



Super Bowl Ads & Firm Value Enhancement

Ashley Hofer, Dan Rozumalski and Cory Coulombe
Dr. Charles Tomkovick and Dr. Rama Yelkur

Department of Marketing and Management ❖ University of Wisconsin-Eau Claire



Abstract

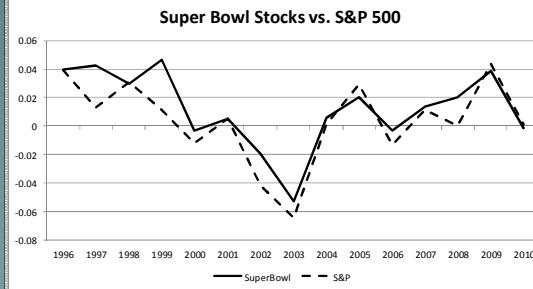
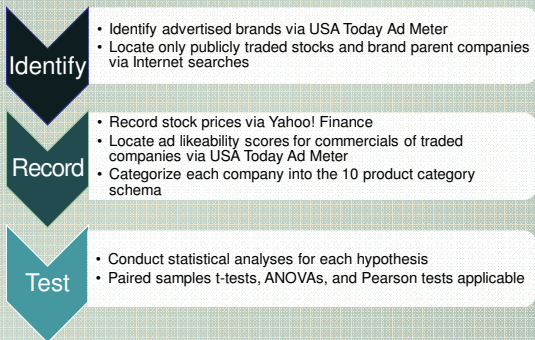
As advertisers spend millions of dollars for commercials on Super Bowl Sunday, it is becoming increasingly important to produce returns on these pricey investments. This study compared the stocks of publicly traded Super Bowl advertising companies to the S&P 500 as one way to examine Super Bowl advertising effectiveness.

After exploring 15 years of data (1996-2010), results indicated stocks of Super Bowl advertisers surpassed the S&P 500 results by over one percentage point during the test period. As predicted, there was no significant difference detected during the control period. The results of this research suggest simply advertising in the Super Bowl is a tradable event with favorable stock returns independent of industry category, ad popularity and ad content.

Hypotheses

- ▶ **H₁**: Super Bowl stocks will outperform the S&P 500 during the period of Monday before to the Friday after the game
- ▶ **H₂**: There will be no difference in the performance of Super Bowl stocks versus the S&P 500 in the non-Super Bowl time control periods (10 trading days, three months prior)
- ▶ **H₃**: There will be a significant difference between daily stock price changes of SB stocks relative to S&P 500 performance over 10-day period surrounding Super Bowl
- ▶ **H₄**: There will be no correlation between Super Bowl ad likeability and stock price performance during test period
- ▶ **H₅**: There will be no difference in the stock price performance of SB advertisers by category over test period

Methodology



Results

- ▶ **H₁**: Supported. Actual value of SB stocks exceeded predicted value by 1.015 percentage points ($p < .05$)
- ▶ **H₂**: Supported. Insignificant difference in control period (Similarity of stocks equals $p = .978$)
- ▶ **H₃**: Supported. Significant difference between actual and predicted values of SB stocks between ten days ($p < .05$)
- ▶ **H₄**: Supported. No significant relationship between ad likeability and stock prices of advertisers ($p = .447$)
- ▶ **H₅**: Supported. No significant relationship between industry category and SB stock performance ($p = .319$)

Implications

Marketing Managers:

- ▶ Can use financial metrics to translate marketing performance into business accountability

Investment Community:

- ▶ Findings can guide investors to consider buying stock of SB advertisers

Firms Considering SB Advertising:

- ▶ Findings suggest advertisers can convert heightened media attention into increased merchandising and product distribution

Networks:

- ▶ Can cite increased stock performance as selling point for companies considering advertising in Super Bowl

Future Research

- ▶ Examine both correlative and causal relationships contributing to correlation between advertising in the Super Bowl and positive stock performance
- ▶ Examine stock price implications for SB advertisers for longer time periods
- ▶ Explore whether relationships exist using other stock price indicators, such as the Wilshire 5000 index

Daily Super Bowl Stock Price Comparisons: Actual vs. Predicted

	Mean Super Bowl Stock Price (\$)	Mean Predicted Super Bowl Stock Price (\$)	Mean Difference (\$)
Monday before SB	50.5041	50.4786	.025526
Tuesday before SB	50.9415	50.6940	.247519
Wednesday before SB	50.9324	50.8801	.052293
Thursday before SB	51.1915	51.0225	.169060
Friday before SB	50.9762	51.0427	-.066504
Monday after SB	50.6894	50.9717	-.282293
Tuesday after SB	50.5680	50.6901	-.122105
Wednesday after SB	51.0503	50.6386	.411729**
Thursday after SB	51.2704	51.1236	.146842
Friday after SB	51.1679	51.2088	-.040977

*Predicted Super Bowl stock prices based on S&P 500 market performance

Publication

- ▶ Submitted for journal review March 2011
- ▶ Published in *Journal of Marketing Development and Competitiveness* Vol. 5 (2), Spring 2011.

Acknowledgements

- ▶ Summer Research Experiences for Undergraduates program (Summer grant)
- ▶ UW-Eau Claire differential tuition
- ▶ Office of Research and Sponsored Programs (ORSP)