

# The Role of Customer Mind-Set Metrics in Optimal Advertising Decisions

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Cite as:

Yildirim Gokhan, Avagyan Vardan, Koca Esma, Srinivasan Shuba (2020), The Role of Customer Mind-Set Metrics in Optimal Advertising Decisions. *Proceedings of the European Marketing Academy*, 49th, (63170)

Paper from the 49th Annual EMAC Conference, Budapest, May 26-29, 2020.



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## **Abstract**

Mind-set metrics such as brand awareness, consideration and liking reflect how successfully marketing activities capture customers' "hearts and minds" and are, therefore, of paramount importance to brand managers. In this paper, we provide normative analyses that help brand managers determine ex-ante the optimal advertising spending plan that boosts financial performance through the differential impact of mind-set metrics. Empowered by optimal control theory, our work proposes optimal advertising decisions based on typical characteristics of mind-set metrics such as potential, responsiveness, cross-effects and conversion. We extend the existing literature with new propositions that elucidate the role of customer mind-set metrics in optimal advertising. We apply our analytical findings to our rich dataset and demonstrate the use of the normative tools with several managerial scenarios.

**Keywords:** *mind-set ; advertising; hierarchy*

**Track:** Methods, Modelling & Marketing Analytics