The topic of our research has been how the popularity of a television event affects the success of businesses that advertise during that event. While this is a somewhat broad topic, it allows us to examine many factors in the success of advertisements and the companies that advertise. There are many issues and concerns surrounding this topic. One of these concerns is the type of television program that is being discussed. Some programs are more conducive to advertising than others. For instance, David Sweet says, “the Kentucky Derby on ABC draws nearly 14 million viewers, but it lasts only two minutes and no spots appear during the horse race” (Sweet, 2008). In other words, despite the popularity of the event, the nature of the television coverage does not allow for viewers to be exposed to a company’s advertisement.

Another factor in our research is the frequency with which the programs are aired. While the Super Bowl is the most highly rated television program, it only occurs once a year. For this reason, it would be good to compare the commercial costs of weekly programs with those of programs that are viewed less often. In “The Practicality of Super Bowl Advertising for New Products and Companies,” Dotterweich and Collins include the Olympic Games in their study because of its “special event status—they are not a part of regular programming since they occur only every two years, thus causing them to be more similar to the Super Bowl, which airs once every year” (Dotterweich, 2005).

A final important concern surrounding our research topic is which group of consumers the company is trying to reach. Different groups of people may watch different programs, such as blue-collar men watching a NASCAR race rather than a football game. For instance, in “A Model of Marketing Information Flow,” the researchers include “target audience demographic profile” as a type of marketing information that is important for the advertising company to be aware of (Sutherland, 2004). According to Sutherland, “Demographics also help determine the most effective age, race, and sex of models to be included in the advertisement…” (Sutherland, 2004). Just the same, Marketing Charts displays a graphic that suggests that television has a higher percentage of media influence on African-American and Hispanic viewers over 18 years of age than Caucasian viewers over 18 years of age (Marketing Charts, 2008). This shows that the group of consumers that a company targets makes a significant difference in the decisions that they should make as far as the material in the advertisement and which programs to use.

The main disagreement of significance on this topic is over which spending method makes the most sense for the circumstances of the company. In other words, how does a company effectively maximize its profits and publicity by careful selection of which programs to insert their commercials for? If a company is already well-known and can afford to be more reckless with their money, it is worth the risk to spend a lot of money on a Super Bowl advertisement (Sweet, 2008). However, if the company has a limited budget and needs to gain as much publicity as possible, then it must decide whether to take a high risk for a potential high reward or settle for programs with smaller amounts of viewers but less risk of failure. According to Dotterweich and Collins, “By using less expensive advertising more frequently, it will be helpful in building a loyal customer base, which can effectively provide more publicity for the company” (Dotterweich, 2005).

We feel that our research topic is important because the success of a company’s advertisements has an indirect effect on the job security of the employees in that company. If the
advertisements do not help to boost sales and raise profits, then the company may choose to cut down the payroll. Therefore, fewer profits would mean cutting the salaries of the employees or, most likely, the termination of some of those employees. Also, if the company is extremely dependent on its advertisements to gain money and publicity, it might be forced to go out of business if its advertising fails completely.

A third reason that this subject is important is that it affects the competition among businesses that sell a similar product. If the smaller or newer businesses do not spend their money for advertising wisely, they will likely go bankrupt, allowing for bigger, more established businesses to obtain monopolies in their respective fields. Over time, these companies will be able to buy out smaller companies in order to maintain these monopolies, making it increasingly harder for small businesses to grow. Conversely, the more powerful companies will be able to charge as much as they wish for their products since there is no competition. We conclude that our topic is important because of these far-reaching effects.