

# 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."

According to [History.com](https://www.history.com), 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 61,000 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 Nielson, an estimated [113](#) million people watched last year's Super Bowl game!

## Commercials

According to [Variety](https://www.variety.com), companies will pay CBS between 6.5 and 7 million dollars for a 30-second Super Bowl LVIII commercial. This is close to the amount Fox received per ad when they broadcasted last year's game.

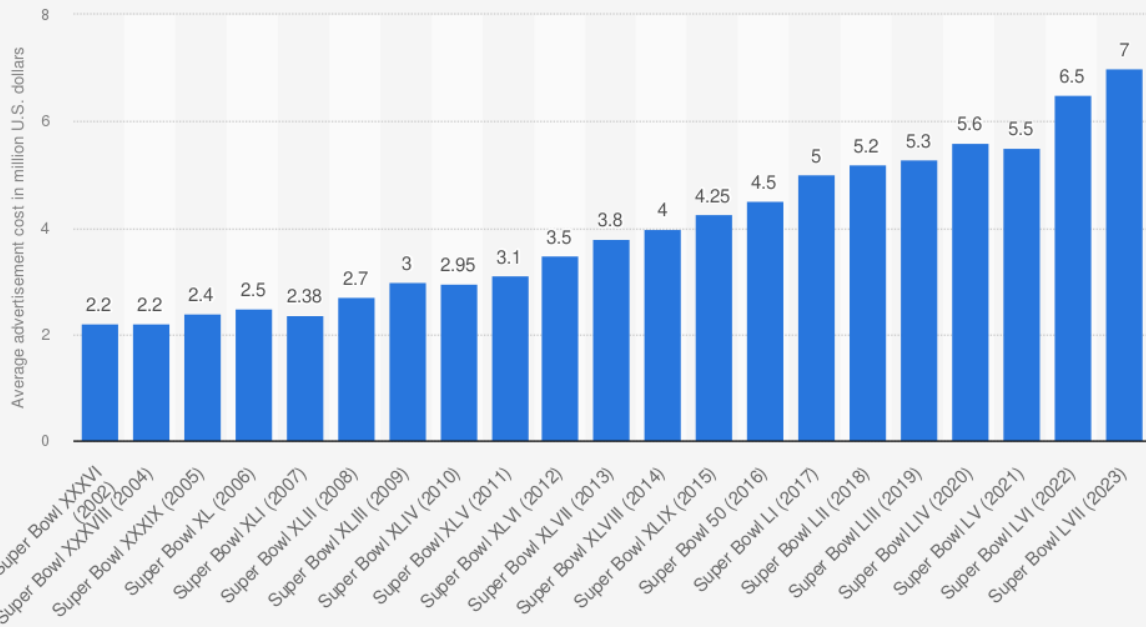
This chart from [Statista](https://www.statista.com) illustrates the rise in the cost of a Super Bowl advertising since 2002.



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**Average cost of a 30-second Super Bowl TV commercial in the United States from 2002 to 2023 (in million U.S. dollars)**



Source  
Forbes  
© Statista 2023

Additional Information:  
United States; Forbes; 2002 to 2023

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.

Writing about advertising costs for the 2022 Super Bowl, [The Athletic](#) quoted a Kantar study that found that \$4.60 was the average return on investment (ROI) for an ad during the 2021 Super Bowl.

The anticipated ROI of a Super Bowl ad may be best illustrated by Taco Bell’s decision to advertise during 2022 Super Bowl after a five-year absence.

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.



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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's and another first-time advertiser, Fiverr's (Symbol: FVRR) 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 Fiverr.

**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?

Benzinga.com provides a complete list of the companies and brands that advertised during Super Bowl LVII:

<https://www.benzinga.com/general/entertainment/23/02/30883140/super-bowl-commercials-2023-the-complete-list-of-super-bowl-lvii-ads-and-the-companies-behi>

Select two publicly traded companies that advertised during Super Bowl LVII. 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 –<br>February 18, 2022 | 1 MONTH CLOSE –<br>March 14, 2022 | END OF THE YEAR<br>CLOSE –<br>December 30,<br>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

[MarketingDive.com](https://www.marketingdive.com) has a running list of companies that are expected to advertise during Super Bowl LVIII. (as of January 11, 2024).

| ADVERTISER              | SYMBOL |
|-------------------------|--------|
| BetMGM*                 | MGM    |
| BMW                     |        |
| Doritos                 | PEP    |
| Dove                    | UL     |
| Drumstick*              |        |
| FanDuel                 |        |
| Hellmann's              | UL     |
| Kawasaki*               |        |
| M&M's                   |        |
| Molson Coors            | TAP    |
| Mountain Dew            | PEP    |
| Nerds*                  |        |
| NYX Professional Makeup |        |
| Oreo                    | MDLZ   |
| Paramount+              | PARA   |
| Popeyes*                |        |
| Pringles                | K      |
| Reese's                 | HSY    |
| SquareSpace             | SQSP   |
| Starry*                 | PEP    |
| Temu                    |        |
| TurboTax                |        |

\* indicates a first-time advertiser.

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<br>(Before Super Bowl LVII<br>- February 10, 2023) | 5-DAY CLOSE (After<br>Super Bowl LVII -<br>February 17, 2023) | CURRENT PRICE |
|--------|--|---|---------------|
|        |  |   |               |
|        |  |   |               |



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Site Used: \_\_\_\_\_

Today's Date: \_\_\_\_\_

| TICKER | CLOSING PRICE<br>(Before Super Bowl LVII<br>– February 9, 2024) | 5-DAY CLOSE (After<br>Super Bowl LVII –<br>February 16, 2024) | CURRENT PRICE |
|--------|---|---|---------------|
|        |   |   |               |
|        |   |   |               |

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**

|                      |  |   |
|----------------------|--|---|
| <b>ATTENTION</b>     | Does the ad engage the audience?                                       | <p><b>"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."</b></p>  <p><b>TIM CALKINS</b><br/>Clinical Professor of Marketing<br/>Kellogg School of Management</p> <p><a href="#">@KelloggSchool</a></p> |
| <b>DISTINCTION</b>   | Is the execution unique in delivery?                                   |   |
| <b>POSITIONING</b>   | Is the appropriate category represented and a strong benefit featured? | <p><b>"It is always interesting to see the brands that win with positive amplification."</b></p>  <p><b>DEREK RUCKER</b><br/>Sandy and Morton Goldman<br/>Professor of Entrepreneurial<br/>Studies in Marketing</p> <p><a href="#">@derekdrucker</a></p>                           |
| <b>LINKAGE</b>       | Will the brand and benefit be remembered?                              |   |
| <b>AMPLIFICATION</b> | Are viewers' thoughts favorable?                                       |   |
| <b>NET EQUITY</b>    | 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 |          |
|               | <b>TOTAL</b> |   |   |   |   |          |

**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 |          |
|               | <b>TOTAL</b> |   |   |   |   |          |



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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 |          |
|               | <b>TOTAL</b> |   |   |   |   |          |

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 |          |
|               | <b>TOTAL</b> |   |   |   |   |          |



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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 |          |
|               | <b>TOTAL</b> |   |   |   |   |          |

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 |          |
|               | <b>TOTAL</b> |   |   |   |   |          |



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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 9, 2024) and its price five days after (February 16, 2024), 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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