

Market Share Changes after an Advertising Break

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Abstract

This study investigates the consequences of advertising cessation on brands, focusing on quarterly market share outcomes in 22 U.S. consumer product categories, comprising 1,480 cessation cases from 602 brands. On average, a 5% relative market share decline occurs after a quarter without advertising, stabilising until the fourth quarter and progressively declining over time. We investigate market share changes by category over time and explore related factors. While market share performance after cessation varies with brand size and prior trajectory, this is more notable for longer cessations. Category penetration and purchase frequency are more influential in the initial cessation periods. Brands in staple categories endure cessation better in the long term, whereas those from low penetration and frequency categories exhibit more short-term volatility. Despite variations, the aggregated trend is a decline below the pre-advertising stop threshold. Brand managers should consider their category conditions if anticipating periods without advertising support.

Keywords: advertising; scheduling; budget; market share; stop advertising