AT&T Mobility leads companies in sports ad spending

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Friday, June 17, 2011

Mobility may not be tops in call quality. But it’s the leader of the pack in the sports advertising business.

The Atlanta-based wireless Gulliver ousted Anheuser-Busch Cos. Inc. from the top spot — plowing about $366 million into sports ad spending on television last year.

That investment was more than double what AT&T’s wireless unit spent in 2009, when it ranked seventh, according to Street & Smith’s SportsBusiness Journal’s analysis of data from The Nielsen Co.

Sports resonates with AT&T’s brand promise: Rethink Possible, said Kelly Hackett, the wireless carrier’s director of advertising.

“We’re always touting ... that we’re all about that relentless drive to do things that have never been done before,” Hackett said. “It really aligns with the intent of sports [which is about challenging oneself].”

AT&T Mobility’s sports ad spending accounted for nearly 32.5 percent of the more than $1.1 billion the unit spent on total advertising last year.

Earlier this year, AT&T announced plans to acquire T-Mobile, the No. 4 U.S. telecommunications company by subscribers. The combined 2010 ad spend of the two brands exceeded a half-billion dollars.

AT&T’s spike in television ad spending in 2010 was driven in part by two major special events — the Vancouver Winter Olympic Games and soccer’s FIFA World Cup, Hackett said.

The major sports events drove advertising budgets for another major Atlanta corporation.

The Coca-Cola Co., a U.S. Olympic Committee and FIFA sponsor, increased its ad spending by 160 percent over 2009, a non-Olympic year, but just 20 percent more than 2008, the data showed.

Chasing eyeballs
Sports advertising was a favorite ad platform for much of Corporate America in 2010.

The top 50 advertisers spent a combined $6.6 billion on sports advertising last year, 27 percent more than what the group spent in 2009, and 22 percent more than 2008. Forty-six of the top 50 brands increased their sports spending compared with 2009.

“Sports programming delivers broad overall reach while also over-indexing against the mass affluent audience,” Charles Greenstein, Bank of America’s senior vice president of global sponsorship told
SportsBusiness Journal, a sister publication of Atlanta Business Chronicle. “Sports, especially the NFL, aligned well with our objective of engaging with the mass market, as well as the mass affluent segment.”

Sports advertising is a way for companies to connect with an elusive market — males between the ages of 18 and 35, said Ken Bernhardt, marketing professor at Georgia State University. Young males are hard to reach via conventional media, Bernhardt noted.

Companies also build customer loyalty by sponsoring sports teams.

“If I’m a loyal University of Georgia fan, and you’re [sponsoring] the University of Georgia team,” Bernhardt said, “you get extra points for supporting something I care about.”

Sports is a natural ad platform because it attracts the demographics AT&T Mobility seeks — folks between the age of 18 and 54, Hackett said. AT&T focuses its marketing on marquee sports events such as NCAA basketball, the Masters Golf Tournament and college football.

In a multitasking world, consumers watch multiple screens simultaneously. When physically not at a game, people follow it on television, computer or mobile phone — all devices AT&T delivers service to whether it be Internet television, DSL or cellular connectivity, Hackett noted.

“It’s really about ‘where are those eyeballs, and what are they interested in?’ ” she said.

The race for eyeballs has also propelled AT&T’s competitors, Verizon and Sprint, into the top 10 sports advertisers last year.

The increased spending by AT&T fueled a telecom category that, as a whole, committed $1 billion in ad spending in 2010, up 41 percent over 2009.

While a telco sits atop the Top 50 advertisers list, a resurgent auto industry drove sports ad spend last year, fueled mostly by the Germans. Automakers collectively made up 24 percent of the total commitment of the top 100 spenders. That marked the biggest such share of the sports advertising pie in at least nine years.

Ford Motor Co. led the way, spending nearly $305 million, and was the No. 4 overall sports advertiser. The auto category’s resurgence was driven largely by substantial increases in spending by European automakers.

Mercedes-Benz, BMW, Audi and Volkswagen invested a total of $336 million last year, nearly as much as those brands spent in 2008 and 2009 combined.

In another turnaround, once-beleaguered financial institutions stepped back into the ring.

The financial sector spent $265 million in sports advertising last year — up 146 percent from 2009. The financial segment accounted for 3 percent of total sports spending last year, up from just 1 percent in recent years.
By the numbers
AT&T Mobility topped the list of top-50 sports advertisers in 2010
• Sports ad spend: $366.31 million
• Total ad spend: $1.12 billion
• Percent of ad spend dedicated to sports: 32.4 percent
• Change in sport spending from 2009: 102.8 percent

Top 10 sports advertisers
• AT&T Mobility
• Anheuser-Busch
• Verizon
• Ford
• Toyota
• Chevrolet
• Geico
• MillerCoors
• McDonald’s
• Sprint

Source: SportsBusiness Journal analysis of data from The Nielsen Co.