

When Brands Pause Advertising – the Influence of Size & Seasonality

Peilin Phua^{a*}, Virginia Beal^a, Nicole Hartnett^a, Giang Trinh^a, and Rachel Kennedy^a

^a UniSA Business, Ehrenberg-Bass Institute for Marketing Science, University of South Australia, Adelaide, Australia

* Corresponding author: peilin.phua@unisa.edu.au

When Brands Pause Advertising – the Influence of Size & Seasonality

Abstract

This study examines brands that cease advertising for a quarter or more. Utilising five years of data on consumer purchase and media spend in 22 consumer goods categories in the United States, this research explores the interplay between seasonality, consumer demand, and brand characteristics that influenced the frequency of advertising cessations. Notably, ad cessation was slightly more prevalent in Q4 than in other quarters. Despite criticism about stopping advertising, it remains prevalent, particularly in some categories. Some cessations correspond to category demand declines for seasonal categories. However, there were also instances where ad stops did not align with decreased demand, indicating an opportunity for brands that remained advertised. Cessations were most common for small brands, with stable brands also ceasing more often than growing or declining brands. This study offers insights for advertisers, brand managers, and researchers to understand the dynamics of advertising strategies in diverse product categories.

Keywords: scheduling; budget; seasonality; quarter; stop advertising; competition