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**Benefits of Advertising and Marketing During Televised Sporting  
Events**

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Events**

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**Report**

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## **Abstract**

# **Benefits of Advertising and Marketing During Televised Sporting Events**

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This reports main focus is to highlight the benefits of advertising during televised sporting events in an American market. In this report an overview of the current state of advertising and sports marketing is discussed along with historical and cultural analysis of both advertising and sports in the American culture. Among the arguments discussed, a major one will be how in this current media landscape sports is one of the best vehicles to reach a target markets directly without having to compete with many of the new technologies that are on the market today. The central backing for this argument comes from research conducted by interviewing experts in the fields of advertising, sports marketing, and analyzing articles and reports on the subject matter. With a shift in how media is consumed it is important for companies to understand what is the best way to reach an audiences and that some of the rules of advertising are shifting to meet with the changing landscape. Both real-world and academically evaluated examples are given to exhibit the potencies that Advertising during sports events has and how is the current market sports is becoming a more valued asset moving forward. Another issue that is

discussed is possible area of further study which would focus on the evolution of mobile advertising and sports.

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# **Chapter 1**

## **Introduction**

The United States of America has one great love that pulses through the veins of almost every single person and that is the love of sports. America, like most of the world, has a love of sports that at times seems to border on the edge of obsession. In certain parts of the country you feel as if those sports teams have an almost religious following. America is also the spearhead of capitalism in the modern world, in theory, showing the rest of the world the power of the free market and open trade. This has lead companies to strive to beat one another and for them to find way to distinguish themselves from their competition. The most effective way to do this is have a better product than your competition, but if you have the greatest product in the world and no one knows about it, consumers are likely not to purchase it. This is where another great love of American comes in, advertising. Trillions of dollars have gone into the study and development of advertising throughout the years in an attempt to get potential customers to notice a product or service and then have said customer develop brand loyalty.

The basic component that both sports and advertising boil down to is competition. Both are a competition to see who is better at a specific task that both you and your competitor are trying to successfully execute. Whether it is trying to score the most point in four quarters or trying to sell the most units of toothpaste in a set amount of time, both will have a winner and a loser. Although the toothpaste sales won't draw the same fanfare or excitement as a football game will. To borrow a line from General George S. Patton "All real Americans love the sting and clash of battle. America loves a winner. America will not tolerate a loser. Americans despise a coward; Americans play to win." Sports allow people to enjoy a clear cut victory and then feel a sense of pride when they

are on the winning side. People will sit in front of a television for hours, only interrupted by the call of nature that forces a person to take the much overdue bathroom break. Sports are also a social gathering where friends and family come together to enjoy the sports event and each other's company without interruption. This is a golden opportunity for advertisers to get their message out to large group of people who are intentionally and very attentively focused on the program on the screen. In an age of DVRs and commercial skipping, this attention is priceless. Sports also have the ability to transfer some of that same passion and pride to places and things that have an attachment to it. For example the pride a city or country feels when the team or person hailing from there wins a championship.

The purpose of this report is to show the great potential that advertising during sports events has as a vehicle for advertisers and how it will continue to be for the foreseeable future. Advertising and sports are not unfamiliar with one another; in fact they have been in some form of partnership for over a century. But, in the new advertising landscape we now find ourselves, consumers have more control and input than ever before. With this new power in the consumer's hands sports is surging to the front as best vehicles for advertisers to get their message to an ever splintering public, whether it is advertising with commercial during televised sporting events or sponsoring leagues and different sports teams within those leagues. With all the new media formats coming out the one thing that has stayed at the top of all the programs is sports. It is the one subject that all the new technologies are quick to adopt because of its massive popularity across the board. For national broadcast and cable companies it is no new revelation that sports is a river on money, but with DVRs becoming ever more wide spread and the ability for people to watch their favorite shows when it is convenient for them, the window for advertisers to reach their desired audience when they want to is

becoming smaller and smaller. The only area of television programming that the trend of recording a program, watching it later, while skipping commercials has not caught on in is sporting events. These are watched almost exclusively live. The sports that are the most popular in America all lend themselves to advertising with regular breaks in the action and between quarters and halves. With that being said, I believe that advertising during televised sporting events is going to be the best way for advertisers to get the most for their money and have the best results with their marketing campaigns moving forward. Another area that sports marketing has great deal of room for expansion in the United States market is sponsorship. Some sports have embraced the concept and others are still only testing the waters. This not to say that not every sporting event and team under the sun does not already have a sponsor of some kind, but the level to which these sponsorships go is of vastly varying degrees, some sports have made the most of it, while other sports still have lines that are not to be crossed.

My main focus of this report is to show the history of sports and advertig in America, then support my argument that advertising during televised sporting events is the best investment advertisers can make in the current advertising landscape.

The following chapters will act as supports for my main argument of advertising during sports events being the best vehicle to reach audiences directly. Chapter 2 will focus on the backgrounds of both advertising and sports in America. In Chapters 3 I will present research and interviews from expert in the fields of advertising and sports marketing that support my argument. To close my paper in Chapter 4 I will summarize my finding in the paper and propose some subjects for further research.

## **Chapter 2**

### **Background and History**

This chapter will discuss the history of sports and advertising in America. The chapter will highlight the path that sports and advertising have taken to get to where they are today and the relationship the two have shared over the past century. It will also go into the cultural aspects that have accompanied sports and continue to do so.

#### **Sports Importance in History**

Sports have been a key part of most cultures throughout history. If you step back and look at the value that western culture has put on sports throughout history it is no surprise that we are where we are today. When the Olympics were created they were a way for Greek city-states to come together and compete with one another and show how superior their city was in comparison to all the rest. This led to a great deal of effort and attention being put forth in order to make sure that one's city state could be viewed as respectable among the Greeks. The games would become the focal point for the entire society, in which, a great deal of pride and adoration could be cultivated from the exploits of the athlete and the games. This is still a major part of the culture throughout the world with sports teams being able to lift a whole nation's spirits with a championship win and can be a big moment in a nation's history. In many situations sport is a common place where different people from very different social and economic backgrounds can come together and have something in common that they can enjoy together. For example, the huge public gatherings that turned into huge public parties in Spain after the Spanish national team won the FIFA world cup or the huge riots that happened in Los Angeles after the Lakers won a world championship. Both are examples of people doing things they normally would do and interacting with people they normally wouldn't, but because they

all enjoy the same sports team they all have a reason to celebrate in their own way. According to the World Economic Forum “The role of sport in society has been debated for many decades. Sport is a part of society as both an educational fixture and an entertainment enterprise. Sport forms part of human and social development; it can contribute to social cohesion, tolerance and integration and is an effective channel for physical and socio-economic development. As a universal language, sport can be a powerful medium for social and economic change: it can be utilized to bridge cultural gaps, resolve conflict and educate people in ways that very few activities can.”

Sports can have great social and cultural effect in many different ways in many different cultures across the world. It would be safe to say that every country in the world has a love for one sport or another. In America it is football, in New Zealand it is rugby and in a majority of the world soccer or football is the sport of choice. Sports are one of the common threads that run through all cultures across the world and draw us closer together.

### **Sports Importance in American Culture**

American culture is just as consumed with sports as our Greek forerunners. The proof is that one of our country’s biggest celebrations is Super Bowl Sunday, in which a majority of the country watches the Championship for Professional Football, but also watches the television commercials with almost much passion as the game. To say that American was obsessed with sports would be an accurate statement. The four most popular team sports in the United States are Football, Baseball, Basketball and Ice hockey. All of which are the some of the most lucrative sports leagues in the world. The NFL is the most profitable league in America. The average team has a net worth of around \$987 million. Along with being a very lucrative business, sports are also common

group on which people from many different cultural, economic and racial backgrounds can come together. People from all different walks of life can get together and enjoy game and all relate to one another in that moment. USADA, which is the anti-doping agency for the United States, conducted a survey with 8,934 participants to gauge the importance of sports to the American public. USADA stated that “We know that sport, at its best, can build character and promote the virtues of honesty, respect, selfless teamwork, dedication, and commitment to a greater cause. Sport lessons (good and bad) transcend the playing field, spilling over into the classroom, the business world, and the community, and contribute to shaping the character and culture of America’s citizens.” In their survey they found that more than three-fifths of U.S. adults, approximately 162 million people, claim some relationship to sport-related activities, including 25% who are actively engaged in sport as participants, parents of children in sport, coaches, or volunteers.

### **Advertising for Sports**

Advertising is an important part of our economy and plays a significant role in the mass media. In a fierce race to ensure that they outsell their competitors, companies are willing to pay large sums of money to reach audiences. In 2011, \$496.9 billion was spent on advertising. By 2015, this figure is expected to reach \$603.1 billion. Sporting events have been as a great place to advertise for a long time. Companies have been putting advertisements on the outfield walls of sports cathedrals such as Fenway Park, since before the turn of the century, to sell everything from hotdogs to hair tonic. Many of the greatest names in sports history have been used to sell products, such as Babe Ruth being the first man to sell Wheaties, so you could be a great baseball player like him. Companies would also ride on the coat tails of great athletic achievements. For a long time, endorsement deals were where most of the professional athletes made their real

money, since being a professional athlete did not pay as well as it does today. This trend still continues, but at an even more alarming rate with professional athletes being the main spokesperson for multimillion dollar international companies, such as Michael Jordan was with Nike back in the early 90's. In the current climate you are not considered an elite athlete unless you have a seven figure endorsement deal. A great example of this is when Lebron James graduated high school; Nike signed him to a \$90 million dollar contract before he had even set foot on a professional basketball court. This did prove to be a wise investment on Nike's part since he has gone on to become one of the best players of his era, if not of all time. However, not all endorsements end in such bliss. Nike tried the same tactic with Freddy Adu giving him a \$1million dollar contract as a youngster hoping he would become the next Pele, but that did not pan out for Nike. The most famous of all endorsement blow ups comes to us courtesy of the Tiger Wood sex scandal. Millions of dollars were invested in the squeaky clean golfer only to find out that he was running around on his wife. The major drawback to celebrity endorsement is that they can bring a great deal of unwanted attention to companies that sponsor these athletes. A Nielsen wire article shows companies spent \$10.9 Billion on TV advertising in one years' time. With sports events, such as the Super Bowl receiving \$4 million dollars for 30 seconds of ad space, it really is not the hard to conceive that billions of dollars would be spent on trying to get your product or service seen during sporting events.

For example, the Super Bowl is the biggest day in sports for the United States it is also the day that the advertising industry is put under the spotlight of the American public. On no other day are all the ads during a program put under so much scrutiny and either praised or completely ripped apart. All of those ads are also watched live and then the public will go back and watch them on the internet, not to mention all the major news

syndicates which will grade ads and tell the consumer which ads were the best and which were the worst. If the game ends up not being exciting enough many people will talk more about the ads than the game itself. The next chapter will discuss the research that highlights the benefits that advertising during televised sporting events presents to companies who choose to invest in sports advertising.

## **Chapter 3**

### **Making a Case for Advertising During Televised Sports Events**

The main point of this chapter is to discuss the research that was conducted to validate my main argument that sports' advertising is the best vehicle to reach audiences in the current media landscape. In this chapter there are interview from experts in the fields of advertising and sports marketing, also findings from many different articles that discuss important aspects of advertising and sports in the current market.

To start off this we will look at the main technological advance that is changing the landscape of television programming. The biggest influence behind this tide of change is the digital video recording (DVR) devices that are now widely available and allow people to record programming and watch it at their convenience. The public can also now skip all the commercial, leaving advertisers wasting money on ad space that is not even being seen by the target audience. There is something now called the "TiVO" effect which talks about how people will just look at all of numbers that are coming out. According to Nielsen, 30.6% of the households in its people meter have a DVR, up from just 12.3% in January of 2007, and MAGNA predicts there will be 52 million U.S. homes with the gadgets by 2014. Not to be out done by technology, advertisers have figured a way around DVRs and that is to put big bold type in the commercial that even while you speed through the commercial you can still see exactly what the commercial is for. Another tactic that is used in when dealing with movie releases is that advertisers will utilize a letter box format and then put a static message in the empty space between the edges of the screen and the ad the is showing in letter box format. These both allow the message of the ad to be relayed to the audience, while they skip through all the

commercials. These are still just merely stopgaps until advertisers can finally figure out a way around the problem of having their ads simple skipped over.

There is also a shift in the overall culture on how people view traditional media. The wind of change that caused this shift is just a little thing called the World Wide Web. This has become a depository for all things, whether its picture of little Jimmy from Ohio's birthday or the bootleg of the new Hollywood blockbuster, it's all on the internet. TV shows are no different with the emergence of site, such as Hulu, which allows people to view their favorite TV shows when they want to watch them. Things like waiting to watch the new episode of your favorite television program have become something you can do at any point in time. Another media outlet that is drying up in front of our eyes is the newspaper industry. Most people now get there news from the internet, forcing newspapers to either adapt or disappear. Even giants like the New York Times have had to move to a more virtual based approach in order to keep up with the times. Television, seeing what happens if you are slow to change with the technology, has adapted to become more accommodating the new trend in media consumption. One area that this new proliferation of media outlets has affected in a very profound way is the method to measure the metrics of these different platforms. Nielsen has tried to meet this need, but many in the industry have pointed out that Nielsen cannot possibly accomplish this.

This may seem as though the future of television is one that will be at the mercy of what new technologies comes out. However, there is one area that has been for the most part unchanged is the televised sports event. People are most likely to watch games, events, and races live. According to Fordham University Professor Dr. Fortunato "95% of sports are watched live", which means that televised sporting events are DVR proof. This allows advertisers to have their ads seen when they are meant to seen and reach the audience that it is intended to. "Sports are the only programming that you safely say your

ads will not be skipped over or completely ignored.” (Fortunato,5) This makes sports events one of the last places advertisers can go to directly reach their consumer without having to compete with DVRs. The sport event is best watched live so the audience can get caught up in the moment and the flow of the game. However, if they miss the game it is hard to stay away from the results and keep the mystery alive long enough for them to get home and watch the whole game without finding the end result. Watching a sporting event live is really the only way to get caught up in the true emotion of the moment. You never hear anyone talk about recording the Super Bowl and watching it on Monday. The last second shot in a March Madness NCAA tournament game does not have the same feel if you haven't watched the game. If a viewer does not get to feel the flow of the game and the drama that has led up to this climax of excitement then they are really not getting the full experience of the sporting event.

The flip side of this is that national broadcast companies know that the ad space during sports programming is becoming more and more coveted by advertisers. This has led many major broadcast companies to televise more sports throughout the year. For example, the emergence of weekday college football games on Wednesday thru Friday. No longer is college football simply just for Saturdays. The when you got to Saturday programming College football can be seen on all the major networks and an increasing amount of cable channels have started picking up college games as well. With this large expansion of sports programming one would assume that the price for advertisements would go down for sporting events with this new surge of sports programming. In reality, prices for ad space during televised sports event has continued to rise. In an interview I conducted with Joel Lulla, a lecturer at The University of Texas at Austin, He said “Sports has the most CPM(cost per thousand impressions) of anything on television with ESPN and Golf Network commanding the most money of all networks.”(Lulla,9) Further

in the interview he added “With all the new sports networks people thought that the cost for ad space would come down but it has done the exact opposite. As more channels have become mostly sports focused the price for ad- space has gone up with it.” This shows that the American public has a great demand for sports programming, which did not shock anyone, but the size of the demand was a bit surprising. Another factor to consider when looking at this rise in sports programming is that this expansion happened around the same time the economy took a down turn. Mr. Lulla made the observation “This expansion of sports networks happened around the same time the economy went into a recession which brought the market down for everything except for ad cost during sports programming leads me to believe that sports are somewhat recession proof.”(Lulla,9)

### **Advertising Expenditures and Companies Investment in Advertising**

The main focus as far as many companies are concerned is the bottom line and why shouldn't they be, that is what the shareholders care about. One area where a large amount of corporate money is focused is the advertising and marketing department. When it comes to advertising, the same focus on the bottom line holds true. When a majority of major companies spend in excess on seven figures on advertising, the companies generally want to make sure that their money is going to good use. According to an article by Ingrid Luden “\$464 billion is how much was spent in 2011 on advertising (in Europe and the U.S). Publicis' ZenithOptimedia. That's a 3.5 percent rise compared to ad spending in 2010, and shows that ads are remaining somewhat resilient despite the economic slowdown in the U.S. and Europe and worries about the larger debt crisis.” That is an enormous amount of currency being spent on advertising especially when you are never really sure how much you are getting in return. Another factor that is coming into play is the proliferation of avenues to directly reach consumers with the emergence

of mobile device: some 38 percent of U.S. consumers use a smartphone and access the mobile internet at least one time each month.(Luden,10) 2011 was the first year that revenues from mobile advertising in the U.S. passed the \$1 billion mark, according to researchers at eMarketer.(Luden,10) Growth is coming from increased confidence in the medium, but also because advertisers are getting better scale for their investment. The \$1 billion figure includes display, search and messaging-based advertising, with search ads making up the biggest portion, at \$349 million (Luden,10) According to ABI Research; they estimate that 29 billion apps will be downloaded in 2011. Gartner reports that by the end of 2011, mobile advertising will generate \$701 million in revenue in North America. This is more than double that of \$304 million in 2010. As revenue from mobile advertising continues, it is only a matter of time before more advertisers jump on this growing trend and try to take a piece of the large mobile advertising pie. (Daidone,4) Another area that is gaining ground is Online advertising, which is really no surprise, due to that fact that it is more accessible to more people than it was even 5 years ago. In the U.S and Europe online advertising rose 12 percent in 2011. Despite its surge in nearly every other venue, online ad spending is still behind TV dollars. It is, however, expected to reach \$30 billion in the U.S. this year -- up about 15% from its estimates for 2010. Internet media accounted for more than one-half of the dollar gain in total ad spending during the first six months of the year. Display spending jumped 12.9% and search investments rose 8.6%, according to Kantar Media, which cited the travel, local service and insurance categories as prominent factors so far for the year. (Daidone, 4)

Both of these vehicles are gaining ground, yet they are still a great distance away, both in accessibility and monetarily, from overtaking television as the principle venue for advertising dollars. If you go into almost any household in America you will see at least one television if not multiple. Television is still the most consumed media in America

and now thanks to specialty channels there is some form of programming for everyone. Barclays Capital estimated that television ad spending could reach \$60 billion in 2012. But there has been a marked spending shift from network television.(Frommer,6) Kantar Media reported network television advertising fell 7.6% during the first half of the year, while cable networks which saw an 11.8% rise.(Daidone,4 ) Sports played a giant role in the change, including the move of college football bowl games and the NCAA Men's Basketball Tournament programming from broadcast networks to cable. Nielsen's 2012 year in sports report found that there was 60,000 hours of sports programming across cable and national broadcasts. This is a 45 percent increase from 2011; some of this was helped by the Summer Olympics which took place in 2012. This surge in sports in programming has led to advertisers spending \$13.3 billion on advertisements that appear during sports programming, which is 23 percent of the total amount of money spent on TV advertising in the United States.

Nielsen also found that people are 10 percent more likely to remember advertisement that they have seen during regular programming. This insight has not been lost on major companies that are competing for the very lucrative American market. Some of the largest companies in the world have put a great deal of resources into advertising during televised sporting events. Companies such as AT&T, Anheuser-Busch InBev, and Verizon Communications, who all have billion dollar ad budgets, have seen fit to put a large amount of money into advertising during sports programming. The table below shows exactly how much these companies value the importance of advertising during sports programming.

## **Top TV Advertisers in Sports**

Brand	Q4 2011 - Q3 2012
<b>AT&amp;T Wireless</b>	<i>\$342.8M</i>
<b>Bud Light</b>	<i>\$213.3M</i>
<b>Verizon Wireless</b>	<i>\$195.5M</i>
<b>Geico</b>	<i>\$166.1M</i>
<b>DIRECTV</b>	<i>\$157.8M</i>
<b>Sprint Wireless</b>	<i>\$146.4M</i>
<b>McDonalds</b>	<i>\$134.5M</i>
<b>Chevrolet Silverado</b>	<i>\$126.1M</i>
<b>Subway</b>	<i>\$114.3M</i>
<b>Visa</b>	<i>\$99.1M</i>

(Nielsen,13)

The one thing all these companies have in common is they are all massive corporations with a substantial amount of money to invest in advertising. They are also trying to reach the key demographic of males between 18- 34, which sports delivers to them in vast amounts and cannot be duplicated by any other programming on television.

### **The Importance of ROI for Advertising At Sporting Event**

This amount of money is not being simply thrown around by all these companies are nothing to just write off. When companies with billion dollar advertising budgets are investing 25 percent of that into advertising during sporting events the companies are counting on seeing some return on this large amount of capital invested.

Like any other form of advertising it is a long process to find out if you are getting any return on your investment. The most important thing that cannot be underestimated, especially in sporting events, is the amount of brand exposure that you get from simply just having an ad during the event. In a Cars.com article by Timothy Cain he says “One thing we do know: Compared with the single best(Lexus) GS sales month from the last two years - December 2010 - GS sales in February were three times better. Year-over-year, GS sales were up 587%. Looking back to January, GS sales rose 2,476%. Of course, re-launching a nameplate with an all-new vehicle does tend to increase the impact of the Super Bowl ad. Yet based on one ad and one month of sales, the GS now seems ready to play in a game dominated by the Mercedes-Benz E-Class and BMW 5 Series, both of which found more than 4,000 buyers in February with no big-game presence.”(Cain,3)

This is solid proof that these extravagant ads that we see during such major events like the Super Bowl do have an effect on real world sales and are not just simply talking points for all the news shows the next day. However, not all sporting events are the Super Bowl, which has taken on more of a cultural event than just a normal sporting event. For normal sporting events the direct retail effect can be more ambiguous. This is not to say that no positive results can be derived from advertising during events that are not the Super Bowl. In this new market where there are many different outlets to reach an audience and try to catch the attention of people who are constantly bombarded by advertising. This has led to the idea that companies need to keep a certain amount of brand presence at any given point in time. An article written by Susan Gunelius for Forbes.com goes into, what I would consider a very accurate observation of the way that ROI will be judged in the future.

*“No longer does ROI stand only for return on investment. Today, ROI also stands for return on impression, which encompasses two primary values — a hard metric and a soft metric. Together, those two values are far more powerful for measuring marketing performance than the single dollar value provided by return on investment metrics. But the new ROI of marketing goes even further than investments and impressions. It also encompasses return on engagement, objectives, and opportunity. Today, people share information via the social web faster and more frequently than ever. Traditional ROI analysis is just the tip of the iceberg. The really interesting part of the story is what happens beneath the surface of the water. The hard metrics related to return on investment barely touch the surface. Analyzing return on objectives requires that you accept that not all goals are measurable with hard data. Sometimes, marketing efforts simply help a business move in the right direction to meet its long-term objectives. For example, a business that develops a content marketing plan and creates a useful repository of content on its blog, Facebook Page, YouTube Channel, and so on over the course of a year will undoubtedly move closer to its long-term brand building objectives thanks to those efforts. Return on objectives goes hand-in-hand with return on opportunity and return on engagement to give you a comprehensive, integrated marketing plan and tracking strategy that delivers the best results. Together, return on impression, return on opportunity, return on engagement, and return on objectives give you a clearer picture of how your marketing initiatives are performing than return on investment offers alone. Today, focusing on traditional ROI only isn’t enough. The hard and soft data is available to you, use it. You can bet your competitors are (or will be soon).” Susan Gunelius 5/14/12 forbes.com Understanding the New ROI of Marketing,(7)*

This shows that advertising during sports events is worthwhile, due to the fact that so many people are exposed to your message. Even if they are not completely locked in on the advertisement they are still being exposed to the message in a passive way. A great example of this is the pro football games played on Thanksgiving Day. According to Nielsen, during the time that those three games were played and throughout the day, over 100 million people were reached. We can assume not all the people reached were watching the game intently but, they were still exposed to the message. A national holiday with many different cultural attachments to the of celebration, when families are huddled around the television watching football games, exposes people to something that they would normally not take the time to watch. When these groups that are on the fringe of the target audience can be reached you are getting the most for you dollar by getting splash over impressions.

When trying to understand ROI of advertisements during sports programming you must realize that there are some hard numbers to go by, but that there are much further reaching results that you cannot interpret as quickly. Yet, they can still have a great effect on the advertisement's effectiveness. In our current media landscape getting your name or product in front of as many potential customers as possible has become paramount to success. If you can achieve high level brand awareness in today highly competitive landscape you will most certainly see positive results and one of the best tool you can utilize to achieve this is advertising during sporting events.

### **Expert's Views on Sports Advertising and Television**

An interview was conducted by J.C. Osborn blog with Michel Neuman who is currently Managing Partner, Scout Sports and Entertainment at Horizon Media and Adjunct Professor, Graduate Program in Sports Management at Columbia University. the

interview really helped to solidify my observations of the sports advertising field as a whole. When Mr. Neuman was asked the question “In your opinion is television still the main vehicle to get a message out to a target audience?” he responded “TV remains the main vehicle to drive brand message awareness. Regardless of TV technology everywhere, the preferred platform (for watching TV) is the 50 inch HD screen. However, mobile advertising will continue to increase as more people authenticate their smart phones.”

Another trend that Neuman addressed is the emergence of digital video recorders (DVRs) and how they have affected television programming. One area that he said has not been changed by the new technology is live sports programming “There is no substitute for live sports programming. Social media environments like Twitter and Facebook make it impossible to DVR and avoid knowing the results. If you don’t see it live, you are out of the conversation.” There is also a great deal of expansion happening in the amount of sports that is televised Neuman predicts “NBC and FOX will be bigger players in the future, they will outbid ESPN for some, not all of the properties they currently broadcast. Networks that lose programming to other networks will simply look to backfill. All you have to do is see the commitment Fox and ESPN are making in soccer here in the states, which would have been unheard of 5 years ago.” (Neuman,12)

One of the major aspects of advertising during sporting events is the cost. Neuman admits that advertising during sporting events is not for every company, but for those who can afford it sports advertising will continue to be a key part of their media mix for the future. When asked “If advertising during sports events as effective as it seems or is there a lot of wasted money? Neuman responded “It’s only wasted impression for the percent of the audience that is irrelevant to the product/service being advertised and for the percent that DVR the commercials or move away from the screen.

However, the numbers are so large that even the net numbers are larger than most other shows on TV today. (Pro football championship games having the highest ratings of any shows)”(Nuemann,12)

In the blog post Mr. Neuman talks about some future trend the he believe will become a big part of sports and advertising. He believes that sports media will be used to drive social media interactivity. Send to a website then send it to Facebook then send it to Twitter and then follow someone on Twitter. The conversation I had with Mr. Neuman’s associate, Ian Parker, only helped to solidify the argument made by the interview from J.C. Osborn blog that advertising during televised sporting event will continue to be the best way to reach the most people across a key demographic of the American population.

## **Chapter 4**

### **Conclusion**

This Chapter is a summary of all on the research and interviews I have conducted for this report. In this chapter I discuss my personal observations about advertising during sporting events and the future of the sports advertising industry. I will also address some area of further study that would be worth looking into at a future.

This report has allowed me to research a subject that has been a point of interest for most of my time in the master program at the University of Texas. The power of sports advertising has been apparent to me for some time now, but when once I started getting into the number it was staggering. With 13.3 Billion dollars being spent on advertising during sport programming, just in the U.S. alone, one can understand the amount of importance companies place on advertising during televised sporting events. Some critics may not see why advertising during sports programming commands such high prices, but when you take into account that no other programming on TV consistently draws the a raw number of views that major sporting event do, it is an obvious fact that sports programming advertising space warrants the cost associated with it. Sport programming is also one of the only programming genres that is not recorded and watched at a later time. With sports being watched almost completely live, the advertisement that are shown during the broadcast are received by the audience when they are meant to be and cannot be skipped over in the same way that they can if they are recorded and watched at a later point and time. Advertising during televised sports programming can also reach the key demographic of males from 18- 35 in a way that no other media vehicle can and it also has the power to reach across economic and cultural lines in a way that is unmatched by other vehicles. Another major aspect that cannot be

over looked is the power that television still has in the media market. Television is still and will continue to be the biggest player when it comes to advertising, with sports programming being one of its major contributors. No other media can come close to the viewing experience that television provides its audience and it can all be enjoyed from the comfort of ones living room.

Sports advertising does have its draw back, such as the enormous cost that goes along with sports advertising, which make it very hard for smaller companies with limited advertising and media budgets to advertise during many of the major sporting events. Also, if the event itself becomes tedious, such as a team gaining an insurmountable advantage early in the game, companies who have advertisements at the end of the game will not get the viewership that the ads at the beginning of the event got.

An area of sports advertising that would be a worthy subject for a future research subject would be the emergence on mobile advertising. While doing my research for this report I keep reading reports that mobile advertising was quickly becoming an area in which more companies are investing time and resources to develop strong strategies around this new technology. When I posed the question to my interviewees if mobile advertising would be the next big change in advertising that all said yes. Mobile advertising is still not the fully developed medium that television is and there is still a great deal of research to be done on it, which is why it would be a great subject for further study.

In short, advertising during sports programming works and it works very well. However, advertising during sporting events can be very expensive, leaving out of the range for some companies. For the companies that can afford it, it would be foolish from then to not develop a strategy to utilize sports advertising in the future, due to all the benefits that can be gained by it. Sports are only going to get bigger in American and

companies are going to have to still sell products and services. For the foreseeable future sport programming is going to be the best way to reach to the masses, so why not embrace that sports advertising is the way to go? If you do decide to go with sports advertising your employer will like the results and people will actually pay attention to the ad you have work on for months.

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