



SUPER BOWL SPOTS LOSE THEIR LUSTER

ABC Claims Victory, but Discounts Ran up to 40%

February 14, 2006

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NEW YORK (AdAge.com) -- The Super Bowl is still talked about in exulted terms as an annual ad extravaganza with lots of marketers clamoring for \$2.5 million spots, but the reality is rather different.



This year's last-minute buyers got Super Bowl ads at a 40% discount; Walt Disney Co., ABC's parent, was the second biggest advertiser in the game.

route last year. Last spring ABC Sports went out touting a \$2.6 million price tag for 30-second spots, a figure that eventually settled to the heavily quoted \$2.5 million.

But off-the-record talks to at least a dozen media buyers, advertisers and analysts revealed the traditional advertisers in the game every year paid between \$2.3 million and \$2.4 million, while last-minute advertisers got bargain-basement discounts of up to \$1 million -- a good deal, considering the game's ratings were up over last year's and the contest was close through the fourth quarter.

"We sold the game out and beat our number for the day," said Ed Erhardt, president of sales for ABC Sports/ESPN. "And we were happy we were able to get our floaters in the game." Floaters are spots that appear when there are unexpected clock stoppages, such as an injury or coach's challenge; ABC was able to get 90 seconds of floater ads in the game, bringing its total spot load to 66.

Starwood Hotels and Resorts' Westin brand jumped in at the last minute after its media agency, MediaVest, came to Chief Marketing Officer Javier Benito with a deal.

'Significant discount'

"They told us we had a chance to place an ad in the Super Bowl at a significant discount," Mr. Benito said of the fourth-quarter spot, which touted Westin's brand repositioning as the first major chain to go completely smoke-free. "I can't be specific, but it was a very good deal. I would have never gone in the Super Bowl to begin with at the original price."

Asked if he would advertise again in the big game, Mr. Benito replied: "It's all about value. If I get good value like this year, I would consider it."

Tough sell

It has become a tough sell, and never more so than in 2005, as the bench of go-to Super Bowl advertisers thins and networks try to pump up prices. This year marketers snapped up last-minute ads at 40% discounts as ABC scrambled to sell a number of spots going into the weekend. Three-and-a-half minutes of advertising -- including at least two spots sold over the weekend -- went to ABC's corporate siblings, making the Walt Disney Co. the second-biggest advertiser in the game.

Repurposed creative

And this year at least five advertisers repurposed previously aired creative rather than shooting a spot specifically for the game. Only one went that

Even advertisers who bought into the game earlier found deals. Emerald Nuts and newcomer American HomeHealth, for example, both paid less than \$2 million for their third-quarter "B" positions.

"That's a rollback from previous years," said one veteran sports buyer. "Overall I think this is a year where the cost per spot has come under more scrutiny."

It's not the first time Super Bowl prices have dropped. They spiked in 2000, the year known as the "Dot-Com Bowl" and fell the next two years before increasing again in 2003, the last time ABC aired the game, according to Ad Age data.

Competing with the Olympics

Of course this year the Super Bowl had to share demand with the Olympics, a factor exacerbated by the thin bench of marketers interested in buying into expensive, high-profile TV events. Networks are driven by Wall Street to ask for ever-higher prices, but the game's returning deep-pocketed advertisers don't increase from year to year. One media buyer compared it to big-money accounts in the agency world. "It's a lot easier to hang on to the business you have than to find new ones to replace it," he said.

This year, Visa bowed out of the Super Bowl in favor of the Olympics and Pepsi decreased its Super Bowl take by one unit. Imagine if Anheuser-Busch decreased its level of commitment -- the beer marketer has publicly said it will re-evaluate its Super Bowl strategy going forward.

The press rankings and critiques of the ads -- such as the *USA Today* poll or *Advertising Age's* critiques -- create pause for some of the advertisers, who don't think a presence in the game is worth the potential post-game scrutiny. Additionally, if a Super Bowl ad becomes too much of a focal point for a campaign, it can leave clients feeling the whole campaign failed if the ad flops, when in fact the opposite can be true. And some marketers believe the game's blatant focus on advertising can kill a product's cool factor.

Kevin Roddy, executive creative director at Bartle Bogle Hegarty, New York, said calling Super Bowl the Academy Awards of advertising is "simply wrong." At the same time, he said, "It is a creative person's dream to get your work on a big stage. Marketers shouldn't be afraid of the big game."

Crowbar in client's wallet

Jeff Kling, executive creative director for Euro RSCG, New York, doesn't see the scrutiny as a bad thing. "If one can offer consumers something that stands out, that's a tremendous win," he said. "The only real trouble I see is sticking a crowbar in one's client's wallet, for the time it costs." He described this year's ads as "pretty lackluster."

Perhaps the most noticeable indication of the game's weakness was Disney's level of self promotion -- ads for Buena Vista releases, Walt Disney World and Mobile ESPN made it the second-biggest corporate advertiser with 210 seconds of ad time, behind only Anheuser-Busch. Two of the Buena Vista spots were last-minute additions to the lineup -- the company scrambled to cut the spots in six hours.

While it's not uncommon for corporations to do cross-divisional advertising, the fact that Disney had so many of its own properties advertising in such a high-profile -- and expensive -- event had some media buyers and advertisers scratching their heads, speculating that ABC used the ads to help control supply.

"If another advertiser came in and agreed to pay \$2.5 million you'd move those [corporate-sibling] ads to post-gun," said one buying executive who was active in last-minute sales talks.

Last year when News Corp.-owned Fox broadcasted the game, sibling DirecTV took a major sponsorship of the pre-game show, but News Corp. ads were absent from the game save for one spot for Twentieth Century Fox. The year before CBS aired the game but none of the then-Viacom-owned network's siblings showed up.

Like most corporate media companies, Walt Disney factors out intercompany ad revenues so it doesn't affect the bottom line. In other words, selling a remnant ad to Walt Disney World for \$1.6 million doesn't contribute to the corporation's bottom line whereas a \$1.2 million sale to Universal Studios would.

While every year is different -- and CBS won't have to contend with the Olympics in 2007 -- this year's sales could affect next year's proposition, said a media buyer.

"That magical, mystical \$2.5 million," he said, "the number CBS is working on is inflated. Demand is flat. If you retain all your clients, you're fine. But if you had 25 advertisers in the Super Bowl and four drop out, it's much harder to find four new ones than to retain what you had."