

Ad Clutter, Time Use, and Media Diversity

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Abstract

We introduce advertising congestion along with a time-use model of consumer choice among media. Both consumers and advertisers multi-home. Higher equilibrium advertising levels ensue on less popular media platforms because platforms treat consumer attention as a common property resource: smaller platforms internalize less the congestion from advertising and so advertise more. Platform entry raises the ad nuisance “price” to consumers and diminishes the quality of the consumption experience on all platforms. With symmetric platforms, entry still leads to higher consumer benefits. However, entry of less attractive platforms can increase ad nuisance levels so much that consumers are worse off.

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