

The Super Bowl's advertising importance is growing as linear TV declines

Article

The news: Fox has sold out ad space for this weekend's **Super Bowl LVII**, with prices of about \$7 million per 30-second spot, according to Deadline.

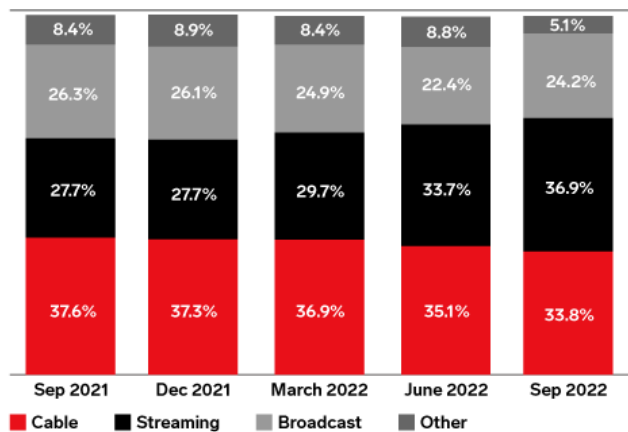
- Fox announced that it had sold 95% of its inventory in September, far faster than **NBCUniversal** did in 2022. **Mark Evans**, executive vice president of ad sales, said it took four months to sell out due to shakeups with major advertisers like crypto exchange **FTX** and a contracting ad market.
- The rapidly increasing cost per spot has slowed down this year. In 2021, **CBS** sold spots for \$5.5 million. That figure jumped to \$7 million in 2022 when NBCU broadcast the event.

Only getting stronger: The Super Bowl has long been *the* advertising event of the year thanks to its stalwart viewership, and that position is only getting more valuable as users shift from linear and appointment television and the advertising market tightens.

- The massive jump in ad prices from 2021 to 2022 was largely due to record viewership for the **NFL**, and milestones like the event’s first Spanish-language broadcast and ads being run simultaneously across linear and digital viewing channels.
- In 2022, the NFL yet again set record viewership, accounting for 82 of the top 100 TV broadcasts of the year. Football games were hotly contested ad opportunities, filled with political advertising in the leadup to the 2022 midterms.

Share of US Time Spent With TV, by Type, Sep 2021-Sep 2022

% of total



Note: ages 2+; numbers may not add up to 100% due to rounding
Source: Nielsen as cited in company blog, Oct 20, 2022

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The pop culture moment: In the world of content-on-demand and countless emerging ad channels, it’s easy to forget the power of showing an audience of millions the same ad at the

same time. Super Bowl ads regularly dominate popular discourse, and are filled with brands trying to [stake a new claim](#) in the public consciousness.

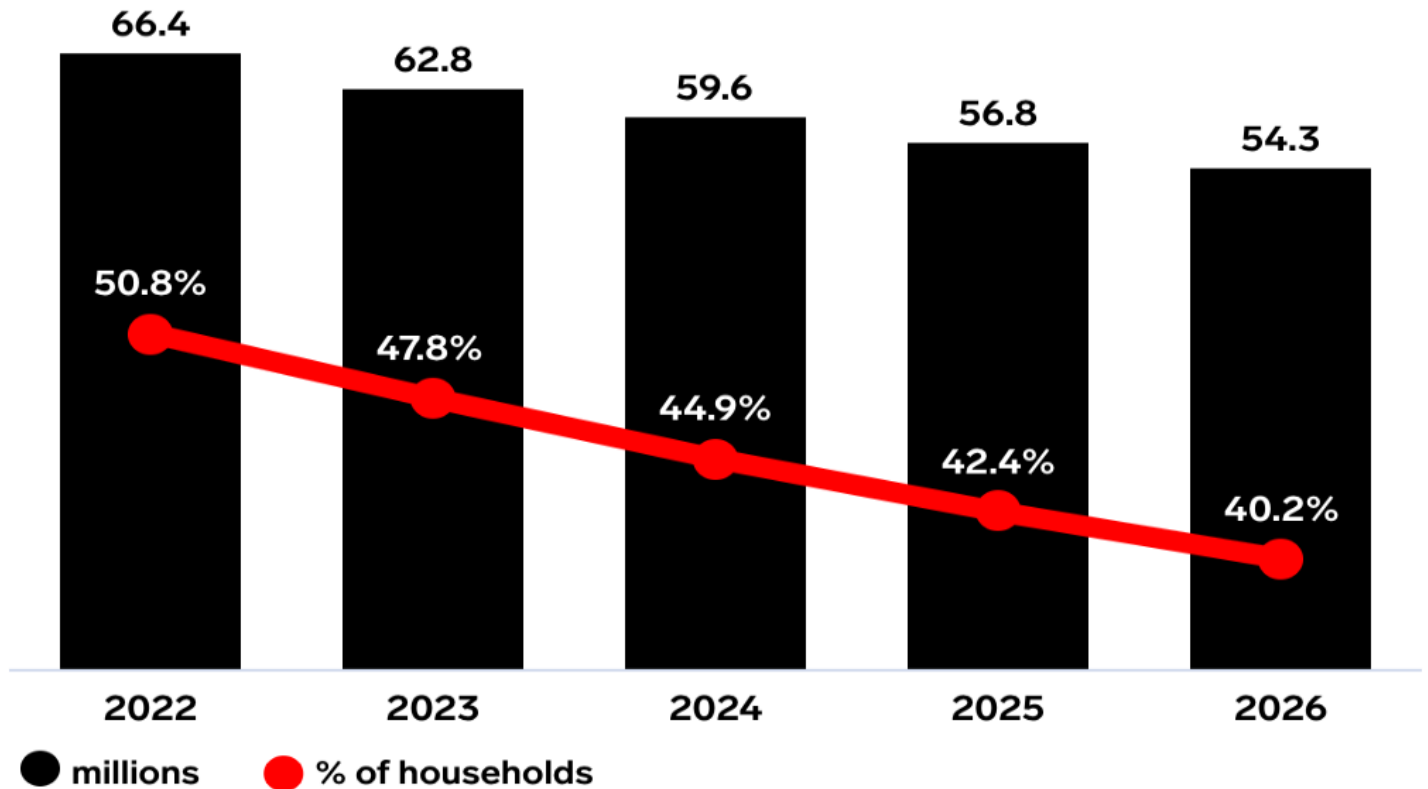
- Last year's Super Bowl was flush with ads from cryptocurrency exchanges as well as the first slew of major **metaverse advertisements**. The heavy spending prompted comparisons to the 2000 "dot-com" Super Bowl that proved true—FTX collapsed in 2022, bringing the value of **Coinbase** and others down with it. Meanwhile, **Meta** has had to sideline its metaverse projects to focus on rejuvenating its ad business.
- Crypto's high-profile failures haven't deterred new brands from trying to make an imprint on the Big Game. **Apple Music** is sponsoring the halftime show, replacing longtime sponsor **Pepsi** in a reported \$50 million deal. **Avocados From Mexico** will be directing fans to a site that uses **ChatGPT**. Sports-betting companies like **DraftKings** will also advertise.
- If last year's Super Bowl ad spending was defined by the crypto world, this year it's the alcohol industry's turn. **Budweiser** gave up its position as the exclusive alcohol advertiser of the event, allowing brands like **Heineken**, **Miller**, and others to swoop in.

Our take: The Super Bowl will likely set yet another early record for viewership and serves as a reminder that similar appointment television events are becoming increasingly rare.

- Other major broadcast events like **The Academy Awards** have steadily lost viewers year after year. **The Golden Globes** continued its years-long decline in January with the lowest viewership the event has seen since 1996—but last weekend's **Grammys** managed to reverse its misfortunes with viewership climbing 30% year over year.

Traditional Pay TV Households

US, 2022-2026



Note: households with a subscription to traditional pay TV services; includes cable, satellite, telco/fiber operators and multiple system operators (MSOs); excludes IPTV and pure-play online video services (e.g. Hulu, Netflix, YouTube, Sling TV, etc.)

Source: eMarketer, September 2022

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