

Advertising up: when regular brands go for premium advertising

Can premium-ad techniques be persuasive to sell non-premium products? A study of more than 2,000 car commercials homes in on the practice of "advertising up" to show when it boosts sales — and when it backfires.



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Cue the classical music, tinged with a bit of drama. There's a curvy road in the desert. And

yet the car — potentially *your* car — handles each curve like a dream. "Precision in driving," a deep-voiced announcer says to close the 30-second spot. "The all new Sonata."

Wait: This is an [ad for a Hyundai](#)?

Hyundai's TV spot for its affordable sedan mimics the advertising techniques used by premium cars, such as BMW or Mercedes, in order to emphasize its performance. This is a practice referred to as "advertising up" by professors Ivan A. Guitart, IESE's Jorge Gonzalez, and [Stefan Stremersch](#). They study the effectiveness of more than 2,000 car commercials and evaluate when advertising up works and when it backfires.

The Power of Ads

Consumers respond to cues in advertising that tell them whether a product is premium (emphasis on quality, sensory information) or non-premium (emphasis on savings, availability, user satisfaction). So the question is: Can non-premium brands, like Hyundai and Kia, borrow from the playbooks of their premium peers?

The short answer is "it depends." It depends on how much market share the non-premium product has. It also depends on whether the featured product is cheap or expensive. And finally, it depends on how intense — and consistent — the brand's investment in advertising is. Managers considering advertising up their non-premium products should consider these factors:

Consider your product's current market share

- Non-premium products with a low market share tend to benefit more from advertising up. For these seemingly scarce products, mimicking premium advertising techniques may translate into meaningful sales in the short term.
- Non-premium products with a high market share do not communicate exclusivity, and advertising up can decrease the effectiveness of ads. Consumers may even feel deceived by the campaigns.

Think about your product's price point and your campaign's intensity

- More expensive non-premium products may benefit from high levels of advertising-up intensity to improve brand equity on a long-term basis. Note that both the price point and the intensity are instrumental to success here.
- Managers should refrain from advertising up intensely for cheaper products, as it

can reduce brand equity over the long-term.

Caution! Avoid inconsistency

- Consistency is key in building customers' trust when advertising up. On the flip side, inconsistency in advertising up can lead to reductions in long-term brand equity for most products. Sellers beware.

Methodology, Very Briefly

In two large-scale empirical studies, the authors analyze advertisements, and expenditure on advertising, for the top 10 premium, and top 10 non-premium brands within the automotive industry. They use data from 2,317 individual ads for sport utility vehicles and sedan models broadcast on television between January 2007 and September 2010.

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