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(USA)  
**#2** MSU  
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# UNDER THE MIKE-ROSCOPE

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Corrected 03/23/09  
See (2), Pg 1

## WILL AMERICA'S (+MICHIGAN'S) #1 SEED BE THE TOURNEY MVP?

### GO FIGURE FODDER!

\$ 7.0 B	March Madness betting legal & not (CBC.com)
\$ 6.1 B	CBS / NCAA 11yr agreement (89 Sports)
\$ 1.7 B	Lost worker productivity b/c of March Madness, (My Fox)
\$ 40 M ± \$ 10M	Estimate of econ impact to Detroit for its Final 4 at Ford Field (UDM is host school)
\$ 1.25M - \$ 1.50M	Estimate of this yr's Final 4 30 sec worth of TV time. Early round games, ad costs \$100,000±

The **NCAA Tourney** is known for its brackets, **Cinderellas** and unpredictable outcomes. Much of the data regarding this great festival of college basketball is unknown and stuff for trivia buffs. For example in a recent **WSJ.com** article well known sports economist **Prof Zimbalist** (Smith College) noted that this **65** team tournament generates **96%** of ALL of the revenue earned by all **NCAA** sports, "Who wudda thunk?" WOW! There are many, many, more remarkable "\$tick\$" from **March Madne\$\$**. Using the **Go Figure Fodder** (above) and the tables presented below we basket a few pcs of data upcourt that might surprise you. Did you know that:

- (1) There is **\$1 B** more gambling on the **Madness** than on the **Super Bowl**. WOW! (**\$7 B±** is the waged wampum for this roundball carnival. (See [GoFigure](#)))
- (2) According to **Challenger, Gray and Christmas** for the '08 tournament Americans dribbled away **\$1.7 B** in worker productivity throughout the 3½ wk orgy of basketball among their bracketology, office pools, surfing, water cooling, etc. Using **16** working days that means an avg of **\$106,250,000** per day or **\$4,427,083** per hr or **\$73,785** per min or **\$1,230** per sec. Given those #s we well understand why the aforementioned outplacement firm refused to *outplace* a prediction on lost worker productivity this yr. (See [GoFigure](#))
- (3) The **Final 4** (4/6/09) has the **2<sup>nd</sup>** highest price tag for 30 secs of ad time for yearly \$port\$ entertainment event\$. Furthermore, the expected **\$1.25 M - \$1.50 M** for 30 sec this yr will approach the ad rates for the **Acads**. Given current trends by 2010 **Final 4** ad rates will likely surpass the **Acad** ads. On a cost per viewer basis, the **Final 4** is the

*most expensive* TV property listed (See **Table 1**). This high price tag “per” is reasoned by the facts that **Final 4** and **March Madness** find the treasured 18 – 34 male like no other yearly screened sporting event; it, also, allows for a real campaign to develop much like the **Olympics**; and it has a final crescendo episode each yr. **Tables 2, 3** speak to the **NCAA’s** total rev value to **CBS** and to its remarkable growth over the last decade and over the last yr, the economy notwithstanding.

- (4) The continuing revenue growth on the **Net** is the theme of **Table 4**. While not even **1%** of the total ad rev in 2006. This yr it is **4¼%+**, a **4X** growth rate. WOW! This is the **1<sup>st</sup>** yr that *every* game was available on \$uper \$mall \$creen\$ AT NO CO\$T! \$treaming games\$ mean\$ another revenue \$tream from adverti\$ing. Can you hear that **CBS** train conductor shouting “All Aboard, All Aboard, this train i\$ leaving the \$tation!”

Finally, let’s give **GM** a “little luv”. While the struggling auto giant has ca\$ away its **Olympic** partnership, 2009’s **Super Bowl** advertising, the **Oscars**, **Tiger Woods** etc, we are pleased to say that at least for this year’s **March Madness**, it’s still “in the game,” though its current contract with the NCAA is concluding. **TNS’** #s tell us that **GM** has been by far, the **NCAA Tourney’s** biggest advertiser, averaging way over **\$70 M** per yr over the last **5 yrs+**. **Table 5** adests to the strength of **GM’s** tourney ad \$\$ last yr. Should **GM** miss this yr’s gala gig that glories at **Ford Field**? R U Kidding Us? Its **Pontiac** brand has been a lynchpin of the tournament for yrs. Listen, folks, including **Sen Shelby** (AL) to sell product you must SELL product. Get it? The **NCAA Tournament** is, arguably, the single best “screened medium” to reach the male youth of America. It connect\$ the *past*, the *present* and the *future*. Just for the record, besides **GM’s** boob tube selling, it is a primary **Net** advertiser, again, this yr as it maintains its ad viability competing with fellow **March Adness** websters **Audi**, **Lexus**, **Mercedes**, and **Toyota** (broadcasting cable.com). Sure, its corporate boxes will likely be M-T this yr (or donated to a good cause), but that’s the right thing to do. To vacate the tourney in ‘09 would have been the wrong thing to do. Simply put, **GM** MUST promote MORE aggressively than ever b-4. In bad economic times, marketers must promote their best wares, NOT “pull away” from them! DRIVE ON GM!! DRIVE ON!!!! We need Sales, **GDP**. Rah-rah-Sis-Boom-Bah!!!

**Table 1: Highest Priced TV Ad Rates for Yearly Sports Entertainment Events <sup>a</sup>**

Season Yr	Event	30 sec Ad	TV Audience	Price Per Person
2008	NFL ( <b>Super Bowl</b> held 2009)	\$3.00 M	98.70 M	3.04¢
2009	Oscars	\$1.4 – 1.7 M	36.30 M	4.27¢
'07 – '08	Final Four	\$1.26 M	19.50 M	<b>6.46¢</b>
2008	BCS (Championship held 2009)	\$0.95 M	26.80 M	3.54¢
2008	MLB World Series	\$0.40 M	13.63 M	2.93¢
'08 – '09	NBA Finals	\$0.34 M	13.38 M	2.54¢

<sup>a</sup> Nielsen’s & TNS’ data reformatted for this table

**Table 2: TV Ad Bucks Spent, 2008 <sup>a</sup>**

<b>NFL Playoffs &amp; SB</b>	<b>\$748 M</b>
<b>NCAA Men's Tourney</b>	<b>\$643 M</b>
<b>NBA Playoffs &amp; Finals</b>	<b>\$330 M</b>
<b>MLB Playoff &amp; WS</b>	<b>\$326 M</b>
<b>NCAA Football Bowls</b>	<b>\$250 M</b>

<sup>a</sup> Data from TNS**Table 3: Growth of NCAA****Tourney Ad \$\$ <sup>a</sup>**

<b>1999</b>	<b>2008</b>	<b>%CHG</b>
\$270 M	\$643 M	+138%
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<b>2007</b>	<b>2008</b>	<b>%CHG</b>
\$520 M	\$643 M	+23%

<sup>a</sup> Data from TNS**Table 4: CBS Ad Rev by TV & Internet**

	<b>TV</b>	<b>%CHG</b>	<b>Net on Demand</b>	<b>%CHG</b>
2006	\$ 500 M	NA	\$ 4 M	NA
2007	\$ 520 M	+ 4%	\$ 9 M	+ 125%
2008	\$ 643 M	+ 24%	\$ 23 M	+ 156%
2009	\$ 700 M ±	+ <10%	\$ 30 M ±	+ 30% ±

<sup>a</sup> TNS data plus CBS' own prediction for online ad growth this yr.**Table 5: 2008, NCAA Tourney  
TOP 5 Advertisers <sup>a</sup>**

<b>1.</b>	<b>GM</b>	<b>\$79.7 M</b>
<b>2.</b>	<b>AT&amp;T</b>	<b>\$35.1 M</b>
<b>3.</b>	<b>Coca-Cola</b>	<b>\$25.8 M</b>
<b>4.</b>	<b>An Busch</b>	<b>\$22.0 M</b>
<b>5.</b>	<b>Lowe's</b>	<b>\$21.9 M</b>
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<b>10.</b>	<b>Daimler</b>	<b>\$13.6 M</b>

<sup>a</sup> Data from TNS