To Evaluate the Comprehensive Effect of Advertising by Using Value Engineering Theory

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ABSTRACT

Advertising is an important way for corporate publicity. In the advertising design of enterprises, it is necessary to strengthen the value analysis and evaluation of advertising so as to provide an important reference and basis for the advertising investment of enterprises, to design some excellent advertisements, and to enhance the advertising effect. All of these will bring greater profits to enterprises and improve their market competitiveness. For the advertising evaluation, we can make full use of the value engineering theory, and put it into every stage of advertising value engineering, so that it can achieve good effect. This paper analyzes the comprehensive effect of the advertisement by using the value engineering theory to provide some reference for people.

KEY WORDS: value engineering theory; advertising evaluation; advertising value

INTRODUCTION

In recent years, various types of media have experienced rapid development. The content of media is more colorful and the media is more specialized and individualized. Advertising also attracts people's attention due to the diversification of forms and personalization of the content. For enterprises, it will effectively enhance the market share of the enterprise by giving full play to the maximized value of advertisement and using the advertisements properly. Therefore, it is very necessary to use value engineering to evaluate the advertisement.

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1. The General View of the Value Engineering Theory

Value Engineering is a modern management method originated from the United States. It refers to a method of management that comprehensively analyzes the costs and functions of the research objects with the help of various related fields, and ultimately improve the value of the research objects by constant innovation. And the theory, the basic principle of value advertising project, is based on the actual needs of users to analyze the value of advertising, so as to play the necessary functions based on the maximum reduction of life-cycle costs, and even to maximize the use of value. The core of value engineering theory is the functional analysis. That is, to reduce the cost under the original function or to control the original cost so as to improve the function of the products or to greatly increase the function of the products though the cost increase rate is very small. As for a product, the ultimate goal of producing this product is to meet the users’ demand for the product or to make profit for the producers. Through the value engineering theory, both of these goals can be well achieved, which can improve the function of the products and reduce the cost so as to bring greater benefits to the enterprises. Value engineering theory is a kind of thinking with a wide-scope application. All the functional things can use the value engineering theory to make analyses [1].

Enterprises’ advertising design is the carrier of its function and cost, you can also use the value of engineering theory for advertising evaluation and analysis. Value engineering theory uses the formulas that can be expressed as Value (V) = Function (F) / Lifetime Cost (C), which can also be used to measure advertisings. The value and function is proportional to the cost of life in a certain circumstance, and the greater the function is, the greater the value of advertising will be. On the contrary, advertising costs are inversely proportional to the life cycle costs in the same circumstances. That is, if the life cycle cost is smaller, the value of the advertising is much larger. Function is the ultimate goal of advertising design, and the cost is the total expense of advertising design and implementation, including the advertising planning phase, the design phase and the implementation phase. In the first two phases, we must measure the advertising for the advertising evaluation can make full use of the value engineering theory, and to strengthen the analysis of the value of advertising functions.

2. Work Procedures of the Value Engineering Theory Evaluation Advertising

2.1 preparation stage

To evaluate the advertising by using the value engineering theory, we must, first, make preparations, select the object, and form the value working group and develop a work plan. The object of choice is to choose the object of value engineering in combination with the objective needs. In the advertisement evaluation, the research object is the advertising program, and then to form a working group by combining the working scale of the specific advertising program. The person in charge of the value function theory group should be served by the person, and all the group members should have a very professional and creative job in advertising design and advertising implementation. A work plan includes the objectives of the work, the specific implementation of the work and the implementation date of the evaluation work.

2.2 Analysis stage

Analysis phase is the stage of advertising evaluation, and the focus of the entire work. In the analysis stage, we should first collect relevant information and materials, and organize all the information related to the advertising, as well as conduct the data collection throughout the implementation of the entire value engineering work. Then to conduct the functional system analysis. Through the analysis of information we will determine the advertising function, and through clear functional requirements, we can draw a functional system diagram. Finally, the aim of functional evaluation is mainly to improve the original
advertising program, the size of the various functions of the ads with the quantitative form expressed to calculate the current cost. To have a research on the function of the current cost and the function relationship, and then to determine which functional of the original object need improvement and the target cost of the function. All of the fixed target cost will be the evaluation basis of innovation and design.

2.3 Innovation Stage

Innovation stage requires to make an innovative program, program evaluation and proposal writing. Program innovation is to carry out creative thinking and activities, based on the objectives that should be improved, the established functional system diagram, the function of the target cost of the function and the functional features, so as to put forward different solutions to the functions. Program evaluation is to evaluate the proposed programs from the aspects of advertising technology, economic and social benefits and other aspects, and then to see whether we should achieve the required goals and choose the best solution [2]. Proposal writing is to write some formal proposals based on the options we have chosen and the associated technical and economic information and the estimated benefits.

3. Specific Methods of Advertising by Using Value Engineering Theory

3.1 The use of value engineering theory for advertising evaluation of functional evaluation

Function evaluation is the core of value engineering theory and the key step of functional analysis. It is the most important part of the whole value engineering analysis. The function evaluation is to use the evaluation scale of the function as the evaluation object so as to find out the minimum cost of a function. That is, the function evaluation value, and then to compare the current cost with function evaluation value to get the D-value. And this difference is to improve the expected value, and the ratio is the value of these two indicators as a reference to select the function of improving the target area [3]. The measurement formula of the value is: Value = Function / Cost. When performing a functional evaluation, you need to quantify both costs and functions, and then calculate both the expected improvement and the value. Function evaluation refers to the quantitative product function. When calculating the function evaluation value, it is necessary to determine the cost target value, that is, the function target cost, and to regard the function target cost as the value of the cost target value. The cost of a product refers to the current cost achieving of the existing function, which can also be called the functional current cost. Therefore, the value formula can be quantified as: value = function evaluation value (function target cost) / functional current cost. While the cost-improving expected value can be expressed as: Improvement Expectation = Function Target Cost - The current functional cost. In making an actual evaluation, the cost of the function target needs to be obtained through the group decision-making method. Each expert scores each function of the product and then calculates the function evaluation coefficient according to the relevant formula. Function Evaluation Coefficient = Function Average Score / Overall Average Points, and functional target cost = functional evaluation coefficient × total target cost.

In evaluating the advertising, the advertising function analysis and positioning should be combined with the specific business, for the advertising functions have different focuses for different advertising businesses and products, even the same products in the same business have different tendency under the market conditions. For example, some daily necessities frequently used and advertising programs should focus on shaping a good brand image. While for some durable consumer products, such as cameras, cell phones, etc. should be timely and accurate in delivering goods information to the consumer. For start-ups, advertising should focus on providing services, promoting product sales through service advantages, and
increasing the visibility of an enterprise or product through product sales. For a company with a certain share in the market, the sales advantage of the product can be reflected in the advertisement. In short, the comprehensive evaluation of advertising should be combined with the specific business conditions, product status, etc. In addition, to have targeted advertising position in accordance with the specific circumstances and different advertising function, so as to define the goal we want to achieve through advertising, and to guide the advertising design.

3.2 The value index of advertising effectiveness

Advertising effect refers to through the impact the advertising has made to determine the value index. And you can evaluate the psychological effects from emotional and economic aspects.

3.2.1 Psychological effect evaluation

The function of advertising is to disseminate information. Advertising may not promote consumers to buy, but it increases consumers' knowledge or perception of product knowledge. When positioning advertisement function on shaping corporate image and shaping brand, we should evaluate the advertising effects on the basis of the effectiveness in our mind, that is, the changes in consumer attitudes toward advertising. And to count out the unknown, well-known, understanding, convincing conclusion and the number of people who took place should reach the exchange index, and evaluate through the value engineering theory and experts scoring. The exchanging exponential weight is obtained by the expert scoring, and then to multiple the exchange index before and after with their respective weights, and finally, you can draw the heart effect value index, the heart effect evaluation index = psychological effect value / Advertising costs.

3.2.2 Economic effect evaluation

The economic effect refers to the change of the product sales brought by the advertisement, which is also the most direct effect that the advertisement investment hopes to obtain. Evaluation of economic effects requires to determine the economic indicators, mainly to evaluate the product sales after the release of advertisements and profits the enterprise brings. In the initial stages, if the firm's position on the advertising function is determined by sales and purchases, the performance of the ads must be measured by economic indicators. There are many factors affecting product sales: in order to determine whether such sales caused by advertising change will require to exclude other factors, you can use the comparative combination of law. Analysis of the product buyers do not look at the number of people to buy ads, the number of people who bought after reading the ads and did not buy, the number of people looking at the number of ads without buying, advertising effectiveness index = [read the ads (The number of people who bought after seeing the advertisement - the number of people who did not see the advertisement) × the number of people who did not see the advertisement to buy / (the number of people who did not read the advertisement + the number who did not buy the advertisement)] / N, so as to evaluate the economic effect of advertising, ignoring the cost of advertising. So to establish the evaluation of advertising economic effects by using the value engineering theory, and advertising economic evaluation index = advertising effectiveness index / advertising costs.

4. Conclusion

Only the enterprises evaluate the comprehensive effect of advertising in the process of advertising design and implementation of advertising by using value engineering theory, can they accurately evaluate the value of advertising, provide the basis for the advertising design and implementation and ultimate effects so as to bring more economic benefits.
References


