



When Brands Go Dark

Extending the Evidence to 22 Categories in the United States

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The Research Questions

- ▶ What happens to a brand's **market share** when it stops mass media advertising for **a year or more**?
- ▶ What role do **brand size** and **prior trajectory** (growing / stable / declining) play?
- ▶ Does the relationship between market share change and advertising cessation vary **across product categories**?



Key Takeaways

- ▶ **Market share declines** become steadily larger as time without advertising increases. On average, brands lose market share by -10% after one year, -20% after two, and 28% after three years, relative to the last advertised year.
- ▶ **Brand size and prior trajectory matters:** Small and already declining brands are at greater risk of market share declines when advertising stops.
- ▶ **Category characteristics play a role:** Products with longer inter-purchase intervals appear to suffer more after very long dark periods (i.e., three years).
- ▶ **Replication gives confidence** that the findings are reliable and sufficiently generalizable to influence advertising decision-making.



Data and Method

- ▶ Nielsen Consumer Panel and Ad Intel data
- ▶ US data (2010 to 2015)
- ▶ 22 product categories, brands analyzed at variant level (e.g., Diet Coca-Cola)
- ▶ 377 stop cases from 365 brands lasting at least one year (up to four)
- ▶ Indices used to quantify changes in value market share from last advertised year



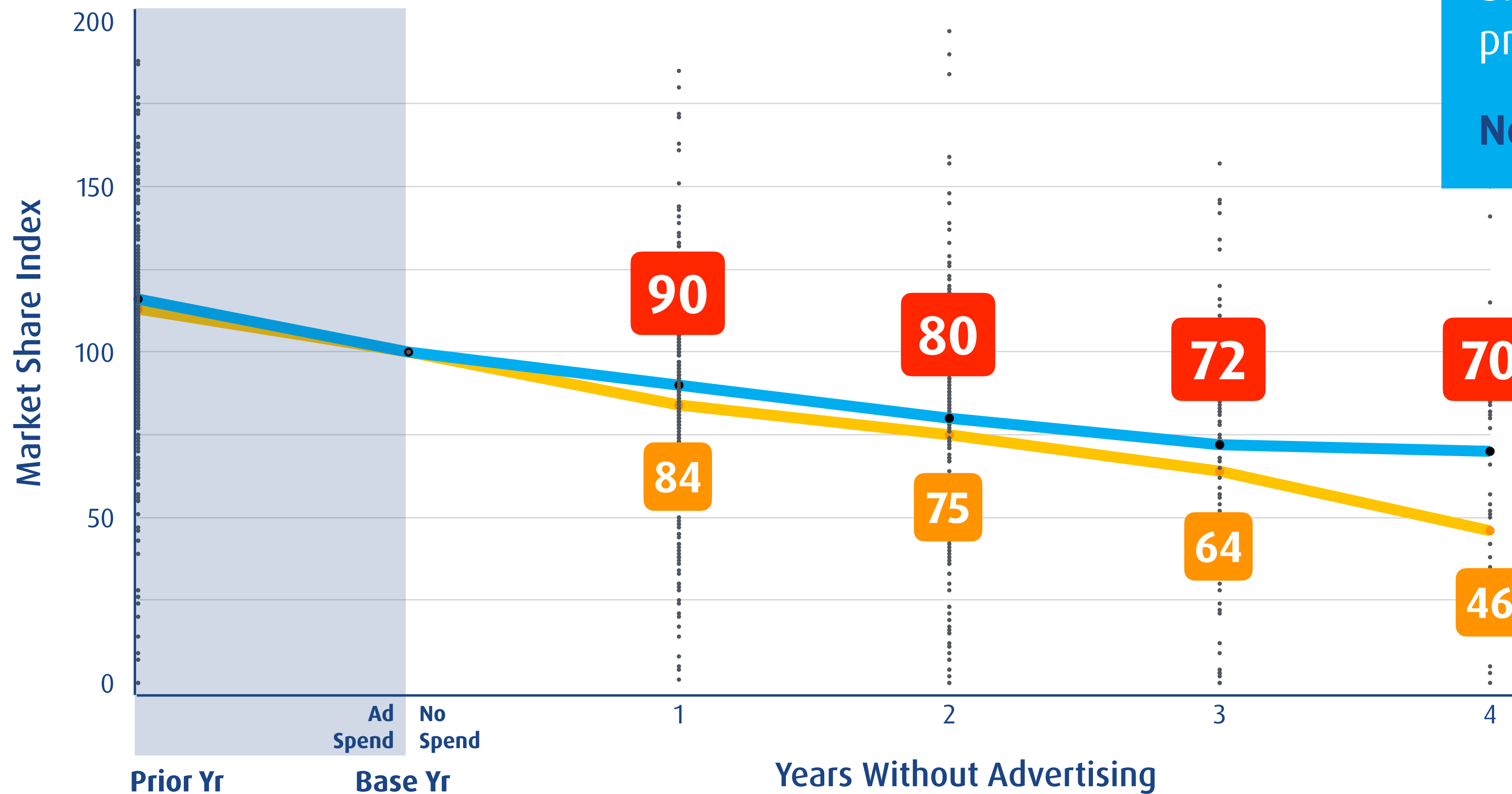


When Brands Stop Advertising: New Evidence

Results from 365 brands that stopped advertising for 1+ year(s) provide confidence on the consequences of ceasing advertising.

Brand conditions apply, in line with previous findings (Report 79).

New: Category conditions matter.



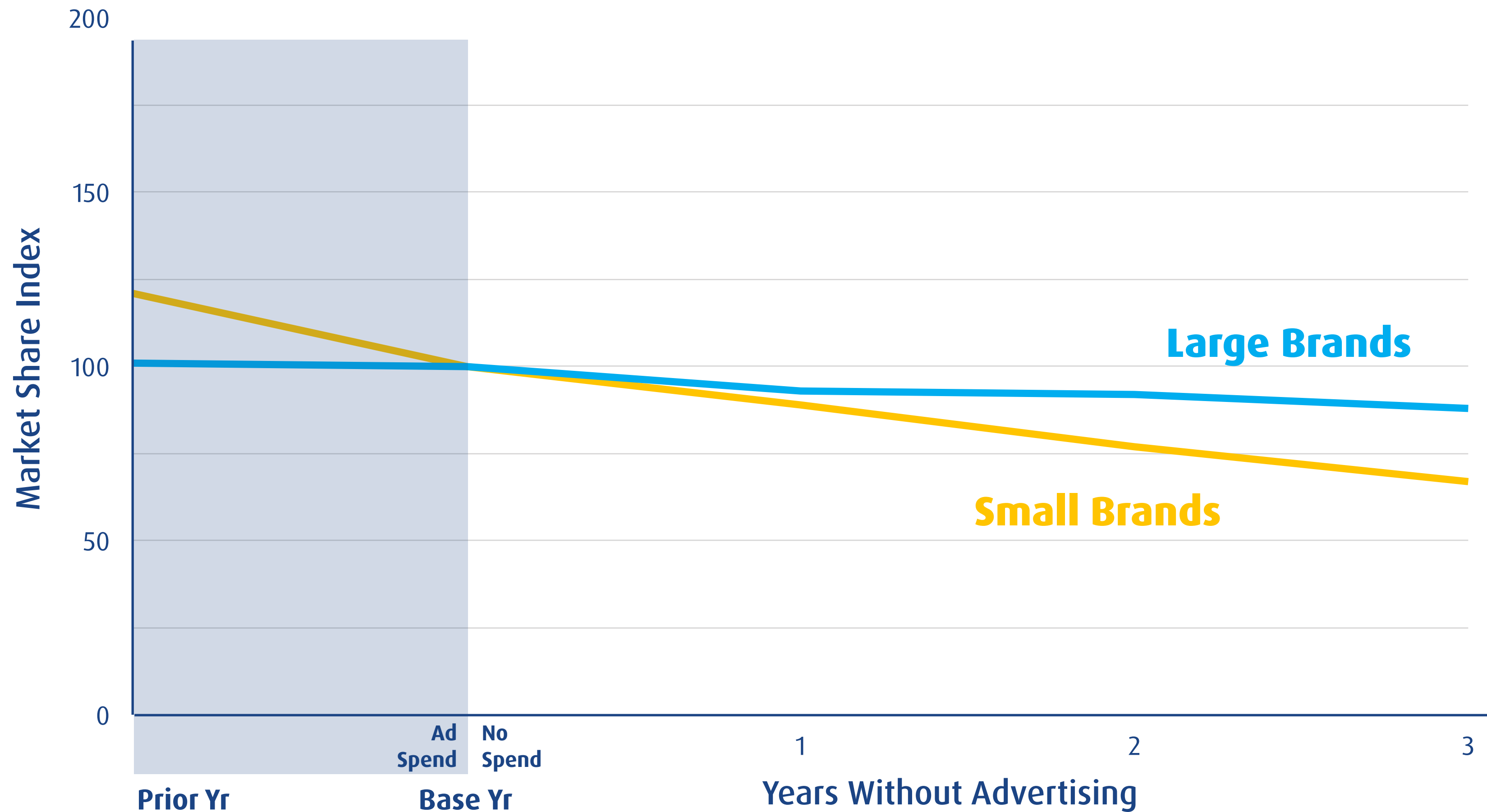
**Market share changes:
Latest report**

**Sales changes:
Report 79**





Brand Size Matters



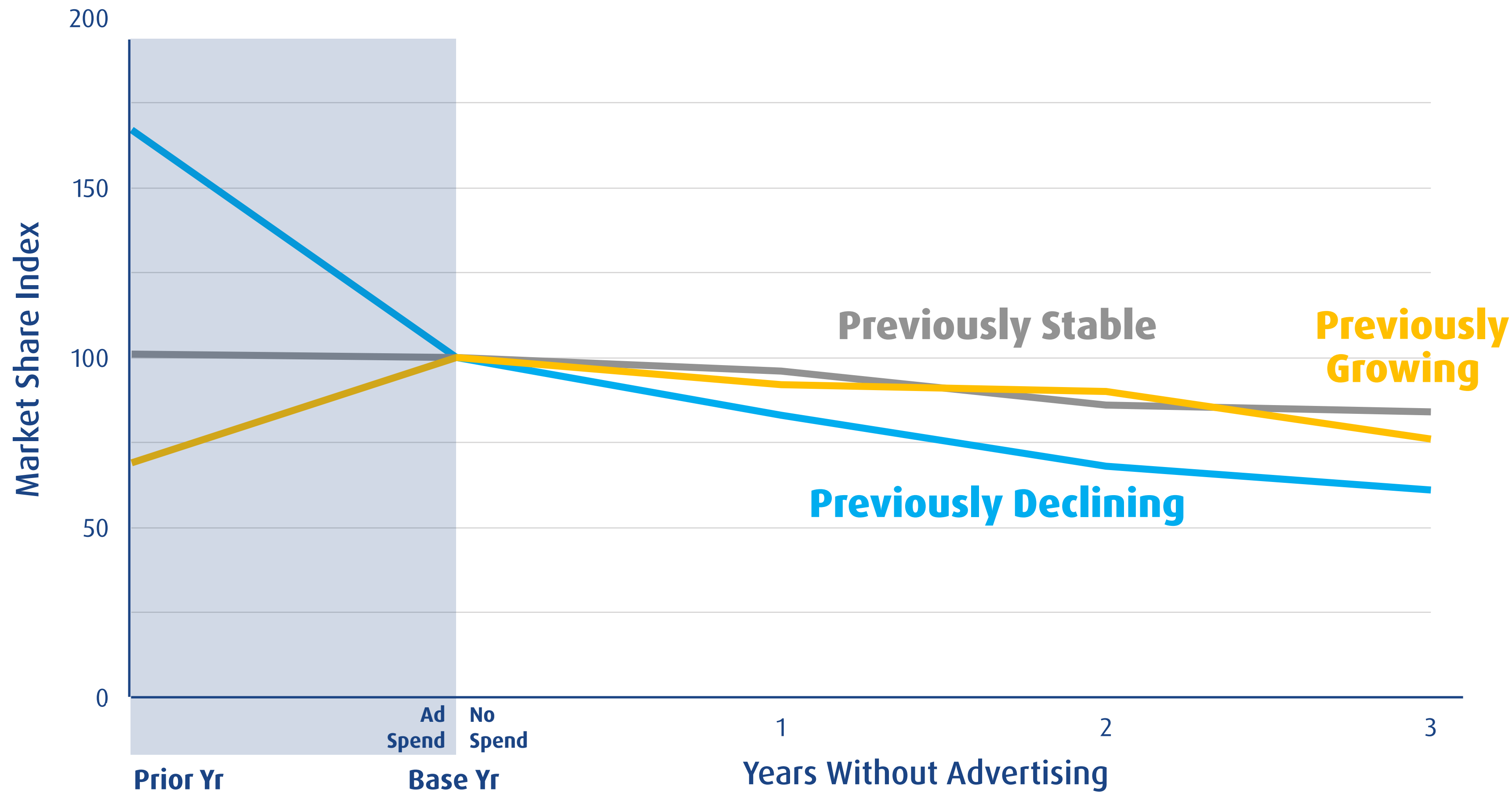
Mean market share indices for small brands were consistently lower than for large brands over the three years.

This finding differs from Report 79, in which small brand declines were more immediate (occurring in Year 1) and substantial than for larger brands.





Prior Trajectory Matters



Brands already in decline experienced larger declines without advertising than previously stable or growing brands across the years.

These trajectory patterns were all also detailed in Report 79.



	Years Without Advertising		
	1	2	3
Staples (High Pen, High Freq)			
Crackers	77	94	69
Soft Drinks	87	90	89
Cereal	88	68	91
Ice Cream	95	80	62
Soup	95	80	<u>82</u>
Average of Staples	90	80	81
Niches (Low Pen, High Freq)			
Coffee	81	62	20
Cookies	83	78	77
Dog Food	89	86	86
Cat Food	98	110	<u>157</u>
Baby Food	102	105	102
Average of Niches	88	83	81

	Years Without Advertising		
	1	2	3
Variety Enhancers (High Pen, Low Freq)			
Oral Hygiene	83	73	65
Laundry Detergents	85	68	52
Pasta	92	94	74
Haircare	96	81	57
Household Cleaners	100	96	111
Average of VEs	91	79	66
Fill-Ins (Low Pen, Low Freq)			
Cough Remedies	80	67	51
Air Freshener	81	66	<u>52</u>
Skincare	94	81	68
Tea	98	83	77
Deodorant	99	85	72
Nappies	<u>105</u>	<u>101</u>	<u>103</u>
Shaving Equipment	111	<u>90</u>	
Average of Fill-Ins	91	78	66

Underlined values represent a sample size of one (n=1 case)

Brands from low purchase frequency categories (variety enhancers & fill-ins) that remain dark for more than two years are likely to suffer more, on average, than brands from high purchase frequency categories (staples & niches).

