

Marvelous Advertising Returns? A Meta-Analysis on Advertising Elasticities in the Entertainment Industry

Andrea Schoendeling

University of Cologne

Alexander Edeling

University of Cologne

Alexa Burmester

University of Hamburg

Andre Marchand

Leipzig University

Michel Clement

University of Hamburg, Germany

Cite as:

Schoendeling Andrea, Edeling Alexander, Burmester Alexa, Marchand Andre, Clement Michel (2021), Marvelous Advertising Returns? A Meta-Analysis on Advertising Elasticities in the Entertainment Industry. *Proceedings of the European Marketing Academy*, 50th, (94202)

Paper from the 50th Annual EMAC Conference, Madrid, May 25-28, 2021



Marvelous Advertising Returns? A Meta-Analysis on Advertising Elasticities in the Entertainment Industry

Abstract

The impact of advertising on supply and demand is one of the most discussed issues among practitioners and researchers in the entertainment industry. Due to the industry's unique characteristics, the transferability of findings from an existing meta-analysis on advertising elasticities across industries by Sethuraman, Tellis, and Briesch (2011) is limited. This meta-analysis is based on 262 elasticities drawn from 52 entertainment studies and provides the following new empirical generalizations: (1) The average advertising elasticity in the entertainment industry is .35, which is almost three times higher than the average for other industries. (2) Elasticities are lower for games than movies, for supply than demand, during recessions, and in Europe than in the USA, for example. Contrary to other industries, elasticities do not show a negative time trend in the entertainment industry. Accounting for endogeneity leads to significantly lower elasticities.

Keywords: *Advertising elasticity; Entertainment; Meta-analysis*

Track: Advertising & Marketing Communications