

Using competitor tracking to improve television advertising effectiveness

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Abstract

New digital technologies allow to track and react to competitors' television ads, almost in real time. However, it is not clear whether or how real-time tracking of competitor ads can improve ad placement decisions. By analyzing a dataset of more than 90,000 ad insertions, we compare the effects of four real-time ad scheduling strategies on online conversions and demonstrate that tracking competitors helps managers design more effective media schedules. The best strategy is to place ads in isolation; this avoidance strategy yields the greatest effectiveness of own-brand ads and delivers conversions from competitor ads. If an avoidance strategy is not possible, brands should advertise more heavily than their competitors to mitigate the substitution effect of competitive advertising. Managers can improve ad schedule effectiveness by considering the relative placement of their ads with respect to competitor ads, and the impact that both own brand and competitor ads have on conversions.

Keywords: *competition; real-time; tracking*

Track: Advertising & Marketing Communications