

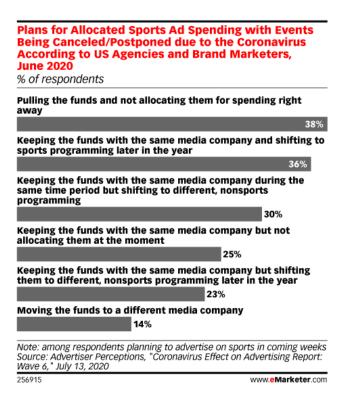
How Advertisers Could Handle Existing TV Ad Commitments amid the Cancellation of College Sports

ARTICLE AUGUST 20, 2020

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As the Big Ten and Pac-12 announce their postponement of all fall college sports, the other major NCAA Division I conferences are under pressure to follow suit. If they buckle under, it could send sports advertising budgets into freefall.





Last season, college football alone captured an estimated \$1.69 billion in national and spot TV ad revenues, according to Kantar Media data cited by Adweek.

Following sports cancellations earlier this year, advertisers must once again figure out how to manage existing TV advertising commitments. Based on Advertiser Perceptions data published in July, we believe advertisers are most likely to pursue these three courses of action:

1. Pull commitments completely, without reallocation.

Some 38% of advertisers indicated that they would pull sports ad spending without reallocation, according to an Advertiser Perceptions survey in June. That was the most common response in the survey, and we anticipate many more advertisers will use this tactic now. Though the duration of the pandemic remains uncertain, one thing is abundantly clear: There is no quick fix. We expect that organizations will most likely cut commitments to prepare for a long period of economic uncertainty.



2. Keep commitments with the same media company, and wait for the spring season to run campaigns.

According to the same Advertiser Perceptions survey, 36% of respondents planned to maintain their commitments and wait for sports programming to arrive later in the year. Though the sentiment is now outdated, it's notable that a sizable segment of advertisers may keep their pre-existing advertising commitments. But deferring to the spring has its complications. Assuming other sports like basketball and baseball stick to traditional schedules, a college football season in the spring may find itself competing with other leagues for viewership.

3. Keep commitments with the same media company, but shift to other sports programming.

Other professional sports leagues, namely the NBA and MLB, have resumed their seasons, albeit in a fairly limited capacity and with no audience in the stands. But this has not stopped fans from tuning in: During MLB opening weekend, regional sports networks saw a 31% increase in viewership year over year, according to Nielsen. Some advertisers may want to commit as much spending as possible to the sports programming that is available, providing a potential boost to professional leagues.

