

Chapter 26

Performance–Enhancing Media: Virtual Advertising in Sports

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ABSTRACT

With the billions of dollars at stake in sport enterprises, it is not surprising that advertising permeates every facet of athletic competition as companies attempt to increase awareness of their products to the millions of sports fans around the world who continue to make it a multi-billion dollar industry. Today in sports, it seems that everything can be purchased, even “virtual space.” For advertisers, however, the proliferation of exposure is not indicative of over-saturation, but rather presents a need for innovative ways to reach their target audiences. Like athletes who use intensive workouts and nutritional supplements, advertisers are looking for performance-enhancing broadcast options. Virtual advertising is a relatively new, performance-enhancing technique that can improve a company’s competitive edge. Following an examination of mere exposure theory, this chapter will turn to a discussion of the benefits and opportunities of virtual advertising in sports events, and finally will explore the potential controversies and drawbacks surrounding virtual advertising technology.

INTRODUCTION

In the not too distant past, most fans viewed sports as pure and innocent entertainment. Though it was business, fans only briefly needed to contemplate the enterprising or financial side of sports when controversies arose, such as the Black Sox scandal, Robert Irsay’s unexpected move of the Baltimore Colts to Indianapolis, and of course, Pete Rose’s

alleged sports gambling. Children collected baseball cards and autographs for their own pleasure, Babe Ruth promised to hit a home run for a sick child, and Lou Gehrig was the “luckiest man on earth.” But today, sports generate billions of dollars and even the average fan is aware of the ramifications of finance and sports, from contract negotiations for players and coaches, to the cost for Super Bowl ads, and funding for new stadiums and bidding wars over naming rights.

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With the billions of dollars at stake in sport enterprises, it is not surprising that advertising permeates every facet of athletic competition as companies attempt to increase awareness of their products to the millions of sports fans around the world who continue to make it a multi-billion dollar industry. For instance, NBC paid \$3.5 billion to hold broadcast rights for the Olympics from years 2000-2008, and paid another \$2.2 billion for the broadcast rights from years 2010-2012. Furthermore, scoreboards, ticket stubs, cup holders, and victory parades are also utilized by advertisers to make their company or product name visible. On the field, Reebok paid the NFL millions of dollars for exclusive uniform rights for all NFL teams. High profile athletes, from Derek Jeter, Peyton Manning, and Tiger Woods are paid millions of dollars to wear certain clothing brands, use particular equipment, and be seen drinking specific beverages. In some ways, it appears that anything and everything is for sale. Bryant and Raney (2000) took note of this corporate-first identity that permeates today's sports broadcasts. Though they recognize the history and necessity of commerce in sports, they claim, "of late, however, the commercial skeleton has become the all-too-obtrusive epidermis of sports on the screen" (p. 159). Today in sports, it seems that everything can be purchased, even "virtual space."

For advertisers, however, the proliferation of ads is not indicative of over-saturation, but rather presents a need for innovative ways to reach their target audiences with their products better than their competition in order to break through the clutter. In fact, during the 2003 Marketing Forum, keynote speaker Philip Kotler, a professor of international marketing at Northwestern's Kellogg School of Management, claimed that television advertising no longer works (Abrahams, 2003). His indictment focused on television's antiquated traditional uses. One answer to this and other critiques is virtual advertising. Like athletes who use intensive workouts and nutritional supplements, advertisers are looking for performance-enhancing broadcast options.

Virtual advertising is a relatively new, performance-enhancing technique that can improve a company's competitive edge. Burgi (1997) defines virtual advertising as "real time video insertions into television broadcast" (p. 13). The ads appear to viewers at home as if they are part of the actual, physical event, yet they are only superimposed by computer imaging technology and not visible to event participants, and without disruption of the sports event (Deutsch, 2000). For instance, in Major League Baseball broadcasts, if a camera zooms in on a batter, it may look as if the wall behind him has a sign for a particular phone company on it, when in actuality, it is a blank green screen with digital images visible only to television viewers. The ads truly seem to appear naturally in the setting. When the player moves in front of the sign, the ad never loses its appearance or qualities that would lead the viewer to believe the sign is fabricated. However, a person actually attending the game will see just a blank wall behind home plate. In fact, the technology can be used on blank walls, as well as to cover existing advertisements, create the illusion of freestanding billboards, painted playing surfaces, and even pennants and flags that blow in the wind.

The technology, though now being used by prominent national networks, actually debuted in 1995. During a June 1995 Trenton Thunder minor league baseball game, Comcast Cablevision of New Jersey used the technology to display their logo on the wall behind home plate (Rubel, 1996). During the 1996 and 1997 seasons, both the San Diego Padres and the San Francisco Giants were the first major league teams to incorporate virtual advertising on a regional basis, and ESPN used the technology during its broadcast of their 1997 nationally televised baseball game between the New York Mets and the New York Yankees (Dickson, 1998). Sponsors included well-known companies like MasterCard and Pepsi, as well as an ad for the film *Armageddon*. Following the game and its showcase of this new technology, Bob Jeremiah, ESPN's Vice President of Special

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