

SUPER BOWL SPOTS, HOTTEST TICKET IN ADVERTISING. CBS INVENTORY 80 PERCENT SOLD OUT AT \$3.8 MILLION FOR HALF A MINUTE



CBS is all agog and geared up to face the 2012-13 NFL season, which is still more than a month away. They just cannot wait for it to start. The reason for their enthusiasm is the stupendous response that they have received for the Super Bowl spots. CBS Corp. CEO Les Moonves said the broadcaster had already sold “80 percent of advertising in the game,” to further emphasize what it meant to them he added, that this puts CBS “well ahead of where we were three years ago.” Moonves was ecstatic that not only are they on the verge of reaching an early sellout, they have sold them at very attractive prices. With an average 30 second spot costing a record-high \$3.8 million, this spells tons of revenue for the broadcaster. The price marks a 9 percent increase from what NBC charged, reportedly \$3.5 million in the last edition of the NFL title game. CBS is saying that it now only has a handful of spots to sell but were confident that it was a matter of time before they ran out of stock. Last year many advertisers were put on the waiting list and their only hope of landing ad time was if a confirmed advertiser backed out. A similar scenario is predicted this season as well. Sources said that to bring about parity and affordability in the high rates most advertisers buy packages and schedules across the network that helps to bring the rate down. CBS has been in the forefront selling package deals throughout its prime time. Only three weeks ago, CBS was saying that they have finalized brands for half of the spots. The rest have been lapped up at a much faster rate than the first 50 percent. Perhaps the marketers were worried about losing out to the ‘early birds.’ “The game has moved early,” said John Bogusz, executive vice president of sales and marketing for CBS Sports. There is worth in what he has to say. Three years ago, come September and CBS yet had a lot of inventory to offload. But since then, it has managed to complete the bulk of their sales in early summer. Given the season is still some time away CBS was reluctant to identify the advertisers who had brought the spots. However, to hazard a guess, Budweiser maker Anheuser-Busch has a long term contract for the game that includes 10 spots. The auto category is certain to be strongly represented, though it is certain that General Motors has opted out, shifting its allegiance elsewhere. GM’s withdrawal from the games has been a big blow; though CBS asserts that even without them they will have a sell-out. The then GM Global marketing chief Joel Ewanick had said that the money that GM poured into advertising in the Super Bowl was not worth it and it would be better and more profitably utilized elsewhere. Two months later, Ewanick was out of a job at GM. Network bosses hoped that, with him out of the way GM would perhaps reverse its decision. However, interim global chief marketing officer Alan Batey put an end to their hopes. Batey said Wednesday, “There is no change in direction; there’s no change in priorities.” It was evident that GM was a major player that broadcasters sought. It had brought 180 seconds on in-game spots during Super Bowl XLVI, which included a spot for Cadillac that ran after the final two-minute warning. GM was also the official postgame sponsor. As of now, the postgame entitlement is yet to be filled. John Bogusz hinted that film studios and beverages have evinced considerable interest. All of the networks CBS, ESPN, Fox and NBC say that they are experiencing steady sales and have already met targets achieved last year, but really would not be in a position to say how much of their schedules were sold out as negotiations were continuing with buyers. However, they conceded they were attracting higher prices than the preceding year. “It’s going to be a healthy market,” said Jeremy Carey, U.S. director for Optimum Sports, who was finalizing NFL deals for several of his clients last week. “We just need to figure out a number that works for all.” In the second quarter report CBS reported net earnings of \$427 million, which was \$32 million or 8 percent more than what it earned last year? Moonves said that the profit was the highest the company had earned since it decided to go alone in 2006. “In August, we don’t worry about the scatter market—especially in an Olympic year,” Moonves said. “We’re ready for the gun to go off in September.”