

NBC Sports Group Media Conference

Wednesday, September 8, 2021

Dan Lovinger

Press Conference



CHRIS McCLOSKEY: Thank you, everybody, for joining us today for our 2021 NFL season conference call. We'll be joined in a moment by Dan Lovinger, our executive vice president of advertising sales for NBC Sports Group. As always, Dan will start with some opening remarks, and then we'll turn it over to questions from the press.

Just a reminder, there will be a transcript of this call a few hours after its conclusion. You can obtain that by either going to our media dedicated website, NBCsportsgrouppressbox.com, or by e-mailing me or somebody in the sports communication staff, and we'll get that to you. Let's begin now with Dan Lovinger.

DAN LOVINGER: Thank you, Chris. Good afternoon, everyone. I'm hoping you all had a great holiday weekend.

As we return from Labor Day, NFL kickoff is upon us, and the sports marketplace kicks things into high gear. So we thought it was a good time to offer some information that updates you all on our sales progress with some of the largest properties in media.

Let's start with some top line points, and then I'll provide a bit more detail. Based on the strength of the Winter Olympics and Paralympics, our Sunday Night Football and Super Bowl sales, sports continues to be more and more important to advertisers who want to reach large audiences within impassioned environments that help build their brands.

Press outlets have already reported strong sales from others in our space, and NBC is no exception. The Winter Olympic and Paralympic games are less than six months away, and they are extremely well sold. Advertisers are coming out of the recent summer games and reporting strong results from a brand metrics to sales perspective, and they're looking to the upcoming winter games for their next chance to tap into the power of the Olympic movement. At this point, we're near sellout levels and will evaluate requests for participation on a case-by-case basis.

As you all know, the 2021 NFL season begins and ends on NBC with NFL Kickoff tomorrow night in Tampa and Super Bowl LVI on February 13th from the awesome new SoFi Stadium in Los Angeles.

For the first time ever, the Super Bowl will be played on a Sunday inside the Olympic window, as the Winter Games will be contested from February 4th through February 22nd. We believe that this February offers a once in a lifetime experience as NBC has both the Super Bowl and the Winter Olympics at the same time, creating an unprecedented opportunity for advertisers.

Let me give you a few specifics on the NFL. Sunday Night Football is extremely well sold with double digit up front rates of change powered by returning and new categories alike. Our scatter market has been extremely strong as well. We're writing 30 percent increases in pricing over up front, and we're likely to see that number rise with the limited inventory we have remaining for sale.

As has been reported already, Super Bowl sales continue at a record pace. As of today, we only have a few units left, and we're purposely holding them back. I can confirm that our most recent units have sold for \$6.5 million and have included a matching investment across other high profile NBCU properties. The pregame show and inventory for the day of the Super Bowl is also extremely well sold.

As regards Sunday Night Football, demand is incredibly strong. As you know, it's been the No. 1 show in primetime for an unprecedented 10 consecutive seasons, and there's no reason to doubt we'll make it an 11th. Additionally, Football Night in America is the most watched studio show in sports, and with the addition of Drew Brees, we don't see any reason why we can't hold on to that position of strength.

We believe we have some of the best games and our biggest season ever ahead. We come out of the gates hot with Dallas traveling to Tampa tomorrow night. Tons of intrigue about will Dak be ready? Can TB12 pick up where he left off.

Week 2 features the two most exciting quarterbacks in the league as Patrick Mahomes and his Kansas City Chiefs travel to Baltimore to take on Lamar Jackson and the Ravens.



Week 3 doesn't let up either. We get our first look at perennial Aaron Rodgers as the Packers travel to San Francisco to take on the 49ers and for now Jimmy Garoppolo.

And then we roll into week 4 and one of the most anticipated regular season games ever when Tom Brady heads home to take on Yoda and his new Jedi, Matt Jones.

Things don't let up from there, but in the event the matchups aren't what we want, as you all know, NBC has the right to start flexing out of games in week 5.

In addition to Sunday Night Football and the Super Bowl, I can tell you that the Ryder Cup will see record sales later this month. Our golf business in general has seen significant growth as more people have been exposed to the game either as players or as viewers.

A new season of Premier League is under way, and early signs are very good in terms of viewership and advertiser interest. Our motorsports business is also seeing record pricing increases. Both NASCAR and IndyCar have seen increased demand over the past selling cycle.

Finally worth noting, FIFA World Cup on Telemundo is significantly ahead of our 2018 sales pace, with major positions already claimed for the pregame, halftime, and post-game shows.

So that's all I have for you right now. I'm happy to take questions.

Q. Good afternoon. I wanted to ask about the sportsbook inventory. Obviously, we've got these new rules with the NFL during those games with the six units. How are you sorting that out between your partnership with PointsBet and obviously other interests that would be coming in from the other approved partners?

DAN LOVINGER: Right. Well, you all do know we have a partnership with PointsBet, which predicated a first look at our sportsbook inventory, but we've been able to work with all that have come to us to find some inventory for them across our portfolio of sports.

Q. I have what is probably an obvious question, so I apologize in advance. With regard to the Sunday games, which will also all be available on Peacock as well, I'm curious is the ad inventory 100 percent the same? Are there Peacock only ads? Is there any sort of breakdown on that you can elaborate on?

DAN LOVINGER: The formatting is exactly the same, so the Peacock is essentially a simulstream of the game and will be sold that way.

Q. I wonder if you can offer a little more color on Super Bowl. I think you guys said you were 85 percent sold a little earlier in the year. I had heard you have like five spots left. Can you give us any color on where you are in terms of the sales process.

DAN LOVINGER: Yeah, you've got pretty good intelligence. Like I said in my comments, we have a handful, or a few, I think I said. I would say under five is a reasonable assumption. I don't want to be too specific, but you're darn close.

Q. Are you saying that you have demand for those spots and are just kind of waiting to see how your highest prices net out in terms of demand?

DAN LOVINGER: We've seen demand exceed our remaining inventory available, but we've been obviously fairly choosy and working with that inventory to make the most of it.

Q. I'm going to piggy-back onto Brian's question. So talking about being choosy with those last remaining units, do you have a time frame that you anticipate selling them? Are you going to hold them until close to Super Bowl air time? Or do you anticipate maybe making a decision about that within the next couple weeks?

DAN LOVINGER: Well, I think we have more time than that in terms of the next couple of weeks. I wouldn't sit on them until -- you know, for that long. I think there's plenty of interest in those units, and what we're trying to do is figure out the best way to monetize those units and do the right things for our partners as well.

Q. One follow-up to that. When you talked about marketers making a similar sized investment in other NBC commercial territory, was that specifically Winter Olympics, or could it have been other inventory as well that was not Olympics based?

DAN LOVINGER: It included other areas as well. Some Winter Olympics, some other areas.

Q. Hi, thanks for the time today. Just wondering if you could provide any additional color on the matching investment with the \$6.5 million ads for the Super Bowl.

DAN LOVINGER: I think I've given you as much as I can.



It's not uncommon for us to ask our Super Bowl partners to invest in other parts of our portfolio. Typically it's in sports, as we've worked to drive one platform solutions across NBCU. We've opened up more opportunity, I would say, for our partners so that there generally tends to be a nod of agreement versus a sense of their being forced to do anything they're uncomfortable with.

Q. My question kind of goes back to the subject of the Super Bowl. I know in July when it was reported that 85 percent or so of the inventory had been sold, I believe there were only one or two A and Z positions left. I'm just curious if you can shed some light on what actual units in the game are still available and are being held back.

DAN LOVINGER: As you can imagine, it's fairly slim pickings. What we've tried to do is hold back a couple of units that are next to each other so that, if an advertiser comes to us with a 60 second creative, we can accommodate it. But other than that, we really are out of A positions, and the Z spot is available in one break.

Q. Dan, I want to talk about this sports betting category. For the first time the NFL is allowing these operators to buy time during games. What sort of demand are you seeing from the FanDuels and the DraftKings of the world? They seem to be loaded with money.

DAN LOVINGER: We're seeing significant demand, there's no doubt about it. Reminiscent to when the fantasy category opened up. I think that when you're starting a business and trying to establish your brand, you're going to look for the highest rated, broadest reach properties possible, and there's no better place to go than Sunday Night Football for that.

Q. Following up on Mike's recent question, demand is very high for the sports betting companies. Can you say without naming them -- of course unless you want to say that -- you've done business with X of the seven?

DAN LOVINGER: I'd rather not because then we get into process of elimination, but what I can tell you is that the majority of them have expressed interest in our inventory.

Q. And this is for national, or is there a possibility that they work it through with you guys from your stations as well?

DAN LOVINGER: It's for both.

Q. And if I could ask one thing about the Olympics.

How much, in terms of the advertisers that you had for the Tokyo and the recent Paralympic Games, how much of an overlap is there as you head into Beijing? Are most of them still on board? Any sense you can give us for, I guess, repeat business and/or versus newcomers?

DAN LOVINGER: It's usually a fairly significant amount of repeat business between Summer and Winter Games advertisers. The Summer Games typically have a few more simply because the categories can be broader and we have more hours of programming.

But we have not seen any significant drop-offs in terms of names, like no advertiser has come to us from the Summer Games and said we were disappointed and therefore won't join you in the Winter Games. Quite frankly, just the opposite. We've seen great response, as I mentioned in my opening comments, from all of our Summer Games advertisers that we've spoken to in terms of brand lift, sales, direct sales from some newcomers. So consequently, we've seen a lot of demand through the Winter Games.

Q. Finally, again, forgive me if I'm making you repeat yourself. You guys have X percentage sold for the Winter Games?

DAN LOVINGER: I would say we're virtually sold out. I said in my comments that we are looking at remaining or new requests on a case-by-case basis. We always hold something back, but we're extremely well sold.

Q. Beyond sports betting, are there any category specific markers that are new or different this season, regular season and/or the Super Bowl? Or more of them, perhaps more streaming platforms you can talk about?

DAN LOVINGER: What I can tell you about the Super Bowl is that it's an interesting mix of the categories you would expect, the largest categories being auto, beverage, entertainment, putting more sort of as a broader group now when you combine theatrical, which is back from obvious COVID impacted presence, to some of the streamers. So the entertainment category I would put in the top three.

As far as new, we talked about the legalized sports betting, and also digital wallets and crypto currency is a new category that's seen some interest.

Q. How many total Super Bowl units, 30-second units, I guess, or whatever that amounts to, do you project the game will have this year?

ASAP sports . . . when all is said, we're done.®

DAN LOVINGER: We don't anticipate changing our commercial load from what you've seen in the past couple of years. So if you look at the load last year, we'll probably be within two to three units of that load. I can't see us being any higher.

I believe it was CBS in the mid-80s, and Fox the year before was up to 86 units total. We don't see ourselves going --

Q. It's got to be in the 60 or 70 range or so, around there?

DAN LOVINGER: What?

Q. The number of units. Or are you north of 70?

DAN LOVINGER: Oh, it's north of 70 for sure. I mean, like that's what I was trying to say. If you look at the commercial formats, I think Fox was in the low to mid-80s and CBS likewise, when you add in everything. We're learning more that way.

Q. That's including promo stuff, network promo stuff?

DAN LOVINGER: No, that's not.

CHRIS McCLOSKEY: Well, thank you everybody for joining us, and thank you Dan for all the information today. Again, we will have a transcript of this in a few hours. Just let us know if you'd like to obtain that. Thank you everybody.

Tomorrow NFL Kickoff on NBC. Coverage begins -- I should say NBC and Peacock. Coverage begins at 7:00 p.m. eastern. Thank you.

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