The Relationship between Media Advertising and Selling Ratios: A Review Paper

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ABSTRACT
Advertising is one of the marketing strategies to promote products to consumers. Many advertising are available offering interesting advertising packages. Media plays an important role in displaying the good and the bad to the audience. The emergence of new technologies and the demand from audience has internationalized local media. This paper focuses on the impact of the different media advertising on selling ratios. Then, the previous researches in the effects of media internationalization to people will be studied. The key objective of this study is to find which kind of media advertising is more effective on sales. The result of the research shows that customers’ are more influenced by internet advertisement followed by commercial advertising, TV and print advertisement. The findings suggested some significant of implications which will help advertisers to create better local advertisements and provides some solutions to prevent our values and cultures from being undermined by foreign media programs.

Keywords: Media advertising, media internationalization, local media, TV advertising, printed advertising, internet advertising, selling ratios.

1. Introduction
1.1 Background of study

Advertising influences on human’s culture. In earliest period, Egyptians formed sales letters in papyrus wall posters. Commercial messages have been found in the remains of Pompeii. Indian rock-art paintings used Wall or rock for commercial advertising (Walker, 2009).

Modern advertising exists in the Industrial Revolution, such improvement made mass-production achievable and manufacturers had to locate new markets and develop presented ones to sustain benefits and manage over prices. That’s why, retailers and wholesalers had the authority to make a decision which products were existed, therefore producers branded supplies and advertised such brands to demand to the middle class customers who may require that products (Bononad, 2008).
Although some specialist thought with Internet, demolition of customary mass media (TV, radio and newspapers) would happen, it didn’t. Web and digital media have more opportunity to grow and have more visitor than traditional ones. The combination of the new information technologies and globalization, advance the growth of international advertising. Advertising is one of the most important factors in our society and modern economy to increase the sales of the company (Miller, 2012).

Clow and Baak (2007) stated that advertisements can be placed in any type of media; printed, electronic or web. Miller (2012) suggested that in a single day consumers will see at least 100 to 1000 advertisements from various sources.

Tellis (2009) reported that advertising could influence one’s thought, decision, preference and also attitude. With such a great influence on the consumers, companies are willing to pay large amount of money in order to get their advertisements placed in any of their preferred media. Companies that produce or sell many types of products or provide services are most likely to advertise more.

Juggler (2008) found that there are many ways to increase selling ratios. Usually, these ways can present dramatic improvement of selling ratios. First one is Integrate Unique Selling Proposition into everything that all companies need to do, take basic sales training to the next level, Use social proof to firm’s advantage and Incorporate a Risk Reversal component. Also Hicom (2012) identified that regional markets offer a logistical advantage of proximity, as well as a familiarity of the range of products that Oregon produces. National markets also offer producers of each product to reach larger segments and to grow sales.

As a result, the advertising will cost a lot for the companies. Advertising can build the brand but consumers do not think about only one brand when they need products. Consumers will look for product which has the best quality with sufficient price and better services. Traditional mass media is soaked with advertising. Internet is now an important part of our daily life, whether at work or at home. Therefore there is a change from mass media to the new media of mass conversation. Media companies will always try to offer attractive advertising packages. Nowadays advertising industry modifies the traditional media to consist the digital media in order to attain more successful consultations.

1.2 Problem Statement

Companies use advertising to achieve different goals and objectives. The effects of advertising on businesses are frequently purposeful. Companies can only attain positive effects by planning their advertising budgets intelligently. Media advertisements can be presented on television, internet, magazines and newspapers. Each kind of advertising has some disadvantages. For example for TV advertising, the company hardly catch its exact target market on television since there is no control over selected viewers and the time they can watch. Also can increase product cost and it is not a great way for advertising. Print advertising is so costly and it’s a kind of short term advertising and if the target audience is adults between 18 to 24 age groups they rarely read newspaper or magazines. On the other hand online advertising has some serious problems too. Because of millions of websites and options, firms cannot be sure their online ads are even being watched by consumers. Also security and privacy in online advertising are not trustworthy.
Negative effects of media advertising on business cannot be ignored. Strategic shift, reduced control, unpredictable schedules, bad publicity spreads, burden of the marketing shift, increased customer power are some negative effects of advertising on business. Also Negative Effects of False Advertising are including investigation, cease and desist orders, financial loss and broken trust which are really harmful for companies. Because of all the problems mentioned above, it’s really important to find out which type of media advertising is most effective and efficient for each products category.

1.3 Objective

The main objective of this research is to explore the relationship between media advertising and selling ratios.

1.4 Research Questions

The main questions addressed in this research are mentioned below:
RQ) is there any relationship between media advertising and selling ratios?
RQa) is there any relationship between online advertising and selling ratios?
RQb) is there any relationship between TV advertising and selling ratios?
RQc) is there any relationship between print advertising and selling ratios?

2. Literature Review
2.1 Selling Ratios

Lim (2012) stated that Malaysia is the biggest automobile customer market in South-East Asia. The Malaysian national automotive industry is not only one of the major industrial sectors, but also represents a matter of national pride. To protect the local automotive industry, the precise number of import restrictions was imposed on foreign vehicles. The main objective of the automotive industry promotion in Malaysia is constituted the restriction of imports, reducing expenses in foreign exchange, the creation of employment and the development of the industrial sector. According to Hayko (2010) depends on views, Advertising on national market can be harmful or beneficial on human and most be based on fact because they can manipulate people’s strongest desires and greatest fears to convince them buying the preferred products. The benefit of advertising to the company comes in to play when the company is giving a presentation to the investors.

Juggler (2008) found that there are many ways to increase selling ratios. In this article, these ways can give dramatic improvement of selling ratios. First one is Integrate Unique Selling Proposition into everything that all companies need to do, take basic sales training to the next level, Use social proof to firm’s advantage and Incorporate a Risk Reversal component. Sissors and Baron (2010) mentioned that Regional and national markets are often the logical "next step" for producers that have established good local markets but want to grow. Also Hicom (2012) identified that regional markets offer a logistical advantage of proximity, as well as a familiarity of the range of products that Oregon produces. Moving into national markets offers larger population centers and the efficiencies related to the economies of scale. National markets also offer producers of niche products to reach larger segments and grow sales.
Tellis (2009) suggested that the effect of advertising on sales is captured by a Statistic called the coefficient. When the variables in the model are all measured as percentage changes or transformed by taking the logarithm of their actual values, then the estimated coefficient of advertising is elasticity. Advertising is not effective for always but sometimes changes in creative, medium, target segment or product itself will lead to changes in sale. To increase effectiveness, advertisers should modify content more than increasing weight or frequency. Advertisers need to test and typically vary the content of their advertising with in the life stage of the product. Thomas (2008) found that some barriers such as lack of strategy, client ineptness, poor copy testing by research companies, also sophisticated marketing mix modeling is one way to measure these advertising effects on sales. Testing advertisement is really important and can use results as a guide. Ads are built on emotions and feelings, deadlines, can’t test imagery with standard advertising testing techniques.

Hazel (2007) suggested that Malaysia government used high tariff to protect its domestic automakers to control the majority of the local market. Recently the tax deductions and cash rebates for the individuals on purchasing first new national cars are no longer in practice; it shows that the impact of the local demand on national car has been declined. According to Hazel (2006) the most important factor that impact on expansion of national car industry in Malaysia is lead into an industrial nation. They need to growth of local mechanism and stimulates the plastics, rubber, aluminum and metal industries. To support national car project Malaysian government maintains several measures including high tariffs and an import quota on import vehicles. There are some factors affecting the demand for national car such as product, place, promotion, price and the theory of the strategies. Managers should pay attention to the quality of product as a goods or services and implement the high service performance to create value for customers.

Erdem and Sun (2002) found that a parsimonious and new way of capturing the utility variance-shifting role of use experience and advertising is to allow the initial utility variance, which we set to unity, to be updated conditional on past purchases. Neither advertising’s impact on the consumer utility mean nor its impact on the consumer utility variance across categories for product brands has been empirically verified in previous work.

2.2 Media Advertising

Cruzat (2012) found that There are numerous factors play roles in determining whether advertisement travel well or poorly. Marketers need to test multiple markets to get a full understanding of an ad’s likely effectiveness, but it becomes equally imperative to understand what it takes to beat the odds and create a truly Creative Advertising. The combination of creativity and the characteristics of ads that travelled well are, Children, Celebrities, Music, Humor and Emotions.

Magnaglobal (2011) recognized that TV advertising forecast in the globe will be stable around 12%. Internet advertising forecast will be stable around 10%. Print advertising forecast will be stable around 7%. Radio advertising forecast will increase from 3% to 5%. Out-Of-Home advertising forecast will be stable around 8%. Cinema advertising forecast will sharply decrease from 20% to 12% but other out of home advertising forecast will be stable.

Haque, Rahman, Yasmin and Asri (2009) analyzed advertisers in future: such as managerial
recommendation and marketing recommendation. Managerial implication can help customers to increase their interest for towards products. Marketers can design messages of which means of communication their regular customer prefers such as print production, commercial ads, internet ads. It will inform marketers what sort of communication Malaysian people prefer. After marketers analyze the best communication, they should create budgets to cut cost but gain profits (\(\downarrow\)Cost, \(\uparrow\)profits). Hamid (2010) stated that the internationalization of the media advertising is part and parcel of developing process in many developing countries like Malaysia. But the process of internationalization owes a great deal to the advent of local values and cultures. Malaysians still retain their eastern culture and adopt other cultures at the same time. Nevertheless, to protect our local values and cultures, more control and monitoring the local media programs is required.

Shaver and Lacy (2010) conclude that media advertising is monopolistically competitive, some media are better at some types of advertising than others. The degree to which advertising media are substitutes, depends on the objective match between relevant media characteristics (e.g., demographics) and advertisers’ objectives and is mediated by advertisers’ subjective preferences and knowledge (Silverman, 2012).

Hayko (2010) determined that sometimes there is a lie in the art of advertising. By playing with emotions, advertisers can persuade consumers to buy a particular product. Advertisement can do educate and bring awareness to the public on certain issues from economic and business view advertising has positive effect on society.

According to Shafie (2009) the goal of any advertising is ultimately to initiate action for monetary return. Type of advertising is changing for each generation. Traditional advertising agencies have the most to lose in the transition to digital advertising, in Malaysia; traditional media has changed to the emergent new media advertising. Also Shafie (2009) found that Advertisers, either traditional or new media, need to adapt to the new wave of technology revolution to remain competitive in their value chain with creativity. Online Advertising is promising more revenues for web publishers.

Thomas (2008) mentioned that to judge the effectiveness of an ad, many different variables must be measured and considered simultaneously. It can be effective if they have a healthy competition based on facts, not wishful thinking and self-delusion with perfect measuring tools and decrease barriers and enhance creativity and widespread belief. Galander (2008) defined advertising as any form of non-personal presentation and promotion of ideas, goods or services by an identified sponsor. Advertising is the one that most art has. Two major factors in our current economies are globalization and the new communications and media. Planning is a key factor for successful advertising. One thing we must always do is act ethically. Advertising has been largely criticized as a manipulative tool. Galander (2008) also found some factors that can effect on quality of advertising such as culture, globalization and the new communications and media, language, needs and values, religion and moral, Customs and consumption patterns, political and legal environment, self regulation, social responsibility and creativity in advertising.

Shimp (2007) defined internationalization of the media as the process by which the ownership, structure, production, distribution, or the content of a country’s media is influenced by foreign media interests, culture and markets. The terms culture refers to
process, but it can also refer to some shared attribute of a human group such as physical environment, tools, religions, customs and practices, or their entire life style (Yoon, 1998).

2.3 Online advertising

Miller (2012) presented some of the implications that online advertising is a best way because it has different types with different technologies and recently has enhanced a lot and people encourage using network more than before. Creativity can make a huge difference. According to Gibs (2010), buying social media is different than buying standard online media. It’s critical that we understand advertising not just in terms of paid media, but also in terms of how earned media and social support contribute to campaigns.

William (2010) as quoted by Alreck and Settle (2009) stated women have more positive attitude than men towards catalogue and retail shopping but this gender difference disappears in the case of online shopping. This means that internet advertising is more effective for women than men because women purchase more products compared to men. Moreover, an online advertising has become more effective between the years 2005-2009 (Media guide, 2012). The best performing online advertising media concerning are videos and banner advertisement. The internet advertising does not only need good content but it also needs to be circulated in areas which are commonly visited by customers and well visited by potential ones.

Gibs (2010) stated that Neilson Company made a major investment in helping advertisers understand how to achieve their brand goals in a social context. Also their result shows that online advertising is more effective than the others in both online shopping and shopping stores. Barroso and Liobet (2011) identified that internet advertising is a powerful tool of technology where by many advertisers attract consumers. Entertainment and likeability are also effective in advertising, which influences the mentality of customers.

Evans (2008) mentioned that advertisers and publishers do not engage in much more targeting than do traditional media. Intermediation is the most critical activity performed by ad platforms. This involves two functions. First is about matching the supply and demand of advertising inventory. In practice that means connecting an advertiser that wants to reach a user with a particular profile (detected through contextual or non-contextual targeting) with inventory on publisher web sites that match that profile. Second is establishing transaction prices for the advertising inventory.

According to Richard (2008) advertising intensity increases in time, especially in longer term, when society becomes more complex and new advertising media become available. The pattern of economic support for mass communication is approximately constant relative to the general economy. Stuart (2008) found that online media categories include portals, content, search engines, social media, video, blogs, email and newsletters, e-commerce, RSS, ad networks. Types of online advertising are the network and different options. Creativity is the most important factor to achieve success.
2.4 TV Advertising

According to Rahim and Osman (2012) Malaysian television commercials have adopted mostly the local cultural identities in their advertising creative executions. Globalization is already being used in advertising creative executions in Malaysia, pertaining to culture influences. Malaysian advertisers have used localization, globalization strategies in their global branding and advertising. It is important for advertising practitioners to be cautious about cultural, social, religious systems ad national identity underpinnings, which influence on advertising. Hamid (2010) mentioned that advertisers should try to produce more local TV programs and film to hold their culture especially between younger generations. Also they can produce their local advertisement for international brand with local actors by using eastern culture. Rahman (2007) suggested that there are several types of Islamic concepts that advertisers should follow to create great TV commercial advertising. They must have good intention and should be honest in advertising-pros and cons of the products. They need to avoid cheating and have to advertise products which are not harmful to others. They cannot contain anything forbidden and should not be so expensive that the consumer can afford the cost of the advertisement. Rahim and Osman (2012) suggested that Malaysian commercials are adapting the local consumer culture positioning and the global consumer culture positioning rather than the foreign consumer culture positioning, in the advertising strategies.

Futurescape (2011) mentioned that significant numbers of TV viewers are simultaneously online while watching television, many of them using a laptop. Given the popularity of social networks, this two-screen activity means people are talking about TV shows at the same time they are watching them. Basri and Ahmad (2011) mentioned that national television needs to cope with the changes in the age of global media. The focus group discussions have highlighted how programs aired on national television are seen as unappealing and lagging behind in many aspects. Still, the respondents were able to identify and relate with some signature programs. Therefore the challenge is to rebrand these signature programs so that it would be seen as more modern and attractive, yet maintaining the niche market as its key selling point.

Majid (2010) found that local TV news Web sites perform relative to other news and information Web sites on attributes relevant to advertisers. Therefore, TV advertising is the most effective advertising in a world. Bruce (2009) found that In general, radio and television advertising are useful for reaching broad segments of the population in a short amount of time with a simple message. Web advertising may be another potential “piece” of the mass media campaign buy worth evaluating, especially in conjunction with radio and television buys – media outlets is increasingly using their websites to link communities with advertisers and information. In general, media planners should plan a strategy that helps to link the target audience to information and resources; they may need to change their behaviors.

Patsula (2007) found that television is often called “king” of the advertising media, since a majority of people spend more hours watching TV per day than any other media. It combines the use of sight, color, sound and motion and it works. The TV has proven its persuasive power in influencing human behavior frequently but it’s also the king of advertising costs.
2.5 Print Advertising

Dominic (2011) found that in media advertising, the task of the advertiser is to develop a definite understanding of the market for their product. Advertising budget is not large enough to allow year-round advertising. The important factor can be defined as the qualitative value of an exposure or effect through a given media to the customers based on the placement of the advertisement in a newspaper.

According to Savita and Emelia (2011), important factors such as cost, reach, frequency and target audience play important roles in selecting the best newspaper as the preferred advertisement vehicle. The study on internet advertising could be future research as the option for the companies to place their advertisements. The newspapers with the most number of readerships will have a strong demand for advertisements. Sissors (2011) stated that print media spreads more widely, fast flowing information to people than electronic media. These opportunities can give higher effectiveness to influence people because they can get print media anywhere and it also flows faster than other advertisings. The print media is known not only to play an effective role to inform people but also in making people to think and shape people’s attitudes.

Swain (2008) found that the newspaper industry in general has been experiencing losses over the past few years. One group that newspapers are worrying about is real estate advertisers. Real estate advertising is an $11 billion business annually, and newspapers have historically enjoyed a significant portion of real estate advertising. As more consumers turn to online real estate shopping, a number of companies are reducing their newspaper advertising costs and directing it to online advertising.

Richard, Bakker and Picard (2010) suggested that Newspapers are in particular affected by economic downturns because of retail and classified advertising. Magazines suffer strongly from recessions. Television in contrast is used by major companies to advertise their key brands to the large population. The degree for substitution of advertising media depends on the objective match between relevant media characteristics and advertisers’ objectives. Kee and Hassan (2006) found that the print media can be considered as one of the most flourishing industries compare to other devices. The different types of print media provide options for people to use advertisements.

Jonas and Sten (2010) emphasized that Newspaper companies definitely can generate profit out of this endeavor. Newspapers with higher number of readership will charge more for their advertising space, yet more companies would still request for their advertising service. Bruneau (2010) also found some other advantages to advertisers using print media. He found that different types of print media have a loyal readership, Targeting a particular geographical area is easy by using print media. Rahman (2009) mentioned by using all kind of advertising technique such as print media, commercial advertising, internet advertising, likability and entertainment, they check which one is more effective. But Malaysian people are not open for all techniques. Some of them still not use internet, so internet advertising is not use full for all groups of people in society.

Consterdine (2005) explained that many advertisers using print media published their advertisements to attract customers through magazines, newspapers, point-of-purchase and more. Technology changes constantly thus the advertiser may use this as an advantage by
forecasting commercial advertising on television and radio to attract people. Gluck and Bruner (2005) mentioned that among the entire advertising media in Malaysia (television, newspapers, point-of sale, internet, magazines etc.), newspapers have become the main contributor to the growth of the advertising market in the country, with shares of 54 percent and with a growth of 8.3 percent.

Picard (2008) emphasized that one reason for the long-term decline of newspapers as advertising medium Proposed is the growth of Internet advertising. Television is the most important advertising medium, and magazines and outdoor advertising are relatively important too. Selma (2003) also found that print media such as newspapers or magazines delivers better advertising because a copy of print media advertising uses more than two people to receive information and gets in anywhere.

3. Methodology

This paper is a review paper and will explore the relationship between different media advertising and selling ratios. The key objective of this study is to find which kind of media advertising is more significantly related with selling ratios. According to literature review, it’s obvious there are several types of media advertising which effect on consumer behavior. Due to that, the following hypotheses have been developed:

RH: there is significant relationship between media advertising and selling ratios.
RH\(_a\): there is significant relationship between online advertising and selling ratios.
RH\(_b\): there is a significant relationship between TV advertising and selling ratios.
RH\(_c\): there is a significant relationship between print advertising and selling ratios.

3.1 Operational Definitions

Selling ratio is the ratio of the quantity of goods sold by a retail outlet to the quantity distributed to it wholesale. In another way Selling ratio is An indicator of small-investor response, equal to the amount of odd lot buying divided by the amount of odd lot selling over a given time period.

Online advertising is a form of promotion that uses the Internet and World Wide Web for he expressed purpose of delivering marketing. Online advertising is using of internet as an advertising medium where promotional messages appear on a computer screen. Since the contact software (browser) reveals sufficient information about the site's visitors online advertising can be custom-tailored to match user preferences.

A television advertisement or television commercial (often just commercial or advert) is a period of television programming produced and rewarded for by an organization that conveys a message. Advertisement revenue provides a considerable portion of the funding for most private owned television networks. The mass television advertisements today consist of brief advertising spots, ranging in length from a few seconds to several minutes (as well as program-length infomercials).

Print advertising is advertising in newspapers, magazines, catalogs, or mailers. Usually, if an advertisement is printed on paper, newspapers, magazines, newsletters, booklets, flyers,
direct mail, or anything else that would be considered a portable printed medium, then it comes under the banner of printed advertising.

4. Conclusion, policy implications and further studies

According to Cruzat (2012), Silverman (2012), Magnaglobal (2011), Hamid (2010), Shaver and Lacy (2010), Hayko (2010), Tellis (2009), Shafie (2009), Thomas (2008), Galandar (2008), Shimp (2007), Erdem and Sun (2002) and Yoon (1998) can conclude that there is significant relationship between media advertising and selling ratios. Advertising on selling ratios must be based on fact because they can operate people’s strongest desires and greatest fears to encourage them to buy the preferred products.

According to Miller (2012), Media guide (2012), Barroso and Liobet (2011), Gibbs (2010), William (2010), Alreck and settle (2009), Evans (2008), Richard (2008) and Stuart (2008) can conclude that there is significant relationship between online advertising and selling ratios. Online Advertising is promising more revenues for web publishers. Because of different types with different knowledge, this is the most authoritative tool of technology whereby many advertisers attracts consumers and has enhanced a lot lately.

According to Rahim and osman (2012), Basri and Ahmad (2011), Futurescape (2011), Hamid (2010), Majid (2010), Bruce (2009), Rahman (2007) and Patsula (2007) can conclude that there is significant relationship between TV advertising and selling ratios. The vast majority of people spend more hours watching TV per day than paying attention to any other medium but the forecast of TV advertising is stable. Significant numbers of TV viewers are simultaneously online while watching television, many of them using laptops.

According to Dominic (2011), Savita and Emelia (2011), Sissors (2011), Richard, Bakker and Picard (2010), Jonas and Sten (2010), Bruneau (2010), Rahman (2009), Swain (2008), Picard (2008), Kee and Hassan (2006), Consterdine (2005), Gluck and Bruner (2005) and Selma (2003) can conclude that there is significant relationship between print advertising and selling ratios. The different types of print advertising with the most number of readerships will have a strong demand for advertisements. One reason for the long-term decline of print advertising is the growth of Internet advertising.

The goal of any advertising is ultimately to start action for monetary return. Sometimes changes in creativity, medium, target segment or product itself will lead to changes in sales. Methods of advertising are changing in each era. Traditional advertising agencies are more in danger to lose in the transition to digital advertising. Internationalization of the media advertising is part of a developing process in many developing countries. Advertisers need to adapt to the new wave of technology revolution to stay competitive in their value chain. Creativity in advertising can make a huge distinction. The degree to which advertising media substitutes, depends on the objective match between relevant media characteristics and advertisers’ objectives.

I recommend for future research to investigate further on variables affecting selling ratios.
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