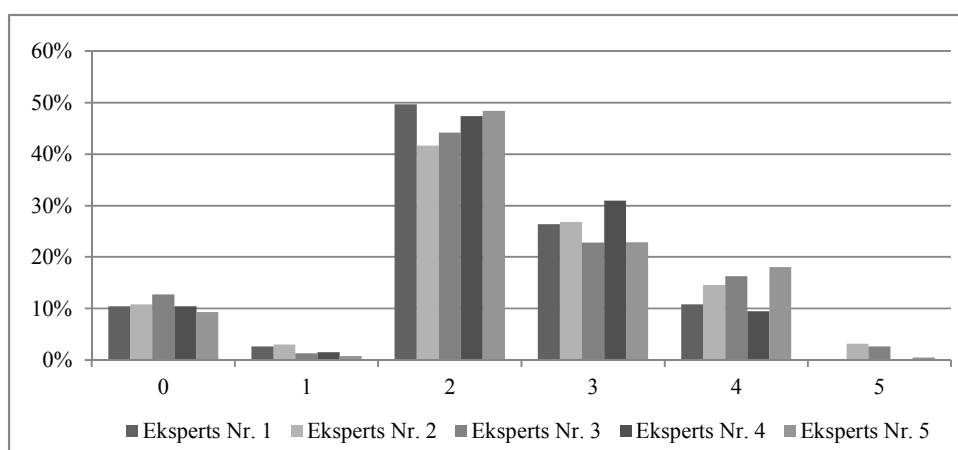


Figure 2. Evaluation of the headline (proportion of grades) (author's research results)

### Basic text

A basic text – it is a logical continuation of the headline. Its basic task is to turn the readers' attracted attention into the interest about the advertised product, as well as motivate to perform an action. In order to do that it is necessary not only to specify the needs of the potential

customer, but also the way how to satisfy them. The text should contain the arguments, which would convince to purchase the product. Every word in the basic text is important and therefore banalities should be avoided, the language should be precise, and, as far as possible, the facts should be mentioned. To rouse the reader's interest and to motivate him/her to an action, the basic text should include answers to six questions (5 W's and one H):

- what – what is advertised,
- who – who is the advertiser,
- when – the period within which it is possible to purchase the product,
- where – the place where it is possible to purchase the product,
- how – product purchase conditions,
- why – benefits received by the customer upon buying the product (1.; 7.; 9.).

In the framework of our research, experts evaluated the basic text of an advertisement according to the 5 grade scale from 1 to 5, where “1” meant that the basic text is totally unsatisfactory (does not motivate, neither convinces nor rouses interest) and “5” meant that the basic text is very satisfactory. “0” in experts' evaluations indicates that there was no basic text in the advertisement. The evaluation results (Figure 3) showed that each expert evaluated the basic text below 3 grades. That means that the quality of the basic text, as well as quality of the headline is below the average. The lowest evaluation is made by expert No.1 (University of Latvia) and it is 2.71 grades of the five possible grades. The highest evaluation of the basic text is made by expert No.5 (Inorek&Grey) and it is 2.93 grades. A mode or the most frequently used evaluation is 3. In 5.4% of the cases on average there was no basic text in the advertisement.

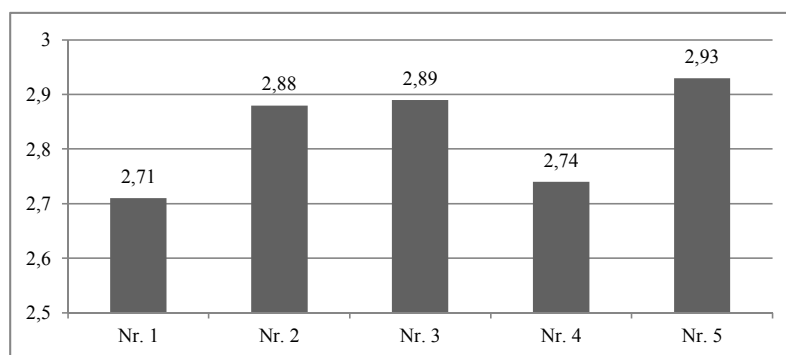


Figure 3. Average evaluation of the basic text made by each expert (author's research results)

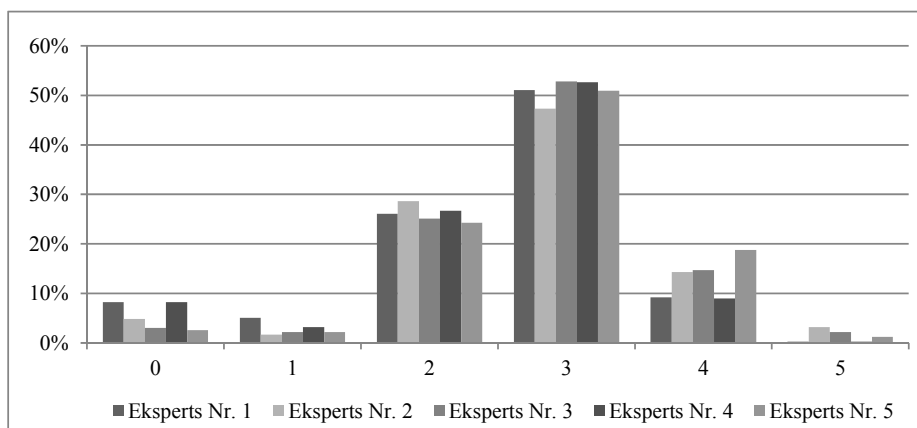


Figure 4. Evaluation of the basic text (proportion of grades)  
(author's research results)

## Slogan

A slogan – it is a laconic, easily recognizable phrase providing the essence of the advertisement. The slogan briefly and concisely formulates the essence of the offer and plays an important role in the advertisement. The slogan should demonstrate a benefit of the customer. Slogans are often used to show a position of the company. In general, slogans may be divided into three groups:

- related. Include a name of the product. The name and slogan of the product are not separable.
- attracted. Related to the name of the product both by rhythm, and phonetics. Namely, a slogan may be used without the name of the product but in such a case, a slogan will not be so understandable.
- independent. These slogans are created without the name of the product. The drawback of these slogans is the fact that it is often complicated to connect or associate them with the product. (1; 7).

In the framework of this research, the experts evaluated slogans according to a 5-grade Likert scale, where “1” meant that a slogan was totally unsatisfactory (did not express the essence of the offer, did not specify the benefit of the customer, nor showed the position) and “5” – very satisfactory. “0” meant that there was no slogan in the advertisement. The analysis of slogan evaluations demonstrates that all experts evaluated them a little above the average, namely, above 3 grades (Figure 5). The lowest evaluation is made by expert No.5 (Inorek&Grey) and it is 3.07 grades. The highest evaluation is made by expert No.3 (JWT) and it is 3.74 grades. However, Figure 6 shows the proportion of the advertisements without a slogan pursuant to the experts' evaluations.

On average, 87.4% of SMEs neither take the advantages of a slogan nor try to show the position of the company or benefit of the customer briefly and concisely. Undoubtedly, it is a great mistake.

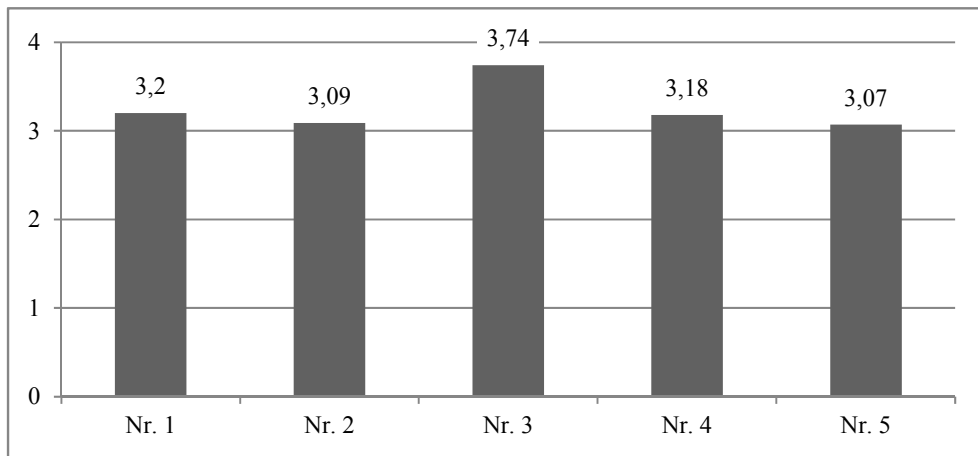


Figure 5. Average evaluation of the slogan made by each expert (author's research results)

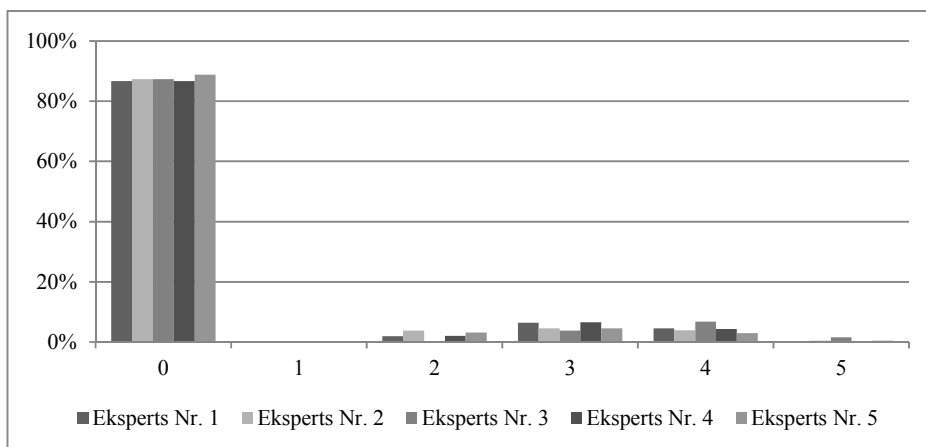


Figure 6. Evaluation of the slogan (proportion of grades) (author's research results)

### Visual layout

An advertisement is not imaginable without a visual layout which includes an illustration, logo of the company, graphic headline and other parts of the text, as well as some other additional components (frames, bullets, etc.).

The key function of the visual layout is to attract the attention of readers. Moreover, there are also other functions, such as:

- **indicatory.** The existing visual objects tell about the content of the advertisement, specify the subject of the advertisement, its

users, as well as various details related to the subject and the users.

- organizational. Serves to provide a harmonic advertising composition, as well as manage the reader's attention in the sequence required by the advertiser.
- interpreting. Helps to explain complicated information. Graphs and charts are mainly used for this purpose.
- transforming. Often specified figuratively.
- decorative. In this case decorative components are established to make an advertisement more attractive for the reader's perception.

Visual components in the advertisement may perform several tasks among which there are also the following tasks:

- to attract attention of the potential customers,
- to maintain attention during perception of an advertisement,
- to interpret properties of the product declared in the text,
- to provide atmosphere of faithfulness,
- to arouse an intention to purchase the product. (1; 6; 10).

In the framework of this research, the experts also evaluated the visual layout according to the Likert scale from 1 to 5, where 1 meant that the visual layout is totally unsatisfactory (low quality illustration, does not attract attention) and "5" – that the visual layout is very satisfactory. Only the average evaluation made by expert No.2 (Euro RSCG) was a little above the average, namely, 3.02 (Figure 7). The rest experts evaluated the visual layout below the average. The lowest average evaluation is made by expert No.1 (University of Latvia).

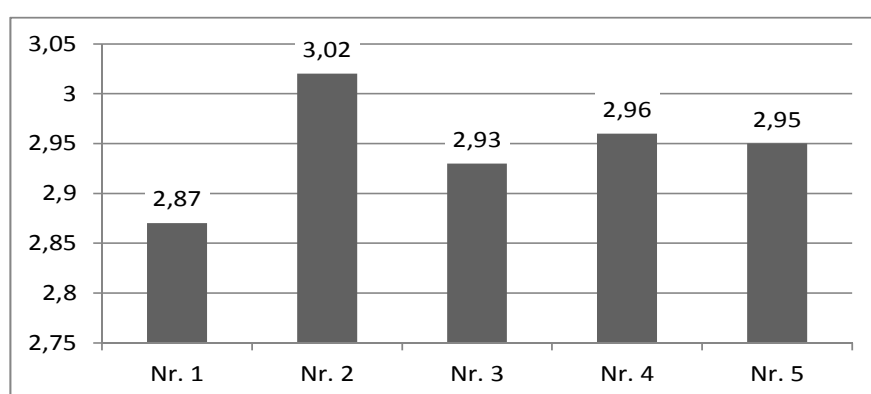


Figure 7. Average evaluation of the visual layout made by each expert (author's research results)

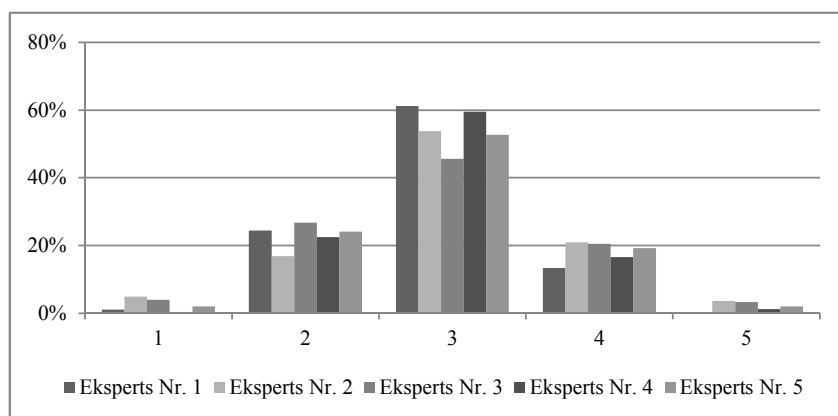


Figure 8. Evaluation of the visual layout (proportion of grades)  
(author's research results)

## Logo

A logo is the original image of full or abbreviated name of the organization or product. A logo is one of the most important components of the corporate image of the enterprise. It serves to identify the enterprise in the market, as well as to distinguish products of different enterprises. A correctly made logo must be:

- easily remaining in one's memory,
- original,
- associative,
- expressive,
- functional,
- laconic.

In consumers' opinion, the existence of a logo serves as a quality guarantee of the product. The products without a logo are called as "noname". Three types of logos are most often mentioned in the literature:

- original graphic image of the name,
- a symbol of the enterprise. Type image,
- a block of the enterprise. Combination of the name and image.

A logo should perform the following 6 main functions:

- actual,
- expressive,
- referential,
- impressive,
- poetic,
- metalinguistic. (1.; 6.)



The experts of our research had to determine if there is a logo in the advertisement or not. As it is seen in Figure 9, it was disclosed that on average, in 21.7% of the cases SMEs do not place a logo in their advertisements.

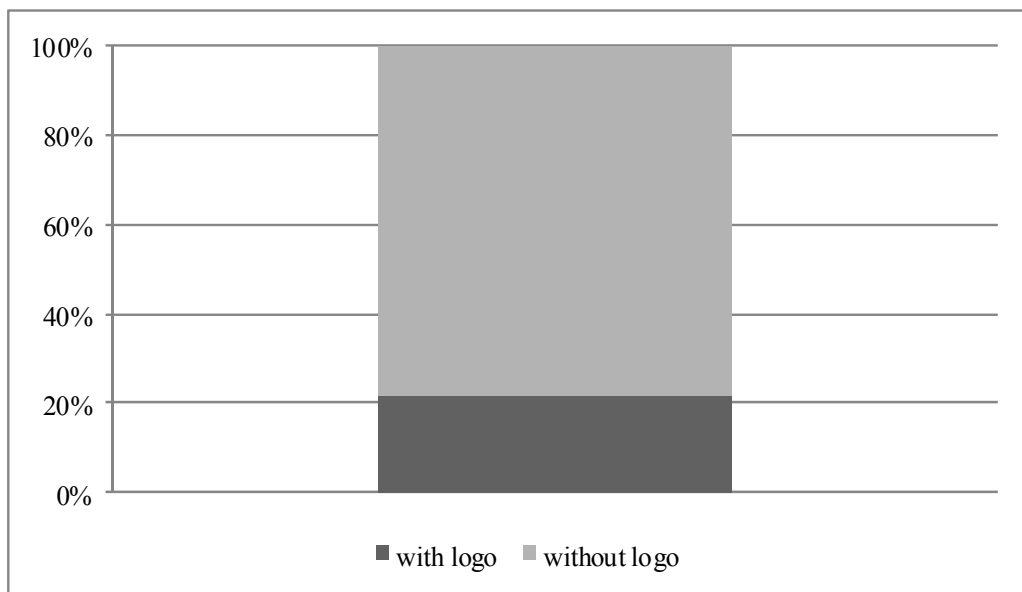


Figure 9. Existence of logo in the advertisement according to the evaluations made by experts (author's research results)

## Conclusion

Experts evaluated the four key components of an advertisement – headline, basic text, slogan and visual layout according to the five-degree scale. The evaluation “has/does not have” was made for the fifth component – a logo of an advertisement. The commission of experts consisted of 5 people among whom there were the leading specialists of the international advertising agencies Euro RSCG, Inorek&Grey and JWT, as well as two scientists of the University of Latvia. The implemented research allows for conclusion that, in general, advertisements of SMEs are of unsatisfactory quality.

Upon summarizing evaluations of each advertisement component it was established that, in general, all the components are provided in low quality, namely, each component performs its functions in the advertisement rather satisfactorily. The main research results are as follows: the maximum average evaluation of the headline is 2.71 grades (expert No.3, JWT), the maximum average evaluation of the basic text is 2.93 (expert No.5, Inorek&Grey), the maximum average evaluation of the slogan is 3.74 (expert No.3, JWT) and the maximum average evaluation of the visual layout – 3.02 grades (expert No.2, Euro RSCG). On average, 87.4% of SMEs do not use a slogan in their advertisements.

SMEs still have large reserves to improve the quality of advertisements. Entrepreneurs should pay attention to each component of an advertisement and try to make it as efficient as possible. However, this research did not provide an answer to the question how each component should be improved to make it efficient and how to make it perform its functions as completely as possible. It is one of the main tasks for the following research.

Advertising is not the only factor which helps enterprises to ensure development but its improvement is one of the compulsory measures, which will facilitate to increase competitiveness of SMEs. Qualitative communication will allow entrepreneurs to increase efficiency of advertising, as well as return from the resources invested in marketing.

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### **Kopsavilkums**

Eksperti pēc piecu ballu skalas vērtēja četrus galvenos reklāmas ziņojuma elementus – virsrakstu, pamattekstu, saukli un vizuālo noformējumu. Piektajam elementam – logotipam – tika dots vērtējums ir/nav reklāmas ziņojumā. Veiktais pētījums ļauj secināt, ka mazo un vidējo uzņēmumu (MVU) reklāmas ziņojumu kvalitāte kopumā ir neapmierinoša. Apkopojot katra reklāmas elementa vērtējumus, tika konstatēts, ka visiem elementiem kopumā ir nekvalitatīvs izpildījums, proti, katrs elements visai viduvēji pilda savas funkcijas reklāmas ziņojumā.

Virsraksts mārketinga komunikācijās pilda svarīgu funkciju. Daudzi pētījumi ir pierādījuši, ka cilvēks, šķirot lapas, reklāmai sākotnēji atvēl tikai 2–3 sekundes. Pa šo laiku reklāmdevējam jāpiesaista lasītāja uzmanība un jāveicina motivācija iepazīties ar reklāmas ziņojuma saturu. Ar virsraksta palīdzību cilvēks ātri nosaka, vai izvietotā reklāma tajā brīdī viņam liekas interesanta, vai nē. Ja virsraksta nav, cilvēks nevar pieņemt lēmumu, vai ar reklāmas ziņojumu ir vērts iepazīties. Virsrakstam jābūt vienkāršam, viegli saprotamam un uztveramam. Ja to nav iespējams saprast, pastāv liela varbūtība, ka cilvēks reklāmas ziņojumam nepievērsīs uzmanību. Jāizvairās no „akliem” virsrakstiem, kas sastādīti vienīgi ar nolūku piesaistīt cilvēku uzmanību. Šādā gadījumā ar reklāmu var iepazīties daudzi cilvēki, bet tikai ne reklāmdevēja mērķauditorija.

Šī pētījuma ietvaros ekspertiem tika piedāvāts novērtēt virsrakstus robežās no 0 līdz 5 ballēm. Rezultātu analīze atklāja, ka katra eksperta vērtējums ir zem 3 ballēm. Lielākais vidējais vērtējums ir ekspertam Nr.3 – 2,71 balle. Zemākais vērtējums ir ekspertam Nr.1 – 2,51. Moda jeb visbiežāk sastopamais vērtējums ir 2. Neskatoties uz virsraksta nozīmīgumu, vidēji 10,7% gadījumu MVU reklāmās virsraksta nebija vispār.

Pamatteksts ir virsraksta loģisks turpinājums. Tā galvenais uzdevums ir lasītāju piesaistīto uzmanību pārvērst interesē par reklamējamo produktu un motivēt veikt tālāku darbību. Lai to izdarītu, nepieciešams ne tikai norādīt uz potenciālā pircēja vajadzībām, bet arī uz ceļu, kā tās iespējams apmierināt. Tekstā jābūt minētiem argumentiem, kas pircēju spētu pārliecināt iegādāties konkrēto produktu. Pamattekstā ir svarīgs katrs vārds, tāpēc tajā jāizvairās no banalitātēm, jārunā precīzi, un ja tas ir iespējams, jāmin fakti.

Pētījumā eksperti vērtēja reklāmas pamattekstu. Vērtējuma rezultāti parāda, ka katrs eksperts pamattekstu novērtēja zemāk par 3 ballēm. Tas nozīmē, ka pamatteksta kvalitāte tāpat kā virsraksta kvalitāte ir zem vidējā vērtējuma. Zemākais vērtējums ir ekspertam Nr.1 un tas ir 2,71 balle no piecām iespējamajām. Augstākais pamatteksta vērtējums ir ekspertam Nr.5 un tas sastāda 2,93 balles. Moda jeb visbiežāk sastopamais vērtējums ir 3 balles. Vidēji 5,4% gadījumu reklāmas laukumā nebija pamatteksta.

Sauklis – tā ir lakoniska, viegli atpazīstama frāze. Sauklis atklāj piedāvājuma būtību īsā un kodolīgā formā un tam ir atvēlēta svarīga loma reklāmas ziņojuma laukumā. Sauklim jāparāda pircēja ieguvums. Bieži vien saukļus izmanto, lai parādītu uzņēmuma pozicionējumu.

Šī pētījuma ietvaros eksperti vērtēja saukļus. Saukļu vērtējumu analīze parāda, ka visi eksperti novērtēja tos nedaudz virs vidējā līmeņa, proti, virs 3 ballēm. Zemākais vērtējums ir ekspertam Nr.5 un tas ir 3,07 balles. Augstākais vērtējums ir ekspertam Nr.3 (3,74 balles). Vidēji 87,4% MVU neizmanto saukļa priekšrocības un necenšas īsā un kodolīgā veidā parādīt uzņēmuma pozicionējumu vai pircēja ieguvumu.

Reklāmas ziņojums nav iedomājams bez vizuālā noformējuma. Pie tā pieder dizains, uzņēmuma simbolika, grafiski noformēts virsraksts un citas teksta daļas, atsevišķi citi papildus elementi.

Šī pētījuma ietvaros eksperti vērtēja vizuālo noformējumu. Tikai eksperta Nr.2 vidējais vērtējums bija nedaudz virs vidējā, proti, 3,02. Pārējie eksperti vizuālo noformējumu novērtēja zem vidējā. Zemākais vidējais vērtējums ir ekspertam Nr.1.

Logotips ir oriģināls pilns vai saīsināts organizācijas vai produkta nosaukuma attēls. Logotips ir viens no svarīgākajiem uzņēmuma korporatīvā imidža (tēla) elementiem. Tas kalpo, lai ar tā palīdzību varētu identificēt uzņēmumu un atšķirt dažādu uzņēmumu produktus.

Aplūkotajā pētījumā ekspertiem bija jānosaka, vai logotips ir iekļauts reklāmas ziņojumā, vai nav. Tika konstatēts, ka vidēji 21,7% gadījumu MVU vispār neizvieto logotipu savos reklāmas ziņojumos.

MVU bieži vien nepamatoti maz uzmanības velta reklāmas ziņojuma izstrādes kvalitātei, neskatoties uz ierobežojumiem, ar kuriem MVU saskaras savā darbībā: resursu trūkums, mārketinga pieredzes trūkums, uzņēmējdarbības apmērs, taktiskās un stratēģiskās uz klientu orientētās problēmas. MVU īpašniekiem trūkst nepieciešamo zināšanu un pieredzes efektīvu reklāmas ziņojumu izstrādē, uzņēmēji netic efektam, ko iespējams panākt no mārketinga komunikācijām. Lielāku uzsvaru MVU liek uz citām mārketinga aktivitātēm, tādējādi līdz galam nenovērtējot reklāmas ieguldījumu produktu virzīšanā tirgū.