

# Index of Empirical Generalizations

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## 120 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.

## 127 Advertising Impact Generalizations in a Marketing Mix Context DOMINIQUE M. HANSENS

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.

## 130 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.

## 134 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.

## 143 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.

# Empirical Generalizations

## **151 Brand Placement Prominence: Good for Memory! Bad for Attitudes?** EVA VAN REIJMERSDAL

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.

## **154 The Role of Advertising in Word of Mouth** ED KELLER and BRAD FAY

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.

## **159 How Clutter Affects Advertising Effectiveness** PETER HAMMER, ERICA RIEBE, and RACHEL KENNEDY

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.

## **164 A New Theorem for Optimizing the Advertising Budget** MALCOLM WRIGHT

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.

## **170 Using Quasi-Experimental Data to Develop Empirical Generalizations for Persuasive Advertising** J. SCOTT ARMSTRONG and SANDEEP PATNAIK

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.

## **176 The In-Store “Audience”** HERB SORENSEN

Factors that make shopping quicker result in increased shopper spending.

## **180 Behavioral Effects of Digital Signage** RAYMOND R. BURKE

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.

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## **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.

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## **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'allmo 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
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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