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## Super Bowl Spots Hit \$3 Million

NBC's Push to Sell Early, Sell High Reveals Tough Times in TV Market

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NEW YORK (AdAge.com) -- NBC is comfortable with its bold move to seek \$3 million for a 30-second spot in Super Bowl XLIII, given it has research to suggest advertising in this TV-ratings bonanza comes with a guaranteed return on the investment. But the fact that the Peacock network opened bidding on the spots in the big game even before the other networks have given their upfront presentations points to just how tough the TV marketplace has become.

Networks have quietly done early Super Bowl deals in the past. In truth, a good portion of the ads often are sold to marketers whose presence in the game is a fait accompli: Anheuser-Busch, PepsiCo, movie studios and anyone who wants to cement a position in a prized spot, such as the first ad in the first break of the game. But NBC's rush to start selling is indicative of the network's position in the competitive landscape this year. Generally speaking, NBC trails Fox, CBS and ABC in the ratings game, but its sports programming has been a highlight. Because it has "Sunday Night Football" to sell as well as the Super Bowl, NBC is moving early to lure advertisers with broader packages -- and selling hard.

"We have a property we always knew was of significant value, but some of the other research we saw shows that it has even greater value than we had originally thought," said Seth Winter, senior VP-NBC Sports and Olympics sales and marketing.

The Wall Street Journal reported last week that NBC said it would seek \$3 million for a 30-second spot in its 2009 broadcast of the gridiron classic, a steep hike from the \$2.7 million Fox initially notched for half a minute of ad time on its Super Bowl broadcast. The News Corp. network, however, was able to secure \$3 million in particular instances, especially as time in the game began to sell out earlier than expected, people familiar with the buys said.

"We are in active negotiations with any number of people right now," said Mr. Winter, who conceded that the \$3 million price tag was little more than a starting point in discussions. Depending on the nature of a particular advertiser's relationship with NBC Universal, he said, "I expect to have units come in at \$3 million. I expect to have units come in north of \$3 million. I expect to have units south of \$3 million."

**Live spectacle**

The Super Bowl has long been one of broadcast TV's top events, but technological advances that allow consumers to avoid ads have given the big game a new luster. Because most people watch the football contest live -- and are interested in the ads, which are often created just for the event -- it has become even more of a showcase for marketers seeking guarantees that their commercials reach a desired audience.

Super Bowl XLII was viewed by a record 97.5 million people in the U.S., who tuned in for a nail-biting match between the New York Giants and the New England Patriots. That made the game the most watched of any Super Bowl, according to Nielsen.

NBC will certainly make its case for raising the desired price more than 10%. The National Football League, NBC, CBS and Fox commissioned a 2007 report by WPP Group research firm Millward Brown that found that consumer-package-goods firms get a return of \$1.25 to \$2.74 for every dollar invested in Super Bowl advertising; that one Super Bowl ad is as effective as 250 regular TV spots; and that the position of an ad within the Super Bowl has no relation to return on investment. Interestingly, Super Bowl advertising "has no statistically significant effect" in the film category, according to the Millward Brown study.

NBC is also burnishing research from two marketing professors at the University of Wisconsin-Eau Claire, which found that "Super Bowl stocks," or companies that run ads in the game, have outperformed the S&P 500 in 11 of the past 13 years. The stocks of publicly traded companies on U.S. stock exchanges that advertised during the football championship game outperformed the S&P 500 index by 1.3%. In the best of the 13 years, Super Bowl stocks outperformed the S&P index by more than 4%. In the worst of the 13 years, Super Bowl stocks underperformed the index by less than 1%.

### **Projecting confidence**

Because the decision to run an ad in the Super Bowl is often accompanied by in-store promotions and aggressive public-relations campaigns, said Chuck Tomkovick, one of the professors involved in the study, the act "projects confidence to the market. [It says], 'We have something to talk to you about.'"

Of course, not every marketer can count on that. Consider the tale of Under Armour and what happened earlier this year when news got out that the company planned to spend a third of its total media budget on a Super Bowl ad. Its stock price plummeted 35% in two days. The stock eventually recovered, but the initial hit wiped out about \$721 million in market capitalization.

NBC will have to get this all past advertisers, who may be loath to pony up a greater-than-usual increase during a time of economic uncertainty. NBC's decision to put the \$3 million figure in the marketplace is "very premature," one media buyer said. "They have the benefit of being able to sell off against a good number," the buyer added. "It doesn't mean they won't get it, but I think a lot needs to happen before that."