

Stock Prices and the Super Bowl

Introduction

There are many things that can cause a stock's price to change. If it is something the company has done like introducing a new product or changing its leaders, it is called an "internal factor."

If it is something that does not directly involve the company like inflation, consumer confidence, or a natural disaster, it called an "external factor."

This activity will have you examine the impact of an internal factor (the company's marketing strategy) and an external factor (the Super Bowl) on a company's stock price.

Super Bowl History

The National Football League (NFL) is organized in two divisions: the NFC (National Football Conference) and the AFC (American Football Conference). The top teams in each division play in the Super Bowl to conclude the football season.

The first Super Bowl game took place on January 15, 1967 at the Los Angeles Coliseum. The Green Bay Packers (NFC) beat the Kansas City Chiefs (AFC), 31-10, to become the first "Super Bowl Champions."

The Super Bowl has since grown into "the second-largest day for U.S. food consumption, after Thanksgiving Day. In addition, the Super Bowl has frequently been the most-watched American television broadcast of the year; the seven most-watched broadcasts in American television history are Super Bowls."

From a football game with an audience of 51,180,000 people in 1967, the Super Bowl has evolved into an American pop culture phenomenon where the halftime show and even the commercials have their own distinct fanbases. According to Deadline, [112.3](#) million people watched last year's Super Bowl game – a little more than 16% increase from the previous year..

Commercials

For a 30-second Super Bowl commercial this year, companies will pay Fox, the network that will broadcast Super Bowl LVII, close to [\\$7 million dollars](#). Variety reported in September 2022 that despite the cost, ad spaces were nearly sold out.

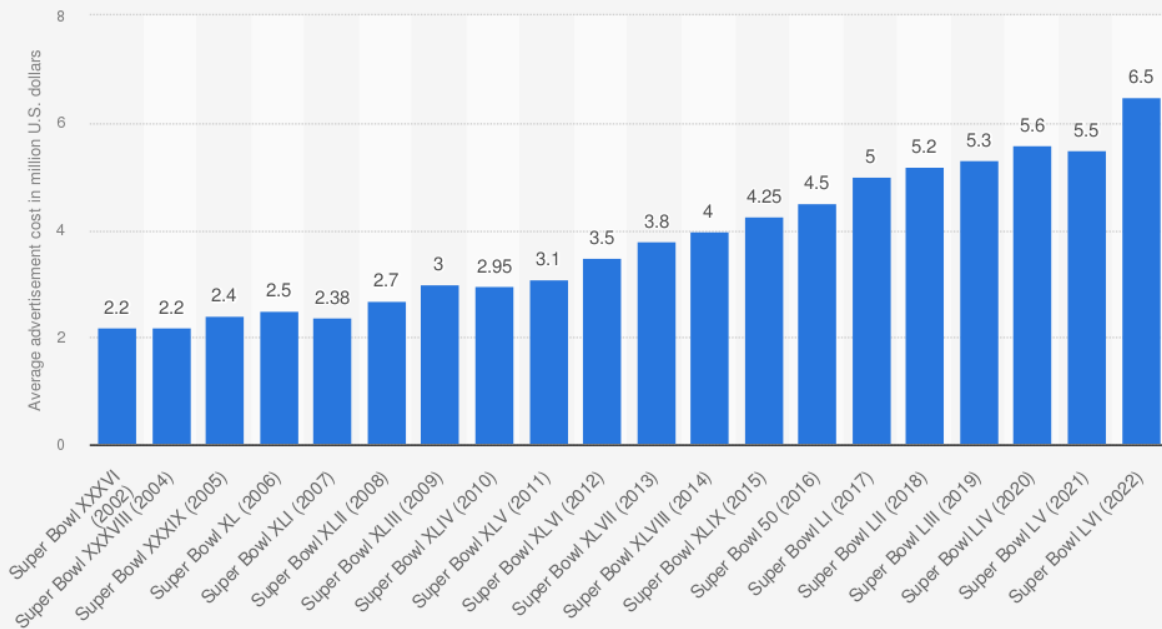
This chart from [Statista](#) illustrates the rising cost of a Super Bowl advertising since 2002.



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Average cost of a 30-second Super Bowl TV commercial in the United States from 2002 to 2022 (in million U.S. dollars)



Sources

Nielsen; Various sources (sportingnews.com)
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Additional Information:

United States; Nielsen; 2002 to 2022

Each year companies willingly pay the price for a 30-second Super Bowl commercial because they believe it will provide them with a rare opportunity to be seen by a diverse audience of close to 100 million people all at once.

The 2021 Super Bowl was the first time Dexcom (Symbol: DXCM) bought advertising time. Its President and CEO, [Kevin Sayer](#), says that the company's commercial during the Super Bowl LV helped generate five times more interest in their glucose monitor.

"As far as media impressions — those who hear the word or the name Dexcom — we had five times more media impressions in one day than we had all last year," Sayer said. "As far as leads coming into our system, as people [got] interested in the technology, biggest day of lead generation ever. ... The message got out there very strongly."

However, being seen by such a large and diverse audience also leaves the company open to greater scrutiny. In a personal Esquire essay, writer [Dave Holmes](#) explains the controversy:

"This life-saving device is too expensive for most T1s [Type 1 Diabetes patients] ... the process of acquiring one is complicated and often very expensive, even for people with good insurance. Which makes the year's most expensive ad buy, for a product that only a small percentage of the U.S. population needs, confusing to me



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and others. A 30-second commercial spot in Super Bowl LV costs \$5.5 million, and that just covers the time.”

Stock Prices

Despite the controversy, Dexcom’s stock price rose 0.6% the Friday following the Super Bowl.

Super Bowl LV was also the first time Oatly (Symbol: OTLY) ran a commercial. It received a lot of negative criticism which seemed bad. However, it soon became clear that it might just have been a clever marketing tactic. The company sold out of [500 T-shirts](#) in five minutes! The shirts were printed with the phrase, “I totally hated that Oatly commercial.”

Its Super Bowl commercial helped it launch a successful IPO just a few months later. Oatly went public in May 2021 at \$17 per share. It closed \$20.20 a share on its first day of trading.

Dr. [Derek Rucker](#), a marketing professor at Northwestern University’s Kellogg Super Bowl Ad Review program believes that Super Bowl commercials generate more business for the companies that advertise.

However, he also says, it is hard to tell if a company’s return on investment justifies the money it spent on a commercial.

A study by researchers at Stanford University and Humboldt University in Berlin found that revenue increased 10% - 15% for Anheuser-Busch, Coca-Cola and Pepsi after their Super Bowl commercials but only when a competitor is not also advertising in the same event or show.

University of Wisconsin-Eau Claire [marketing professors](#), Chuck Tomkovick and Rama Yelkur found the stocks of companies that advertised during the Super Bowl outperformed the S&P 500 by more than 1% the week after the game.

Most researchers agree that running a commercial during the Super Bowl will affect a company’s stock price. However, the degree of impact is uncertain. In citing the positive impact Super Bowl advertisements had on Dexcom and Oatly’s stock performance, it is essential to note that both stocks were performing well before the game.

Perhaps swayed by this uncertainty, (at the time of writing this) Taco Bell is listed as one of the brands not advertising in this year’s Super Bowl, despite the [acclaim](#) it received on its ad during last year’s game. Prior the Super Bowl LVI, Taco Bell had not advertised in the Super Bowl since 2017 (five years before).

Coca Cola is also listed among the companies and brands not advertising in Super Bowl LVII, making the third year in a row that it has not advertised.



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Activity 1

Do you agree that advertising during the Super Bowl positively impacts stock prices? Is it worth the multimillion dollar price tag?

Let's conduct an informal investigation and review Dexcom and Oatly's stock performance after Super Bowl LV. Select a financial news and stock information site to help you complete the table below.

Historical price information can usually be found by simply selecting the desired date range on a stock quote and moving your mouse over to the desired date on the quote graph.

Enter the stock's ticker symbol and the closing price on the last day of the date ranges noted. Use February 12, the Friday after Super Bowl LV, to complete the 5-Day Close for Dexcom. Use May 20, the date of its IPO, to complete the 5-Day Close for Oatly.

Site Used: _____

TICKER	5-DAY CLOSE – February 12, 2021	1 MONTH CLOSE – March 8, 2021	END OF THE YEAR CLOSE – December 31, 2021

Describe the stock price changes for each stock on the table. For example, did Dexcom continually rise or fall from February 12 to December 30? How much did the stock price change? A lot or just a little?

TICKER	DESCRIPTION

What's your opinion? Based on what you know so far, is buying a Super Bowl advertisement a good investment for a company? Explain.



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Activity 2

Did stock prices behave in a similar manner after last year's game?

Dailycommercials.com provides a list of the companies and brands that advertised during Super Bowl LVI: <https://dailycommercials.com/2022-super-bowl-commercials-guide/>

Select two publicly traded companies that advertised during Super Bowl LVI. Repeat what was done in **Activity 1** for these companies. Include the current price for these companies.

If you chose a brand or a subsidiary, find their parent company and use its ticker symbol.

Site Used: _____

Today's Date: _____

TICKER	5-DAY CLOSE – February 18, 2022	1 MONTH CLOSE – March 14, 2022	END OF THE YEAR CLOSE – December 30, 2022	CURRENT PRICE

Describe the stock price changes for each stock on the table. For example, did the price continually rise or fall from February 14 to December 30? How much did the stock price change? A lot or just a little?

TICKER	DESCRIPTION

Based on what you know so far, was buying a Super Bowl advertisement a good investment for these companies? Explain.



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Activity 3

According to [Dailycommercials.com](https://www.dailycommercials.com), these companies and brands will have commercials during Super Bowl LVII (as of January 5, 2023).

ADVERTISER	SYMBOL
Molson Coors	TAP
The Servant Christian Foundation	
Avocado from Mexico	
Rakuten	
Procter & Gamble's Downy	
Hellmann's	PG
Pringles	UL
Kia	K
Booking.com	
Doritos	BKNG
FanDuel	PEP
TurboTax	
	INTU

Choose two publicly traded companies from the list and enter their stock performance information in the table like you did in the previous activities. We are going to compare their stock performance for this year's Super Bowl to their performance last year.

Site Used: _____

Today's Date: _____

TICKER	CLOSING PRICE (Before Super Bowl LVII – February 10, 2023)	5-DAY CLOSE (After Super Bowl LVII – February 17, 2023)	CURRENT PRICE

Site Used: _____

Today's Date: _____

TICKER	CLOSING PRICE (Before Super Bowl LVII – February 10, 2023)	5-DAY CLOSE (After Super Bowl LVII – February 17, 2023)	CURRENT PRICE



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Summarize the stock price changes for each stock in the table. For example, did the stock price continually rise or fall from before and after the Super Bowl? Were the changes extreme?

TICKER	DESCRIPTION

Based on what you know so far, was buying a Super Bowl advertisement a good investment for these companies? Explain.

In your opinion, should companies spend their money on Super Bowl advertisements? Explain.



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Enrichment Activity (Optional)

Note: This activity requires students to watch the commercials that play as a part of the Super Bowl experience. It is likely that some of the commercials contain suggestive content. If this offends you, please do not complete this optional activity.

Do you have a favorite commercial or is there a commercial you saw that has stuck in your head?

Super Bowl commercials have developed into their own event, complete with enthusiastic fans. Media experts pit the advertising agencies that produced the commercials against each other in an "Advertising Super Bowl."

Using the Kellogg Bowl: 2022 Super Bowl Ad Review rubric rate the effectiveness of this year's Super Bowl commercials.

ADPLAN: A more strategic framework for evaluating ads		
ATTENTION	Does the ad engage the audience?	"Having a compelling benefit is critical. If you are going to have an impact on sales you need to give people a reason to buy."  TIM CALKINS Clinical Professor of Marketing Kellogg School of Management @KelloggSchool
DISTINCTION	Is the execution unique in delivery?	
POSITIONING	Is the appropriate category represented and a strong benefit featured?	"It is always interesting to see the brands that win with positive amplification."  DEREK RUCKER Sandy and Morton Goldman Professor of Entrepreneurial Studies in Marketing @derekdrucker
LINKAGE	Will the brand and benefit be remembered?	
AMPLIFICATION	Are viewers' thoughts favorable?	
NET EQUITY	Is the ad consistent with the brand's history and reputation?	

SOURCE: <https://www.kellogg.northwestern.edu/news-events/super-bowl.aspx>



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5 = Extremely Effective
1 = Not Effective At All

Company: _____

Product/Service: _____

Ticker Symbol: _____

CATEGORY	RATING*					SUBTOTAL
ATTENTION	1	2	3	4	5	
DISTINCTION	1	2	3	4	5	
POSITIONING	1	2	3	4	5	
LINKAGE	1	2	3	4	5	
AMPLIFICATION	1	2	3	4	5	
NET EQUITY	1	2	3	4	5	
	TOTAL					

Company: _____

Product/Service: _____

Ticker Symbol: _____

CATEGORY	RATING*					SUBTOTAL
ATTENTION	1	2	3	4	5	
DISTINCTION	1	2	3	4	5	
POSITIONING	1	2	3	4	5	
LINKAGE	1	2	3	4	5	
AMPLIFICATION	1	2	3	4	5	
NET EQUITY	1	2	3	4	5	
	TOTAL					



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Company: _____

Product/Service: _____

Ticker Symbol: _____

CATEGORY	RATING*					SUBTOTAL
ATTENTION	1	2	3	4	5	
DISTINCTION	1	2	3	4	5	
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NET EQUITY	1	2	3	4	5	
	TOTAL					

Company: _____

Product/Service: _____

Ticker Symbol: _____

CATEGORY	RATING*					SUBTOTAL
ATTENTION	1	2	3	4	5	
DISTINCTION	1	2	3	4	5	
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LINKAGE	1	2	3	4	5	
AMPLIFICATION	1	2	3	4	5	
NET EQUITY	1	2	3	4	5	
	TOTAL					



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Company: _____

Product/Service: _____

Ticker Symbol: _____

CATEGORY	RATING*					SUBTOTAL
ATTENTION	1	2	3	4	5	
DISTINCTION	1	2	3	4	5	
POSITIONING	1	2	3	4	5	
LINKAGE	1	2	3	4	5	
AMPLIFICATION	1	2	3	4	5	
NET EQUITY	1	2	3	4	5	
	TOTAL					

Company: _____

Product/Service: _____

Ticker Symbol: _____

CATEGORY	RATING*					SUBTOTAL
ATTENTION	1	2	3	4	5	
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POSITIONING	1	2	3	4	5	
LINKAGE	1	2	3	4	5	
AMPLIFICATION	1	2	3	4	5	
NET EQUITY	1	2	3	4	5	
	TOTAL					



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Based on a tally of the total scores, which company had the most effective commercial?

Explain why you felt its commercial was the most effective.

Comparing its stock price the Friday before the Super Bowl (February 11, 2022) and its price five days after (February 18, 2022), what conclusions can you draw?

Based on what you have learned so far, would you include shares of this company in your SMG portfolio? Explain.



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"It's just like real life. All of a sudden I knew what everyone was talking about."

David Burak, Student,
Woodrow Wilson Middle School,
New Jersey



"My students understand that what they learn through SMG can help them get ahead in life."

Kingston Raycraft, Teacher,
Mountainside Middle School, Arizona

The SIFMA Foundation's Stock Market Game™ (SMG) program is a project-based learning activity that meets educational standards and provides real world opportunities to practice "21st Century Skills" including critical thinking, "collaboration, and communication.

Here's How It Works

- 1) Virtual Cash**
Students are challenged to develop a successful investment portfolio by investing a virtual \$100,000.
- 2) Collaborative Research**
Students work in teams of two to five to investigate and gather news and data on potential investments.
- 3) Academic Enrichment**
Students utilize a broad range of informational texts and evaluate current events as an integral part of The Stock Market Game™ experience.
- 4) Portfolio Management**
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InvestWrite challenges students to write an essay using their newly acquired financial knowledge to address real world issues in saving and investing.
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