

APPENDIX 1 – VAKRATSAS AND AMBLER SUMMARY OF ADVERTISING RESEARCH CLASSIFICATIONS

Summary of Empirical Findings			
Model	Topic	Conclusion	Studies
(-)	Short-term effects: advertising elasticities	1. Advertising elasticities range from 0 to .20. 2. Advertising elasticities for durables are higher than those for nondurables. 3. Promotional elasticities are up to 20 times higher than advertising elasticities.	Assmus, Farley, and Lehmann 1984; Leone and Schultz 1980; Lodish et al. 1995a. Leone and Schultz 1980; Sethuraman and Tellis 1991. Lodish et al. 1995a; Sethuraman and Tellis 1991.
(-)	Dynamic advertising elasticities	4. Advertising elasticities are dynamic and decrease during the product life cycle. Advertising elasticities are therefore higher for new than for established brands.	Arora 1979; Lodish et al. 1995a; McDonald 1992; Parker and Gatignon 1996; Parsons 1975; Winer 1979.
(-)	Long-term effects: advertising carryover	5. Purchase reinforcement and habitual loyalty effects are stronger than advertising carryover effects. 6. 90% of the advertising effects dissipate after three to fifteen months.	Givon and Horsky 1990. Assmus, Farley, and Lehmann 1984; Clarke 1976; Leone 1995.
(-)	Advertising response functions, reach, and frequency	7. Returns to advertising are usually diminishing; the first exposure is the most influential for short-term sales or share gains. 8. For frequently purchased package goods, share returns to advertising diminish fast, typically after the third exposure. After the third exposure, advertisers should focus on reach rather than frequency.	Deighton, Henderson, and Neslin 1994; Jones 1995a; McDonald 1971; Pedrick and Zufryden 1991; Simon and Arndt 1980; Tellis 1988. Deighton, Henderson, and Neslin 1994; Krugman 1972; McDonald 1971; Naples 1979; Pedrick and Zufryden 1991, 1993; Tellis 1988.
(C), (CEA)	Advertising for search, experience, and ambiguous goods	9. Advertising is more effective for experience than search (ambiguous) goods. Furthermore, advertisements for search goods contain more product-oriented information than do experience goods advertisements.	Hoch and Ha 1986; Nelson 1974; Verma 1980.
(C)	Advertising as a signal of product quality	10. Increased advertising signals high quality when costs of producing quality are low and consumers are less responsive to advertising.	Tellis and Fornell 1988.
(C)	Advertising effects on consumer price sensitivity	11. Price advertising increases price sensitivity, whereas nonprice advertising decreases price sensitivity. Furthermore, price sensitivity leads to lower prices. 12. When consumers rely on memory to retrieve product information, advertising increases price sensitivity; when consumers rely on point-of-purchase information, advertising decreases price sensitivity	Kaul and Wittink 1995. Mitra and Lynch 1995.
(A)	Advertising and affective responses	13. Advertising need not be informative to be effective, nor need be verbal only; emotional and visual elements enhance preference.	Aaker and Norris 1982; Gorn 1982; Healy and Kassarian 1983; Krugman 1977; Resnik and Stern 1977; Rossiter and Percy 1978, 1983; Sawyer 1981; Stern, Krugman, and Resnik 1981; Stern and Resnik 1991; Weinberger and Spotts 1989; Zajonc 1980; Zajonc and Markus 1982.

SOURCE: Vakratsas and Ambler (1999)