Today’s Advertising Laws: Will They Survive the Digital Revolution?  
BYRON SHARP and YORAM (JERRY) WIND

Even advertising has scientific laws, empirical patterns that generalize across a wide range of known conditions. These empirical generalizations provide us with benchmarks, predictions, and valuable insights into how the digital revolution may affect advertising. More than ever we need systematic research to understand the generalizability of our research findings.

Advertising Impact Generalizations in a Marketing Mix Context  
DOMINIQUE M. HANSSENS

What has academic research revealed about the quantifiable impact of advertising on business performance? This article summarizes the advertising-related findings in a recent Marketing Science Institute book on empirical generalizations about marketing impact.

Empirical Generalizations About Advertising Campaign Success  
LES BINET and PETER FIELD

An analysis of 880 IPA Effectiveness Awards cases suggests that the following strategies increase advertising effectiveness in terms of sales and profit performance:

- focusing on “hard” objectives;
- focusing on price, not volume;
- focusing on penetration, not loyalty;
- influencing consumers on an emotional, rather than rational level;
- creating “talk value”;
- having a high SOV relative to market share;
- including TV in the media mix;
- using a small number of channels in concert.

These results, which generalize across a variety of conditions, suggest that much common practice in advertising is suboptimal.

Whither the Click? How Online Advertising Works  
GIAN M. FULGONI and MARIE PAULINE MÖRN

Even with no clicks or minimal clicks, online display advertisements can generate substantial lift in site visitation, trademark search queries, and lift in both online and offline sales.

The Efficacy of Brand-Execution Tactics in TV Advertising, Brand Placements, and Internet Advertising  
JENNI ROMANIUK

The number of times a brand visually appears in a video advertisement is correlated with higher correct identification of that brand within the advertisement.
Prominent brand placement affects memory positively, but affects attitudes negatively when audiences are involved with the medium vehicle, when they like the medium vehicle, or when they become aware of a deliberate brand placement (selling attempt). Brand placement can affect audience attitudes and behavior, without memory of the placement.

Approximately 20 percent of WOM about brands refers to paid advertising in media. The level and effectiveness of WOM is substantially increased when stimulated, encouraged, and/or supported by advertising, increasing the probability by about 20 percent that a consumer will make a strong recommendation to buy or try a product.

Less clutter does not result in better brand identification. Advertisements recalled in high clutter are generally of better quality and are more likeable on average.

Based on the established empirical generalization that advertising elasticity is approximately 0.1, net profit is optimized by setting the advertising budget to be 10 percent of gross profit. If the elasticity is 0.15, then the advertising budget should be 15 percent of gross profit, and so on.

Communicate a unique selling proposition. Ideally, it should be based on an important benefit; alternatively, and riskier, it could be based on a feature that clearly implies a benefit. It is effective if it is unique in the minds of consumers even though other brands could make the same claim. However, it is especially effective if it cannot be easily matched by competitors. This generalization, previously regarded as problematic, is supported by recent experimental evidence.

Factors that make shopping quicker result in increased shopper spending.

In-store digital signage featuring “newsworthy” information (e.g., new items, seasonal offers, promotions) has a markedly favorable impact on sales. This effect is stronger for hedonic (food and entertainment) products.
186 Short-Term Effects of Advertising: Some Well-Established Empirical Law-Like Patterns

LESLIE WOOD

Brand advertising often has a pronounced short-term sales impact. This impact decays over time. The most dramatic influence on short-term effect is creative copy.

193 The Spacing Effects of Multiple Exposures on Memory: Implications for Advertising Scheduling

ALAN G. SAWYER, HAYDEN NOEL, and CHRIS JANISZEWSKI

Spaced multiple exposures (distributed) produce greater learning than repeated exposures with short intervals (massed). Longer intervals between exposures result in better learning than shorter intervals.

198 Is Once Really Enough? Making Generalizations about Advertising’s Convex Sales Response Function

JENNIFER TAYLOR, RACHEL KENNEDY, and BYRON SHARP

The advertising response curve is “convex”—the greatest marginal response is from the first exposures. As the number of cumulative exposures in a period increases, the marginal effect of the advertising drops.

201 An Update of Real-World TV Advertising Tests

YE HU, LEONARD M. LODISH, ABBA M. KRIEGER, and BABAK HAYATI

There is a greater than 50 percent chance that the typical TV advertising campaign will lose money both short term and long term. The risk of losing money fluctuates over the years, but has been over 50 percent. The average elasticity of TV advertising has fluctuated between 0.043 and 0.163 over the past 25 years.

207 The Total Long-Term Sales Effects of Advertising: Lessons from Single Source

KATE NEWSTEAD, JENNIFER TAYLOR, RACHEL KENNEDY, and BYRON SHARP

The total long-term sales effect of advertising depends (positively) on the size of the initial effect and (negatively) on competitive advertising. An advertising exposure typically has a half-life of three to four weeks.

211 Television: Back to the Future

BYRON SHARP, VIRGINIA BEAL, and MARTIN COLLINS

Television still has very high reach. Declining ratings are due to fragmentation (more channels) not to reduced TV viewing levels, which are remarkably resilient to social and technological changes and to the emergence of “new media.” Average ratings halve if the number of channels doubles. In addition, the Double Jeopardy law applies to TV channels. Bigger channels have more viewers, and these viewers watch for more hours.
Empirical Generalizations

220 Empirical Evidence of TV Advertising Effectiveness  JOEL RUBINSON

Over the past 15 years, TV has not declined in its effectiveness at generating sales lift and appears to be more effective than either online or print at generating brand awareness and recognition.

227 The Enduring Influence of TV Advertising and Communications Clout Patterns in the Global Marketplace  OSCAR JAMHOURI and MAREK L. WINIARZ

Despite an increase in TV channels and fragmentation of audience, TV appears to retain its perceived clout among target audiences in Asia, Europe, and North America and holds across recent years. While the influence of digital media has grown, it has not caused a corresponding decrease in TV influence.

236 Digital Video Recorders and Inadvertent Advertising Exposure  ERIK DU PLESSIS

Fast-forwarding TV commercials results in little difference in advertising recall and likability.

240 Generalizations about Advertising Effectiveness in Markets  GERARD J. TELLIS

Research on over 260 estimates of advertising elasticity leads to the following important generalization. If advertising changes by 1 percent, sales or market share will change by about 0.1 percent—that is, advertising elasticity is 0.1. The advertising elasticity is higher in Europe relative to the United States, for durables relative to nondurables, in early relative to late stages of the product life cycle, and in print over TV. The advertising elasticity is lower in models that incorporate disaggregate data, advertising carryover, quality, and promotion relative to those that do not. The advertising elasticity is lower in multiplicative models relative to other model forms, such as the additive model. The advertising elasticity is invariant over the measure of the dependent variable or the method of estimation.

246 Advertising Empirical Generalizations: Implications for Research and Action  YORAM (JERRY) WIND and BYRON SHARP

A special conference on empirical generalizations (EGs) in advertising led to this special issue of the Journal of Advertising Research. It also generated a representative selection of 23 EGs that give a sense of how strong our scientific knowledge is about advertising, and where the gaps lie. While real advances in knowledge have been achieved, the list highlights significant knowledge gaps, particularly concerning advertising in the new fragmented interactive-media world. We surveyed advertising thought leaders on which of these empirical laws they felt were most important and most certain. Many of our empirical laws suffer from inadequate knowledge concerning the conditions over which they do and do not generalize.
REVIEWERS

The Guest Editors would like to thank the following reviewers for their insightful comments.

Tim Ambler  London Business School
Robert Barocci  Advertising Research Foundation
Paddy Barwise  London Business School
Mike Bloxham  Centre for Media Studies, Ball State University
Martin Collins  OpinionPanel Research
Francesca D’alloo Riley  Kingston upon Thames University, UK
Peter Danaher  Melbourne University
Nick Danenberg  Ehrenberg-Bass Institute, University of South Australia
John Dawes  Ehrenberg-Bass Institute, University of South Australia
Robert East  Kingston upon Thames University, UK
Peter S. Fader  Wharton School, University of Pennsylvania
Phil Gendall  Massey University
Kathy Hammond  Duke Corporate Education
Stephen Holden  Bond University
Brian Rock  Network Ten
Jenni Romaniuk  Ehrenberg-Bass Institute, University of South Australia
Joel Rubinson  Advertising Research Foundation
Phil Stern  Bangor University, UK
Mark Uncles  University of New South Wales
Jack Wakshlag  Turner Broadcasting
Malcolm Wright  Ehrenberg-Bass Institute, University of South Australia