WHY ARE ADVERTISERS WILLING TO PAY SO MUCH TO ADVERTISE ON THE SUPER BOWL?

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Although Super Bowl TV ads reach a great number of people, advertising on the Super Bowl has become so expensive that the cost per person reached is quite high—much higher than the cost of reaching the same number of people by advertising on a combination of other programs. Nevertheless, there may be good reasons why advertisers are willing to pay so much:

- Viewer attention. During most other programming, being exposed to advertising is essentially a “toll” that the viewer has to pay to get access to content. There is no obligation to give attention. For Super Bowl ads, there is an expectation that the ads will be worth watching, and thus, a lot more attention will be given. This process may also include significant elaboration—that is, thinking about the situation and other things that are going on in parallel with the scene. This will likely greatly strengthen the memorability of the ad. For normal advertising, a single exposure rarely has much of an effect on the viewer, but a Super Bowl ad can potentially get a message through.
- Secondary exposure through links posted on social media or sent by e-mail
- Discussion—in person, on social media, or the traditional media—of ads
- The prestige of advertising on the Super Bowl. This is especially true for the advertisers that have become “institutionalized” as Super Bowl advertisers over the years (e.g., Coca Cola, Budweiser, Frito Lay)
- Demonstration of stature in being able to pay for and secure a Super Bowl ad (with a possible side benefit of enhancing employee morale and possibly demoralizing competitors)
- Possibly enhanced value of exposure during higher levels of arousal during the game (enhancing memorability)

Super Bowl viewership has been down for past three consecutive years, especially in 2018. It is difficult to say if this is a trend. This year, the extremely cold weather experienced in the Midwest and on the East Coast may keep more people inside, potentially increasing home viewership. On the other hand, people may be more reluctant to travel to Super Bowl parties elsewhere.

Based on material from Forbes, Fortune, and CNBC, Statistica estimates that the cost of a thirty second Super Bowl advertising spot at $5.25 million. Dividing this figure by the average of the previous three year’s viewership (108.87 million), we get a cost of 4.82 cents per person reached.