

## A Dynamic Model of Advertising Competition: An Empirical Analysis of Feedback Strategies.

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*Abstract:* This paper provides an empirical framework for estimating the parameters of a differential game of advertising competition taking into account the informative and predatory contents of advertising. The estimated model is a simultaneous equations model consisting of the firms' response functions and the profit maximizing first-order conditions. Hausman's specification test is used to examine the appropriateness of the Nash equilibrium assumption for the German automobile industry market.

*Keywords:*

*AMS Subject Classification:*