

Advertising Expenditures. Advertising by firms is said to create barriers to the entry of new firms by enabling incumbent firms to build up brand followings. However, advertising can also promote competition by facilitating the entry of new firms (Comanor and Wilson, 1979).²

The effect (intensity) of advertising is difficult to measure because advertising has a lingering effect on the public. The problem of allocation of expenses between advertising and other inputs poses measurement problems, as well. Besides being scarce, aggregate data are not generally appropriate to our case studies; disaggregated firm level and sub-industry data are required to study firm behavior.³

3.2.2 The Use of Statistics from Manufacturers, Trade Associations, and the Trade Press

Information from manufacturers on sales and market shares were often difficult to obtain and contradictory. We attempted to arrive at the best estimates of market penetration by using multiple sources, including trade and professional associations and publications. Some particularly useful sources were a statistical panorama of the air conditioning, heating, and refrigeration industries published in the April 8, 1985 issue of Air Conditioning, Heating and Refrigeration News and a series of articles on low-E windows in Glass Digest, Builder, and Building Design and Construction. Technical reports from national laboratories and their contractors often provided a good deal of useful market information, too.

References to market penetration numbers are often not provided because they are the result of syntheses from multiple sources. All of the sources of information are listed at the end of each case study.