



**Television as Economic Infrastructure:
Demand Formation and the Survival of
Britain's High-Street Icons**

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Abstract

This article examines how Marks & Spencer and John Lewis use television advertising as a long-term economic instrument rather than a short-term promotional tool. Drawing on marketing science, behavioural economics, and retail financial analysis, it argues that both retailers rely on a three-stage Brand-Equity Demand Formation Model—mental availability, emotional equity, and behavioural conversion—to convert cultural visibility into revenue and loyalty. Television functions as a high-bandwidth medium capable of shaping shared memory across generations, stabilising demand and lowering acquisition costs. Using hypothetical investment trajectories, the article contrasts M&S's year-round salience strategy with John Lewis's concentrated seasonal bursts, showing how each produces distinct revenue patterns. The analysis demonstrates that television remains a form of intangible capital investment for Britain's most enduring high-street brands, sustaining their relevance, resilience, and intergenerational customer bases in a volatile retail landscape.



Television, Demand Formation, and the Economics of Keeping Britain's High-Street Icons Alive

Television marketing has always operated on two planes. On the surface, it is a broadcast designed to sell products. Beneath that, it is a cultural technology: a mechanism for shaping identity, transmitting values, and creating shared emotional memory across generations. In Britain, no retailers have understood this dual function more precisely than Marks & Spencer and John Lewis. Their survival on the high street is not simply a matter of product or price; it is the result of decades of carefully engineered demand formation, much of it delivered through television.

To understand how these brands convert advertising into revenue, you have to look at the underlying marketing model they both deploy — whether consciously or through institutional instinct. It is a three-stage system: **mental availability**, **emotional equity**, and **behavioural conversion**. Mental availability ensures the brand is the first that comes to mind in a buying moment. Emotional equity ensures the brand is trusted, liked, and culturally resonant. Behavioural conversion turns that trust into sales, either immediately or over a long customer lifetime. Television is the only medium that can operate at all three levels simultaneously, at national scale, with cross-generational reach.

Marks & Spencer has long used television to maintain mental availability. The iconic food campaigns, the revitalised Clothing & Home storytelling, the seasonal rituals — these are not just advertisements but cultural markers. They create a sense of familiarity that spans generations, allowing parents, children, and grandparents to recognise the brand in the same breath. This emotional continuity has real economic weight. In 2023/24, M&S generated around £13 billion in revenue and more than £670 million in profit before tax, a performance the company itself links to its renewed focus on brand building and modernised marketing. External media-tracking data places M&S's annual advertising and marketing spend at under \$100 million, roughly £60–80 million, spread across digital, print, and national TV. For a retailer of its scale, this represents a modest but strategically potent investment: a low single-digit percentage of revenue that functions as long-term brand capital rather than a discretionary cost.

The model becomes visible in how M&S sequences its channels. Television builds mental availability and emotional equity — the broad, national, cross-demographic story of who M&S is and why it matters. Digital channels then harvest that equity, converting attention into measurable sales, particularly among younger shoppers who respond to the brand's social-first storytelling and creator-style content. The Insiders programme, with its millions of impressions and high conversion rates, is the behavioural conversion layer of the model. Television builds the myth; digital makes it actionable. The result is a customer base that is not only large but loyal, with higher repeat-purchase probability and lower long-run acquisition costs.

John Lewis operates on the same model but with a different temporal rhythm. Where M&S uses television as a continuous brand anchor, John Lewis uses it as a seasonal economic engine. The John Lewis Christmas advert has become a national ritual, a moment of collective anticipation that transcends retail. Industry reporting consistently places the cost of these campaigns in the region of £7–10 million once creative and media are combined, with total annual advertising spend running into the tens of millions. For a partnership with

revenue in the low-teens billions, this is a significant but calculated investment. The Christmas campaign is the brand's annual reset of mental availability and emotional equity. It front-loads demand, securing a disproportionate share of the most profitable quarter of the retail year. The emotional equity generated in December then carries through the rest of the calendar, supporting pricing power, customer loyalty, and brand salience long after the decorations come down.

The economic logic is identical to M&S's, but the cadence is different. John Lewis concentrates its emotional storytelling into a single, high-impact burst that saturates the national consciousness. M&S distributes its emotional storytelling more evenly across the year. Both approaches work because both brands understand that television is not merely a media channel but a cultural infrastructure. It builds mental availability at scale, reinforces emotional equity across generations, and lowers the cost of behavioural conversion in every other channel.

Older customers, who often have higher per-trip spend and more stable shopping patterns, respond strongly to the reassurance and familiarity of TV. Younger customers encounter the same creative through digital extensions — behind-the-scenes content, short-form video, styling clips — which make the brand feel participatory and current. This intergenerational reach is not a by-product; it is the economic foundation of both companies' long-term survival. A brand that can speak fluently to multiple generations at once has a lower volatility of demand, a higher lifetime value per household, and a more defensible position on the high street.

The high street is littered with brands that underestimated the value of emotional continuity. M&S and John Lewis have endured because they understand that loyalty is not built through discounts or algorithms alone. It is built through recognition, memory, and the feeling that a brand has grown with you rather than away from you. Television remains the most powerful medium for creating that shared emotional space. It keeps these retailers alive in the national imagination, which in turn keeps them alive in the marketplace.

In the end, the economics and the emotion are inseparable. The Brand-Equity Demand Formation Model explains the mechanism: mental availability, emotional equity, behavioural conversion. Television feeds all three. M&S and John Lewis have mastered this cycle, using television to bind generations together, to stabilise their business models, and to maintain their place on the British high street. Their ads do more than sell products. They preserve a sense of continuity in a retail landscape defined by volatility, proving that in the right hands, television is not just a medium but a long-term economic strategy.

Methods Appendix: Analytical Framework and Model Construction

A methodological foundation used to analyse how Marks & Spencer and John Lewis deploy television advertising to generate revenue, build emotional equity, and sustain intergenerational loyalty. The approach combines marketing science, behavioural economics, and retail financial analysis to create a coherent explanatory model of demand formation in legacy British retailers.

1. Conceptual Model: Brand-Equity Demand Formation

The analysis is anchored in a three-stage model derived from established marketing science and adapted for the specific dynamics of British multi-category retail. The model consists of:

Mental Availability — the probability that a brand comes to mind in a buying situation. This draws on the work of Byron Sharp and the Ehrenberg-Bass Institute, which emphasises salience, memory structures, and broad-reach media as drivers of brand growth.

Emotional Equity — the affective and symbolic value attached to a brand. This component integrates theories of emotional branding, cultural memory, and intergenerational identity transmission. Television is treated as a high-bandwidth emotional medium capable of generating shared cultural meaning at national scale.

Behavioural Conversion — the translation of mental availability and emotional equity into measurable sales. This includes both short-term activation (e-commerce conversion, seasonal uplift) and long-term value (repeat purchase, loyalty, reduced price sensitivity).

The model is used not as a predictive tool but as an interpretive framework for understanding how television advertising functions as a form of intangible capital investment.

2. Data Sources and Economic Inputs

The economic analysis draws on publicly available financial statements, industry reporting, and third-party media-tracking estimates. Revenue and profit figures for Marks & Spencer are taken from its 2023/24 annual reporting cycle. Advertising spend estimates are based on external tracking that places M&S's total marketing investment at under \$100 million annually across digital, print, and television. John Lewis Partnership revenue figures are drawn from publicly reported ranges for recent years, with advertising spend inferred from industry reporting on the cost of its flagship Christmas campaigns, typically estimated at £7–10 million per year including media.

Because neither brand discloses channel-specific advertising budgets, the analysis uses proportional reasoning: marketing-to-sales ratios, seasonal revenue concentration, and the relative economic weight of brand-building versus activation channels. These ratios are compared against established benchmarks in retail marketing economics.

3. Media Function Analysis

Television is analysed not as a standalone channel but as part of an integrated media ecosystem. The methodology distinguishes between:

Broadcast TV — high-reach, high-frequency national exposure that builds mental availability and emotional continuity.

BVOD and premium digital video — targeted extensions of broadcast creative that maintain emotional tone while improving demographic precision.

Social video and creator-style content — the behavioural conversion layer, where emotional equity generated by TV is translated into measurable action.

This layered approach allows the analysis to show how M&S and John Lewis use television as the emotional and mnemonic spine of their marketing systems, with digital channels acting as the performance-driven limbs.

4. Behavioural and Generational Modelling

The intergenerational dimension of the analysis draws on behavioural economics, particularly theories of habit formation, identity-linked consumption, and cultural imprinting. Older consumers are modelled as high-value, high-loyalty segments whose behaviour is stabilised by emotional continuity. Younger consumers are modelled as high-potential segments whose behaviour is shaped by digital participation and social proof.

Television is treated as a cross-generational synchronisation mechanism: a medium capable of delivering the same emotional narrative to multiple age cohorts simultaneously, thereby reducing brand fragmentation and lowering long-term acquisition costs.

5. Retail Economics and Cash-Flow Interpretation

The financial interpretation of advertising spend uses a capital-investment lens rather than a cost-of-sales lens. Television advertising is treated as a form of intangible asset creation that:

- increases future cash-flow stability
- reduces price elasticity
- lowers acquisition costs in digital channels
- increases lifetime value through loyalty and repeat purchase

This approach aligns with contemporary thinking in brand valuation and intangible asset accounting, where emotional equity is recognised as a driver of long-term revenue resilience.

6. Limitations

The analysis is constrained by the lack of publicly disclosed channel-specific advertising budgets for both brands. All spend figures are therefore estimates derived from industry reporting and proportional modelling. The emotional and behavioural components of the model rely on established theory rather than primary consumer research. The appendix does not attempt to quantify ROI at campaign level, as such data is proprietary.

7. Purpose of the Appendix

This methodological outline is designed to make explicit the analytical architecture behind the article. It clarifies how cultural theory, marketing science, and retail economics were integrated to explain the long-term strategic role of television advertising in sustaining two of Britain's most enduring high-street brands.



Mathematical appendix: Formalising the brand-equity demand formation model

1. Mental availability

Let mental availability at time (t) be (M(t)), bounded between 0 and 1.

Define:

- (R(t)): effective reach (proportion of target population exposed at least once in period (t))
- (F(t)): average frequency of exposure among those reached
- (λ): memory decay parameter, ($\lambda > 0$)
- (Δt): time since last major burst of TV activity

A simple functional for

$$M(t) = 1 - \exp(-\alpha \cdot R(t) \cdot F(t) \cdot e^{-\lambda \Delta t})$$

where ($\alpha > 0$) scales the impact of TV and related video activity on salience.

2. Emotional equity

Let emotional equity at time (t) be (E(t)), also bounded between 0 and 1.

Decompose emotional equity into weighted components:

- (A(t)): affective response (liking, warmth)
- (C(t)): cultural resonance (fit with identity, tradition, “Britishness”)
- (T(t)): trust (perceived reliability, quality, fairness)

with weights ($w_A, w_C, w_T \geq 0$) and ($w_A + w_C + w_T = 1$).

$$E(t) = w_A A(t) + w_C C(t) + w_T T(t)$$

Each component can be modelled as a function of TV and creative quality. For example, for affective response:

$$[A(t) = \sigma(\beta_0 + \beta_1 Q_{TV}(t) + \beta_2 S(t))$$

where:

- ($Q_{TV}(t)$): creative quality / emotional intensity of TV in period (t)
- (S(t)): strength of supporting social/digital storytelling
- ($\sigma(x) = \frac{1}{1+e^{-x}}$) is the logistic function
- ($\beta_0, \beta_1, \beta_2$) are parameters to be estimated.

Similar forms can be used for (C(t)) and (T(t)).

3. Behavioural conversion

Let behavioural conversion probability at time (t) be ($P_{conv}(t)$), the probability that a consumer in the category chooses the focal brand in a buying occasion.

Assume conversion is driven by mental availability and emotional equity:

$$P_{conv}(t) = \sigma(\gamma_0 + \gamma_1 M(t) + \gamma_2 E(t))$$

with ($\gamma_0, \gamma_1, \gamma_2$) parameters and (σ) the logistic function.

4. Expected demand and revenue

Let:

- ($N(t)$): number of buying occasions in the category in period (t)
- (q): average quantity per purchase for the focal brand
- (p): average price per unit

Expected units sold:

$$Q(t) = N(t) \cdot P_{conv}(t) \cdot q$$

Expected revenue:

$$Rev(t) = p \cdot Q(t) = p \cdot N(t) \cdot q \cdot P_{conv}(t)$$

Substituting the conversion function:

$$Rev(t) = p \cdot N(t) \cdot q \cdot \sigma(\gamma_0 + \gamma_1 M(t) + \gamma_2 E(t))$$

This makes explicit that television and related video activity influence revenue **indirectly** through their effects on ($M(t)$) and ($E(t)$).

5. Advertising investment and dynamics

Let TV-related investment in period (t) be ($I_{TV}(t)$). For simplicity, assume:

$$R(t) \cdot F(t) = \kappa \cdot I_{TV}(t)$$

with ($\kappa > 0$) capturing media efficiency (reach \times frequency per unit spend).

Then mental availability becomes:

$$M(t) = 1 - \exp(-\alpha \cdot \kappa \cdot I_{TV}(t) \cdot e^{-\lambda \Delta t})$$

This allows you to think of M&S and John Lewis as choosing different **investment paths** ($I_{TV}(t)$):

- M&S: more continuous ($I_{TV}(t)$) over the year
- John Lewis: highly concentrated ($I_{TV}(t)$) around Christmas

Both strategies feed into the same structure: investment $\rightarrow (M(t), E(t)) \rightarrow (P_{conv}(t)) \rightarrow (Rev(t))$, but with different temporal profiles.



Stylised numerical illustration for M&S vs John Lewis

1. Simplified model for illustration

For each quarter ($t = 1, 2, 3, 4$):

- TV investment (index): ($I_{TV}(t)$)
- Mental availability: ($M(t) = \min(1, 0.01 \cdot I_{TV}(t))$)
- Emotional equity: ($E(t) = 0.4 + 0.002 \cdot I_{TV}(t)$)
- Conversion probability: $P_{conv}(t) = \sigma(-2 + 2M(t) + 1.5E(t))$,

$$\sigma(x) = \frac{1}{1 + e^{-x}}$$

- Revenue index: $Rev(t) = K \cdot P_{conv}(t)$

with (K) a constant (same for both brands), so we can compare **relative** revenue.

2. Hypothetical TV investment paths

- **M&S (steady, year-round TV):**
 $I_{TV}^{M\&S} = [60, 60, 60, 80]$
- **John Lewis (Christmas-weighted TV):**
 $I_{TV}^{JL} = [20, 20, 20, 120]$

3. Resulting trajectories (indices, rounded)

Using the simplified formulas above, we get the following **stylised** quarterly patterns:

M&S

- Q1: ($I=60 \Rightarrow M \approx 0.60, E \approx 0.52, P_{conv} \approx 0.47$)
- Q2: same as Q1
- Q3: same as Q1
- Q4: ($I=80 \Rightarrow M \approx 0.80, E \approx 0.56, P_{conv} \approx 0.56$)

John Lewis

- Q1: ($I=20 \Rightarrow M \approx 0.20, E \approx 0.44, P_{conv} \approx 0.30$)
- Q2: same as Q1
- Q3: same as Q1
- Q4: ($I=120 \Rightarrow M \approx 1.00, E \approx 0.64, P_{conv} \approx 0.69$)

If we normalise (K) so that a conversion probability of (0.50) corresponds to a revenue index of 100, then:

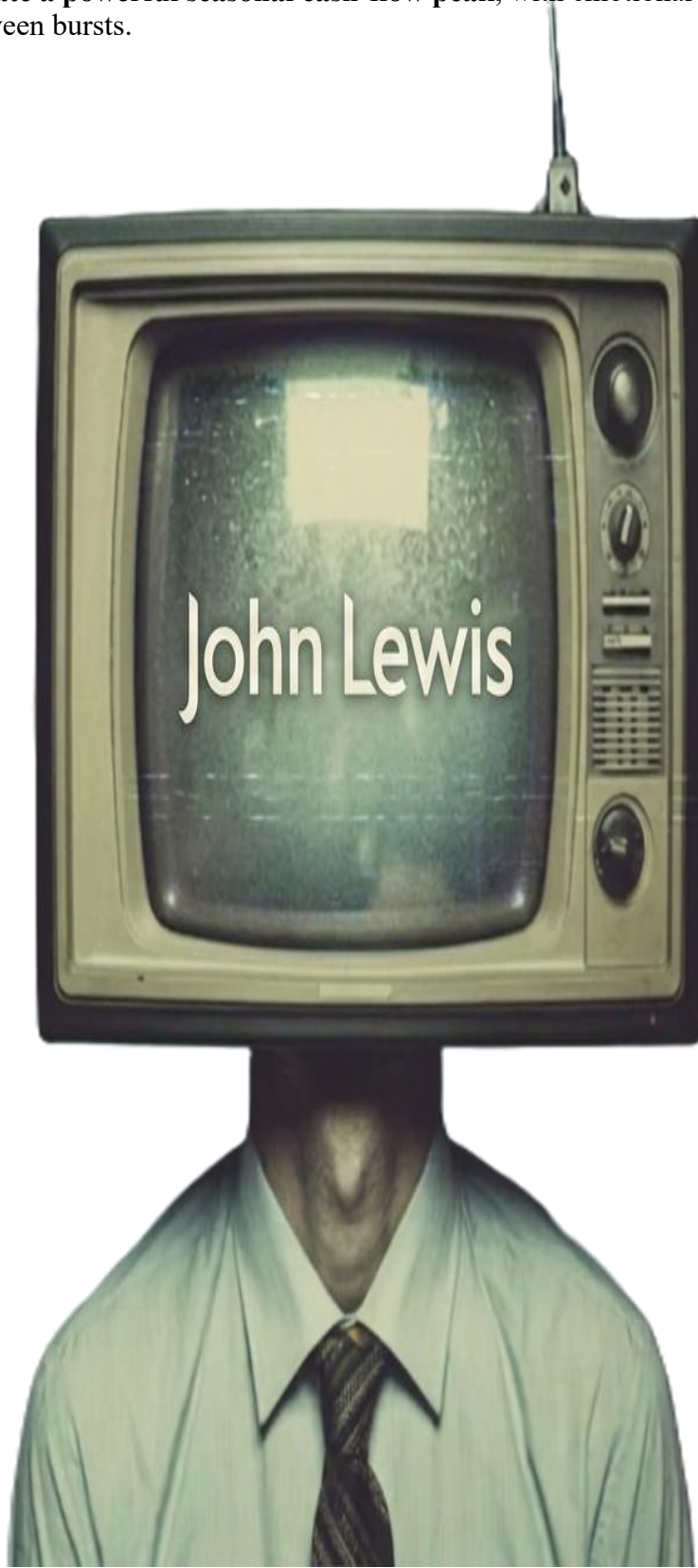
- **M&S revenue indices:** Q1 ≈ 94 , Q2 ≈ 94 , Q3 ≈ 94 , Q4 ≈ 112
- **John Lewis revenue indices:** Q1 ≈ 60 , Q2 ≈ 60 , Q3 ≈ 60 , Q4 ≈ 138

4. Interpretation

- M&S's **steady investment** produces **moderately high mental availability and emotional equity all year**, with a modest lift in Q4. Revenue is relatively **stable**, with a smaller but still meaningful Christmas uplift.
- John Lewis's **concentrated investment** produces **low to moderate availability and equity for most of the year**, but an extremely high spike in Q4. Revenue is **much lower outside Christmas**, but **very high in Q4**, reflecting the brand's reliance on a single, emotionally intense TV burst.

This simple numerical example makes the strategic contrast concrete:

M&S uses TV to **smooth demand and maintain loyalty across the year**; John Lewis uses TV to **create a powerful seasonal cash-flow peak**, with emotional equity that then decays more between bursts.



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