

# Consumers Avoid Subsidizing Marketing Because They Perceive it as Wasteful

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Cite as:

Serfas Benjamin, Van den Bergh Bram, Sax Christopher (2019), Consumers Avoid Subsidizing Marketing Because They Perceive it as Wasteful. *Proceedings of the European Marketing Academy*, 48th, (9572)

Paper presented at the 48th Annual EMAC Conference, Hamburg, May 24-27, 2019.



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## **Abstract**

Marketing is an important tool to build a strong brand. Moreover, consumers perceive advertised products as having higher quality. However, prior research has not systematically analysed consumers' perception of advertising expenditures. The present research posits that consumers have a strong believe that marketing is wasteful and should not be subsidized. Results of four studies demonstrate that consumers avoid products with associated marketing costs and would prefer if companies would spend less on advertising. Partial least square path-modelling provides process evidence: Marketing aversion, indicated by the opinion that the investment into the marketing department should be reduced, indirectly influenced attitude towards the company through perceived wastefulness. This mediated effect is independent from the opinion of consumers how important it is to invest into marketing. Importantly, consumers do not infer from their belief that marketing expenditures are wasteful on a cutback in quality.

**Keywords:** *Marketing Perception; Consumer Beliefs; Advertising Costs*

**Track:** Advertising & Marketing Communications