Title: "Vulture Marketing: How Competitor Brands Can Capitalize on Brand Delistings"

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Abstract:

Many world-leading brand agglomerates such as Unilever, Proctor and Gamble, and Coca-Cola continuously prune their brand portfolio by delisting brands, i.e., taking them from the market. While the marketing literature offers plenty of guidance for new brand launches, very little is known on how competitor brands can fill the void left behind by another brand's delisting. This paper studies how the delisting of a national brand affects the sales of sister national brands, competitor national brands, and private labels. It also documents how these three types of brands can engage in "Vulture Marketing", and use their marketing mix to take advantage of the delisted brand's departure from the market. The research is based on an econometric analysis of US Nielsen scanner data of more than 550 competitor brands, which are in the same category as 33 delisted brands across 150 designated market areas and 10 years, resulting in almost 10,000 competitor brand-market pairs. The analysis uses a synthetic control approach combined with a Heckman selection model for the delisting decision and instrumental variables to account for marketing mix endogeneity. We will present this work in progress and seek feedback.