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The 3Ms of March Madness: Money, Marketing, Media

By [Rick Horrow and Karla Swatek](#) on March 17, 2011

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Sitting here flipping back and forth between tonight's "play-in" games and the increasingly sobering news coming out of Japan, it's hard to give the annual NCAA men's basketball tournament, otherwise known as March Madness, the frothy hysteria it normally receives. Yes, 68 deserving (or not) teams will in the ensuing weeks be whittled down to two. Millions of people will lose money in their annual office bracket pools, a handful will prosper, Vegas will clean up, and the U.S. will crown a new collegiate basketball champion.

But how does one weigh basketball against a nation dealing with tens of thousands of citizens dead or displaced, rolling blackouts in the still-winter cold, and a radioactivity threat endangering food and water sources, and livelihoods, for decades?

This being America, the show on the hardwood will go on. We'll stick with what we're good at—making buckets and gathering relief funds via passed hats (and text messages and 800 numbers). And we'll focus on the quality that makes every long-odds No. 16-seed David taking on a No. 1-seed Goliath game special: hope.

The Mad Money

It's hard to believe that the NCAA tournament started in 1939 with eight teams. After a lengthy discussion of expanding to 96 teams last year, the tournament settled on 68. For the first time ever, four "play-in" games (also known as opening-round games), rather than one, were held on Tuesday and Wednesday.

Money appears to buy hoops happiness. According to U.S. Education Dept. statistics, four of the top five revenue schools made the tournament (Texas at \$138.4 million, Ohio State at \$119 million, Florida at \$108 million, and Georgia at \$81 million). In 2011, however, on-court parity abounds. Thirteen teams have 11 losses or more (the most since 1986). And seven small conference teams got into the tournament through "at large" invitations, the most ever.

College basketball fans appear bullish on the prospects of an economic rebound, as 85 percent of those surveyed by MSN last week say news of an improving economy will lead them to gamble at least as much money this March as last year, if not more. (Even with a more positive economic outlook, MSN reports that 35 percent still believe their March Madness bracket wagers will outperform their 401ks this year.)

Last year, the consulting company [Challenger Gray & Christmas](#) noted that U.S. companies could waste as much \$1.8 billion on unproductive wages this week. The figure was based on 58.3 million people participating in brackets, with each person devoting 20 minutes watching games and focusing on their pools. This year, Challenger Gray notes, wider access to coverage via smartphones and tablets could significantly increase workplace distractions, estimating that total online viewership during work hours may reach at least 8.4 million hours.

Staffing services company [OfficeTeam](#) reached a contrary result: 56 percent said March Madness does not

affect productivity, and 22 percent of 1,000 managers surveyed said tournament involvement actually boosts workers output. Although millions of Americans will fill out brackets, a published report last year suggests the odds of a perfect bracket: 1 in 35,360,000,000. Odds of getting hit by a water spout: 1 in 1,988,000,000.

Responding to economic turbulence, the NCAA tourney seems to have placed teams closer to home wherever possible. Although in different regions, both North Carolina and Duke play in Charlotte, N.C., Friday afternoon and evening, respectively. The tournament should also provide a boost to the following cities with regionals and subregionals: Tulsa, Denver, Chicago, Washington, Tucson, Denver, Tampa, Cleveland, San Antonio, Houston, Newark, and Anaheim. Houston's Reliant Stadium will host the Final Four, generating nearly \$100 million of economic impact in the Houston metro area.

March Madness Marketing

With the beginning of the NCAA men's tournament this week, marketing tie-ins, authorized and not so much, abound. Even the Weather Channel has gotten in on the March Madness act. In its own version of bracketology, the Weather Channel is rolling out America's Toughest Weather City Tournament—they picked 64 cities, divided them into four regions, and performed a random drawing to match each city up in the first round. While there's no prize for entry, civic pride is at stake—especially if you're from, say, Buffalo.

Among legitimate tournament sponsors, every new advance in technology represents a new marketing frontier. And with the tournament broadcast for the first time across four different TV networks (CBS, TNT, Turner Sports, and TruTV), and dozens of accompanying websites, sports marketers keying on March Madness are looking to reach a diverse audience as never before. According to *Ad Week*, research from Kantar Media shows the NCAA Tournament is the "second-biggest postseason sports showcase for advertisers," behind only the NFL Playoffs. Last year, the trade pub adds, CBS ([CBS](#)) "took in \$613.8 million in ad sales revenue," which "easily eclipsed" both the [NBA](#) and [MLB](#).

First-time activator Coca-Cola's ([KO](#)) Powerade will this year leverage its designation as the "Official Sports Drink of the NCAA" throughout the tournament with what *Ad Age* calls "a robust marketing campaign dubbed 'Game Science.'" The campaign will encompass courtside banners, an ad campaign featuring New Orleans Hornets guard Chris Paul, in-store marketing, and three-on-three tournaments on college campuses. Domino's Pizza ([DPZ](#)) will complement Powerade as the official pizza of the NCAA, complete with a "Domino's Pizza Bracket" on the company's Facebook page. Not to be left out, Domino's top competitor Yum! Brands' ([YUM](#)) Pizza Hut will give away free pizza if a 16-seed defeats a 1-seed team. (Note to nervous Yum! Brands shareholders—this has never happened in the tournament's history.)

Jumping on the bracket bandwagon is the UPS Store, which is now running a "Print Madness" promotion highlighting UPS Store team managers tied to their alma maters. Unofficial entity Diamond Foods is now offering two "bracket sweepstakes," on [emeraldnuts.com](#) and [kettlebrand.com](#), that include the disclaimer, "not affiliated with any collegiate basketball league or association."

Online presence March Madness on Demand (MMOD) is once again completely advertiser-supported, by such corporate sponsor stalwarts as Coca-Cola, AT&T ([T](#)), and Capital One ([COF](#)). Two years ago MMOD sold \$32 million worth of advertising for CBS. Last year more than 10 million unique viewers tuned in to MMOD, a 33 percent jump over the previous year.

And tellingly, of 31 men's basketball conference tournaments held last week that produced an automatic entry

into the Big Dance, 17 had a title or presenting sponsor. March Madness coattails run deep.

No Longer Maddening Media

In years past, the chances that, sitting in your den, you'd get to see every March Madness matchup that mattered to you and your bracket were about as slim as a 16 seed overcoming a 1. This year, thanks to the partnership between CBS and the [Turner network](#) of cable channels, it's possible for every March Madness fan to see every game of his or her choice.

In 1982 a three-year NCAA deal with CBS generated \$48 million (or \$16 million per year). Last time around, the association's 11-year, \$6 billion deal generated \$545 million per year. That deal was replaced in April 2010 with a new 14-year, \$10.8 billion agreement (\$771 million per year). CBS retained the rights (as it have over the past 28 years).

With games spread this year over the four broadcast channels, obviously network CBS and Turner Sports will negotiate over which channels get which games. Network executives, however, are quick to note that most of those decisions will be based on team seedings and bracket placements, rather than politics.

Outside of established MMOD products, social media are infiltrating the NCAA tourney as never before, as sites such as [Facebook](#) are a natural gathering spot for fans. A recent study conducted by IMRE Sports and Harris Interactive indicates that 23 percent of American adults will use some form of social media to follow the Madness. Turner's new "March Madness Social Area" is a "virtual meeting place for fans, as well as for Turner social hosts/reporters who will cull through social media to provide the most interesting tweets and social trends regarding the tournament," according to *Sports Illustrated*.

The iPad and other new Apple ([AAPL](#)) platforms, finally, mark the newest frontier for the tournament itself and its marketing partners. MMOD will be available on the iPad for the first time this year; in addition, iPhone and iPod Touch applications are back, and, even better for fans, all the Apple-based MMOD products will be free for the first time. (2010 offerings cost \$9.99 for live streaming.)

Whatever regional court, whatever desktop or handheld platform, sports fans can't hide from March Madness in 2011. Even if you utilize the infamous "Boss Button" on MMOD.

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