

# Chicago Daily Law Bulletin®

Volume 163, No. 11

Serving Chicago's legal community for 162 years

## NFL looks to tackle slump in home TV viewership

Network television ratings for professional football games are falling, and the NFL is concerned.

In fact, the league is concerned enough that it's looking at changes to make broadcasts more fan-friendly — and most notably by focusing on the way commercials air during games.

Given that the priciest 30-second TV commercial averages \$674,000 during NBC's "Sunday Night Football" (according to Advertising Age), when NFL executives consider tinkering with TV advertising, you know they're worried.

The NFL notified its teams in December that it would be "experimenting" with the number of commercials in television breaks during Week 16 games.

According to a report by Sports Business Daily, the experiment was not expected to decrease the length of commercials but rather change the number of ads in a break and how many breaks there are per game.

An anonymous NFL source reportedly told Sports Business Daily the plan could help gauge whether fans wanted fewer but longer commercial breaks or more frequent but shorter breaks. Exactly what the NFL did during Week 16 games, what they learned and what they plan to do with this information has not yet been revealed.

What is clear is that NFL viewership is declining across television networks. Ratings for the NFL's prime-time games slid 14 percent from a year earlier among the 18- to 49-year-old demographic, according to a Bloomberg Intelligence analysis of Nielsen data in September.

In addition, ratings for CBS' Thursday night games dropped 15 percent, ESPN's "Monday

### SPORTS MARKETING PLAYBOOK



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Night Football" fell 16 percent and NBC's Sunday night games dropped 12 percent.

This situation is not only a problem for the league, it's also a problem for its broadcast partners. ESPN, CBS, Fox and NBC have locked in deals to spend more than \$43 billion to air NFL games between 2014 and 2022.

These deals have ESPN paying \$15.2 billion to show "Monday Night Football," CBS paying \$9.6 billion for the AFC package, Fox paying \$9.7 billion for the NFC package and NBC paying \$8.6 billion for "Sunday Night Football," according to Bloomberg.

Even more problematic, television networks guarantee advertisers a certain number of viewers will see their commercials. If viewership numbers fall short of the estimated guarantee, the networks have to offer free commercial time elsewhere, a practice known as a "make-good." Back in September, Bloomberg noted that networks were overshooting their NFL viewer estimates by about 20 percent.

The number of commercials packed into a broadcast is not the only cause being blamed for de-

clining ratings. Other often cited causes include the perennial fan complaints about how the game is played, the proliferation of new ways to watch games and, this year, competition for viewers from the 2016 presidential election.

Thanks to constantly evolving technology, NFL fans can now watch a game on an increasing number of competing media outlets and are continually evaluating the best option as the league seeks innovative ways to expand its reach.

Sports-specific, over-the-top streaming services in particular are gaining steam. Over-the-top streaming services, such as Netflix, Amazon Video and Hulu, allow cable and satellite TV providers to partner with sports organizations to bring fans new programming options on their digital devices.

NFL Game Pass, which launched in mid-2015 lets viewers watch every regular-season football game within a short time after the end of the broadcast, stream live preseason games and listen to live home radio feeds across a number of "smart" devices, is among the top 10 over-

the-top streamers with the most U.S. subscribers.

Satellite TV has also jumped into streaming sports, with DirecTV, the largest pay TV provider in the U.S. with more than 20 million customers (as of in mid-2015), offering its NFL Sunday Ticket package, which provides access to every out-of-market Sunday afternoon NFL game on any internet-connected device.

Social media is also becoming a sports platform.

In April, the NFL partnered with Twitter to stream "Thursday Night Football" programming during the 2016 regular season. The social media platform streamed 10 games broadcast by NBC, CBS and NFL Network to audiences around the world.

While the move could capture a sizeable share of younger fans in the long term, it could also undermine the league's efforts to boost network television broadcast ratings.

But the Twitter deal has a long way to go before it siphons a significant share of viewers away from the NFL's other outlets. According to Advertising Age, advertisers were less than thrilled with Twitter's initial "Thursday Night Football" performance, calling the number of viewers who live-streamed the games "underwhelming."

Fans aren't watching the entire game via Twitter, tuning in for an average of 22 minutes. That's a good chunk of time in terms of social media programming but not so good when it comes to traditional broadcast television.

Still, Twitter live-stream viewers are worth courting because approximately 70 percent of them are under age 35, a key demographic for the NFL in its

quest to win over a new generation of fans.

The 2016 presidential debate schedule only added to the NFL's viewership problems. The first debate went head-to-head with "Monday Night Football" on Sept. 26, while the second debate went up against "Sunday Night Football" on Oct. 9.

In fact, NFL executives blamed the debates for luring viewers away even before the second debate aired. On Oct. 7, ESPN reporter Darren Rovell tweeted the contents of an internal NFL memo that stated viewership on all networks airing broadcasts of NFL games through Week 4 of the season fell 11 percent.

The memo noted prime time viewership was hit the hardest and blamed a "confluence of events" including "unprecedented

interest" in the presidential election.

In the memo, NFL executives clearly attempted to dispel fears over the ratings drop by pointing out that during the 2000 presidential race between George W. Bush and Al Gore, all of the league's television broadcast partners suffered a temporary drop in viewership. The memo added that the NFL's own research shows the league and its players are as popular as ever with fans despite controversial player actions.

It specifically cited protests during the national anthem initiated by San Francisco 49ers quarterback Colin Kaepernick to call attention to oppression of African-Americans, saying there's no evidence these actions caused fans to tune out.

Sports Illustrated recently compiled its own opinion-based list of the top 10 reasons NFL ratings are falling. The presidential election, innovations in new media technology and player protests all made the list, as did one other issue that indicates the NFL should listen to fans' concerns closely.

"Oversaturation" was named one of the NFL's top mistakes driving fans away including scheduling games in the middle of the week and starting pregame shows earlier than ever.

The NFL has a few years' respite before the threat of another presidential election looms, and it is attempting to work new technology to its advantage. For example, the league is trying out virtual reality with the introduction of virtual season tickets in

an attempt to tap the market of at-home sports fans who never attend live games by creating a viewing experience that feels more like being at a live event.

Given the list of threats to viewership, will jiggering the commercial breaks during games have any impact? It's hard to know.

Critics point out that the proposed plan didn't actually change the number of ads airing during a game. And since the league gets a lot of money for those spots, it's questionable how far it will go in tampering with this lucrative revenue stream.

What is clear is that the NFL has its work cut out to revive prime time television ratings in a way that keeps fans, advertisers, league executives and its broadcast partners happy.