

# Who are you losing when going dark: An examination of household purchases when brands stop advertising

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# Who are you losing when going dark: An examination of household purchases when brands stop advertising

## **Abstract**

Current studies on advertising cessation focused on the implications of the overall sale. This study investigates household buying by documenting how penetration, loyalty, and purchase rates distribution change as brands remain unadvertised for extended periods (four years). The analysis consists of large-scale panel and advertising data for 32 brands across 15 consumer packaged-goods categories in the US. Results show that the shrinking customer base (loss in penetration) is the main driver for market share decline. Dark brands lose all types of buyers, from light to heavy. The greatest losses are among light buyers (one to two purchases a year) due to a large number of light buyers in any brand's customer base. This study reinforces the critical role of advertising in reaching the mass that is vital in supporting the size of a brand's customer base. Without advertising, downgrades in penetration and loyalty contribute to declining sales and brand share.

**Subject Areas:** *Advertising, Consumer Behaviour*

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