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**THE JOURNAL REPORT: NCAA BASKETBALL TOURNAMENT**
**Marketing Madness**
*As the TV audience shrinks, ad spending for the big game climbs*

By **BRIAN STEINBERG**  
 Staff Reporter of THE WALL STREET JOURNAL  
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The name March Madness may have come from the stir the NCAA men's basketball tournament sets off among hoop fans. But there is a frenzy among advertisers as well.

While the Super Bowl is arguably the most successful marriage between sports and Madison Avenue -- attracting a massive audience that watches the commercials almost as closely as the game -- it holds viewers' attention only for a few hours, and then only if the game is close.



<sup>1</sup> See the full **NCAA Basketball Tournament<sup>2</sup>** report. Plus, download **men's<sup>3</sup>** and **women's<sup>4</sup>** brackets.

**WALL STREET JOURNAL VIDEO**


<sup>5</sup> Wall Street Journal reporter **Stefan Fatsis explains<sup>6</sup>** why viewership of the NCAA men's basketball tournament is down from 10 years ago, but overall ad spending is up.

The NCAA tournament gives advertisers something better: a huge audience that stays engaged for several weeks.

And that isn't all. With teams from all over, there's a huge fan base, notes **Bill Grogan**, president of **WPP Group PLC's** Berlin Cameron/Red Cell. Mr. Grogan's agency works for **Coca-Cola Co.**, one of the tournament's best-known sponsors.

Marketers are also drawn by the youth and exuberance of the players and fans, which give the tournament a fresher feel than other major sporting events. To be sure, some of the players will turn pro and pocket big endorsement deals. But many more are driven by a simple desire to win, which sits well with an audience increasingly turned off by the astronomical pay, labor strife and drug use that often accompany professional sports. Proof of the tournament's more widespread appeal lies in the legions of 9-to-5ers who usually have little interest in sports but who line up each March to take part in office betting pools.

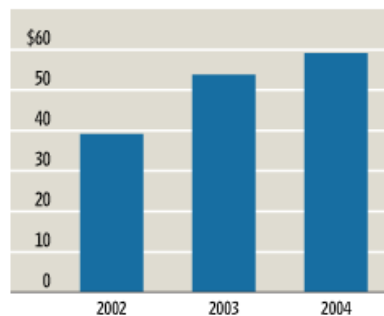
Sponsors keep ponying up big bucks to advertise in the tournament, even as ratings for the championship game decline. In 1975, for example, more than 30 million viewers watched UCLA beat Kentucky, according to Nielsen Media Research. In 2003, 18.6 million saw Syracuse defeat Kansas, and last year 17.1 million looked on as Connecticut outshone Georgia Tech. But while those totals have declined, thanks to cable's atomizing effect on TV viewership, such numbers are still highly desirable, as evidenced by sponsors' increased spending. According to TNS Media Intelligence, marketers spent about \$59.1 million on media time for the championship game in 2004, up from \$53.8 million in 2003 and about \$39.1 million in 2002.

Most of the advertisers buy their tournament time in package deals with CBS that include regular-season NCAA basketball games as well. "For us, college basketball is December through early April," says **Chris Simko**, senior vice president of sports sales and marketing at CBS, a unit of **Viacom Inc.**

The biggest tournament sponsors sign deals with CBS and the NCAA that includes media time in other NCAA sports as well, though the tournament typically is the biggest slice of the pie. Such deals also include things like print ads in tournament game publications and preview guides, outdoor ads in cities where tournament games are played, festival-like promotions in the cities hosting the men's and women's Final Fours -- and, of course, tickets.

**Elevating the Game**

Ad spending on the NCAA men's basketball final, in millions



Source: TNS Media Intelligence


Each package is different, which makes it difficult to pin down the actual rates sponsors pay for their tournament TV ads. But according to people familiar with the process, the cost of a 30-second commercial during a tournament game works out to somewhere between \$500,000 and \$1 million, depending on the time slot and whether it's a championship game.

Coca-Cola agreed in 2002 to an 11-year pact valued at about \$500 million. Other top sponsors include **General Motors Corp.** and **Cingular Wireless**, a joint venture of **BellSouth Corp.** and **SBC Communications Inc.** The value of such sponsorship packages is in the neighborhood of \$30 million a year, according to people familiar with the matter. Sponsors at the second-highest level typically pay around \$10 million a year for the same kinds of considerations, only in smaller amounts. These include **Kraft Foods Inc.**, **Monster.com**, the online careers site of **Monster Worldwide**, and **Hartford Financial Services Group Inc.** Many of the companies mentioned at either level would not comment on the specifics of their own packages.

Each sponsor has its own goals and likes something different about the tournament audience. At **Careerbuilder.com**, a Chicago-based jobs Web site, **Richard Castellini**, the company's vice president of consumer marketing, sees "a perishable good" in the audience: young males who want to watch an event in real time and won't flip past the commercials, as viewers with increasingly popular digital video recorders sometimes do. Careerbuilder is owned by media companies **Tribune Co.**, **Gannett Co.** and

Knight Ridder Inc.

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Cingular's game plan is an example of how some advertisers want to interact with audiences, not just broadcast messages to them. In an effort to promote text messaging, the wireless carrier will invite fans watching the tournament to help choose this year's winners of the Naismith Trophy, given annually to the best male and female college basketball players in the nation, by casting a vote over their phone's text-messaging service. A Cingular spokesman says the fans' votes will count for 25% of the final tally in determining the Naismith Awards, while 75% will come from the actual selection committee. Last year, fans were asked to answer trivia questions via text messaging -- a promotion that Cingular opened up to customers of all wireless carriers. In 2003, customers were asked to vote on the most important moments in the tournament.

Cingular is looking at "how we can use our sponsorship to get people more involved in the things they already have passion for," says John Burbank, vice president of marketing. "It's not just about putting your name on a stadium."

While no hard and fast rules exist, the NCAA strives to prevent an overabundance of advertising in venues where the games are played. Additionally, advertisers are urged to use messages that are appropriate for student-athletes. Brewers, for example, might be encouraged to use messages about responsible drinking.

"It's not over-the-top commercialism," says Scott Kirkpatrick, a senior vice president and U.S. director of sports marketing at WPP's Hill & Knowlton. Whatever the product or brand, it has to get its message across in a tempered manner. "You're not going to see 10,000 Tostitos identification markers all over," he says.

Nevertheless, he adds, the tournament "owns a spot in the calendar, and it owns a spot in people's minds."

--Mr. Steinberg is a staff reporter in The Wall Street Journal's New York bureau.

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