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Vitamin Panacea: Is Advertising Fueling Demand for Products with Uncertain Scientific Benefit?¹

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Abstract: This study examines the effect of advertising on demand for vitamins—products with spiraling sales despite little evidence of efficacy. We merge seven years (2003-2009) of advertising data from Kantar Media with the Simmons National Consumer Survey to estimate individual-level vitamin print and television ad exposure effects. Identification relies on exploiting exogenous variation in year-to-year advertising exposure by controlling for each individual’s unique media consumption. We find that increasing advertising exposure from zero to the mean number of ads increases the probability of consumption by 1.2 and 0.8 percentage points (or 2 and 1.4 percent) in print and television respectively. Stratifications by the presence of health conditions suggests that in print demand is being driven by both healthy and sick individuals.

JEL Codes: I12, I18, M37, M38

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