

## Investors Club: February 2023 Challenge

*This lesson is intended to be a short, engaging activity for students to dig deeper into the world of finance and investing. It is meant as a way to keep students engaged in their learning around the Investors Club, especially when they are not making daily trades within their portfolio.*

Lesson objectives:		
<ul style="list-style-type: none"> <li>• Students will learn how marketing, like advertisements, can affect stock prices.</li> <li>• Students will develop opinions about the value behind running a Super Bowl ad for companies.</li> </ul>		
Assessment:		
<ul style="list-style-type: none"> <li>• Classwork</li> <li>• Class Discussion</li> </ul>		
Key Points:		
<ul style="list-style-type: none"> <li>• Students will learn about the cost of Super Bowl ads and conduct research to determine whether running an ad during the Super Bowl is a good investment for companies, based on stock valuation.</li> </ul>		
Component:	Teacher & Student Actions	Materials
Do Now [5 min]	<ul style="list-style-type: none"> <li>• Do Now: What is a famous Super Bowl ad/commercial that you remember? What company was it for?               <ul style="list-style-type: none"> <li>○ Ask students to think to themselves or write down on a piece of paper their response to the above questions</li> </ul> </li> </ul>	Student journal or piece of paper
Introduction [5 min]	<ul style="list-style-type: none"> <li>• Discussion of Super Bowl ads               <ul style="list-style-type: none"> <li>○ Ask students to share out the commercials they remember from the Super Bowl. Facilitate a brief discussion around the following questions                   <ul style="list-style-type: none"> <li>■ Why would a company want to have a commercial during the Super Bowl?</li> <li>■ How much money do you think companies pay to have a commercial slot during the game?</li> </ul> </li> </ul> </li> <li>• Explain to students that in today's lesson, you'll be looking into whether running a commercial during Super Bowl is a good investment for new companies</li> </ul>	

Mini-Lesson[10 min]	<ul style="list-style-type: none"> <li>• Distribute the handout to students</li> <li>• As a class, or in small groups, ask students to read through the Super Bowl history, commercials, and stock prices information.</li> <li>• Allow a few minutes for any follow-up questions from students</li> </ul>	Handout (see below)
Student Activity [15 min]	<ul style="list-style-type: none"> <li>• Using the SMG portal, allow students to research two companies that are running Super Bowl commercials this year and complete the handout questions. <ul style="list-style-type: none"> <li>○ <b>NOTE:</b> if students do not have access to SMG independently, this research can be completed as a class using a projector of teacher’s computer logged into SMG</li> <li>○ <b>NOTE:</b> This research can be conducted entirely after the Super Bowl (anytime after February 18th) OR can be broken into two days (before the Super Bowl and after the Superbowl) as students will need to see the change in stock prices over the course of 5 days.</li> </ul> </li> </ul>	Handout (see below)
Closing [2 min]	<ul style="list-style-type: none"> <li>• Collect student work and wrap up the lesson</li> <li>• NOTE: <a href="#">Submit</a> student work for a chance to win the monthly challenge and win prizes! <b>Submissions due by Tuesday February 28, 2022 at 11:59pm</b></li> </ul>	<a href="#">Submission Portal</a>

\*Lesson adapted from Sifma Foundation. Original lesson available here:  
<https://files.constantcontact.com/d50ce89f401/ae48c8ae-a4cd-4f96-a2ac-feb08589d0cb.pdf>

# Investors Club

## Stock Prices and The Super Bowl

### Super Bowl History

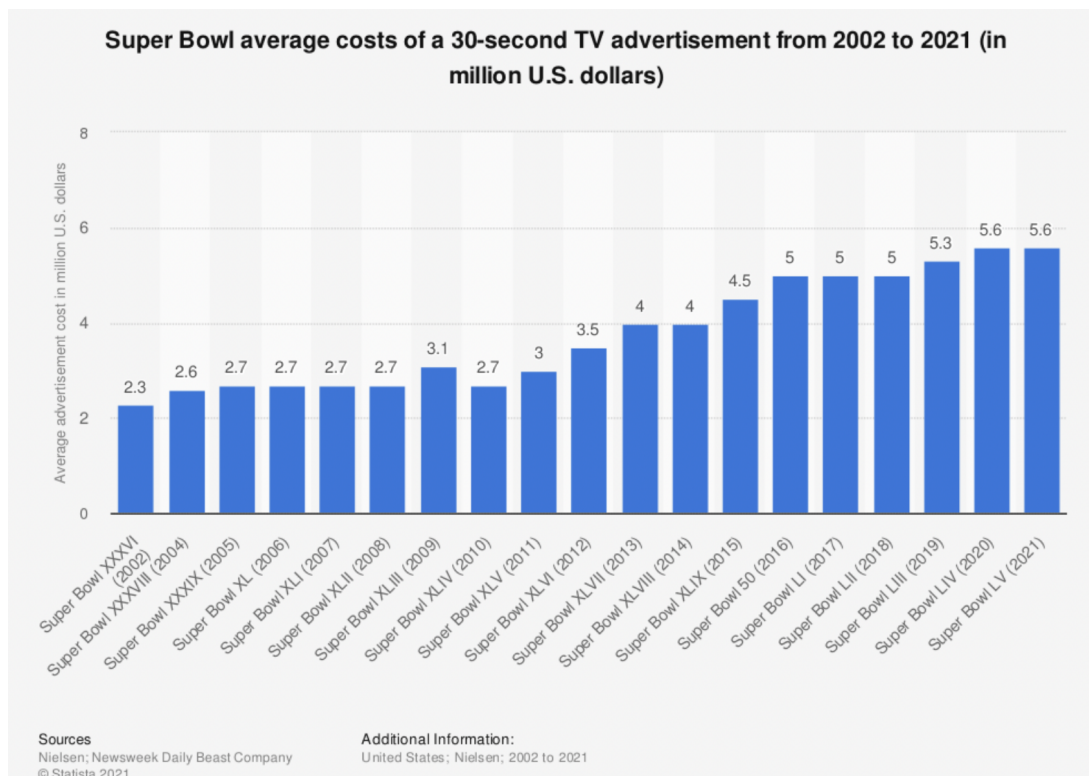
The National Football League (NFL) is organized in two divisions: the NFC (National Football Conference) and the AFC (American Football Conference). The top teams in each division play in the Super Bowl to conclude the football season. The first Super Bowl game took place on January 15, 1967 at the Los Angeles Coliseum. The Green Bay Packers (NFC) beat the Kansas City Chiefs (AFC), 31-10, to become the first “Super Bowl Champions.”

The Super Bowl has since grown into “the second-largest day for U.S. food consumption, after Thanksgiving Day. In addition, the Super Bowl has frequently been the most-watched American television broadcast of the year; the seven most-watched broadcasts in American television history are Super Bowls.”

From a football game with an audience of 51,180,000 people in 1967, the Super Bowl has evolved into an American pop culture phenomenon where the halftime show and even the commercials have their own distinct fanbases. According to NFL.com, 96.4 million people watched last year’s Super Bowl game.

### Commercials

For a 30-second Super Bowl commercial this year, companies will pay NBCUniversal \$6.5 million – almost one million dollars more than what they paid last year! This chart from Statista illustrates the rising cost of a Super Bowl advertising since 2001.



Each year companies willingly pay the price for a 30-second Super Bowl commercial because they believe it will provide them with a rare opportunity to be seen by a diverse audience of close to 100 million people all at once.

The 2021 Super Bowl was the first time Dexcom (Symbol: DXCM) bought advertising time. Its President and CEO, Kevin Sayer, says that the company's commercial during the Super Bowl LV helped generate five times more interest in their glucose monitor.

"As far as media impressions – those who hear the word or the name Dexcom – we had five times more media impressions in one day than we had all last year," Sayer said. "As far as leads coming into our system, as people [got] interested in the technology, biggest day of lead generation ever. ... The message got out there very strongly."

However, being seen by such a large and diverse audience also leaves the company open to greater scrutiny. In a personal Esquire essay, writer Dave Holmes explains the controversy:

"This life-saving device is too expensive for most T1s [Type 1 Diabetes patients] ... the process of acquiring one is complicated and often very expensive, even for people with good insurance. Which makes the year's most expensive ad buy, for a product that only a small percentage of the U.S. population needs, confusing to me and others. A 30-second commercial spot in Super Bowl LV costs \$5.5 million, and that just covers the time."

## Stock Prices

Despite the controversy, Dexcom's stock price rose 0.6% the Friday following the Super Bowl.

Super Bowl LV was also the first time Oatly (Symbol: OTLY) ran a commercial. It received a lot of negative criticism which seemed bad. However, it soon became clear that it might just have been a clever marketing tactic. The company sold out of 500 T-shirts in five minutes! The shirts were printed with the phrase, "I totally hated that Oatly commercial."



Its Super Bowl commercial helped it launch a successful IPO just a few months later. Oatly went public in May 2021 at \$17 per share. It closed \$20.20 a share on its first day of trading.

Dr. Derek Rucker, a marketing professor at Northwestern University's Kellogg Super Bowl Ad Review program believes that Super Bowl commercials generate more business for the companies that advertise. However, he also says, it is hard to tell if a company's return on investment justifies the money it spent on a commercial.

A study by researchers at Stanford University and Humboldt University in Berlin found that revenue increased 10% - 15% for Anheuser-Busch, Coca-Cola and Pepsi after their Super Bowl commercials but only when a competitor is not also advertising in the same event or show.

University of Wisconsin-Eau Claire marketing professors, Chuck Tomkovick and Rama Yelkur found the stocks of companies that advertised during the Super Bowl outperformed the S&P 500 by more than 1% the week after the game.

Most researchers agree that running a commercial during the Super Bowl will affect a company's stock price. However, the degree of impact is uncertain. In citing the positive impact Super Bowl advertisements had on Dexcom and Oatly's stock performance, it is essential to note that both stocks were performing well before the game.

Name: \_\_\_\_\_

## February Investors Club Challenge Super Bowl LVII and Stock Prices

Do you agree that advertising during the Super Bowl positively impacts stock prices? Is it worth the multimillion dollar price tag? Let's conduct an informal investigation and review two company's stock performance after Super Bowl LVII.

Historical price information can usually be found by simply selecting the desired date range on a stock quote and moving your mouse over to the desired date on the quote graph. Enter the stock's ticker symbol and the closing price on the last day of the date ranges noted.

### Activity

This is a list of companies planning to advertise during Super Bowl LVII. Highlighted companies are first time advertisers.

Anheuser-Busch	General Motors	Sam's Club
Avocados from Mexico	Google	Squarespace
Booking.com	Kia	Taco Bell
Cheetos	Lay's	Toyota
Crypto.com	Meta	TurboTax
Doritos	Nissan	Vroom
DraftKings	Pringles	Workday
Expedia	Quickbooks	WeatherTech
FTX	Rakuten	

Choose two companies that are advertising in this year's Super Bowl and enter their stock performance information in the table below. If it is a brand or a subsidiary, find its parent company and enter its ticker symbol.

Today's Date: \_\_\_\_\_

Ticker	CLOSING PRICE (Before Super Bowl LVII – February 10, 2022)	5-DAY CLOSE (After Super Bowl LVII – February 15, 2022)	CURRENT PRICE

Summarize the stock price changes for each stock in the table. For example, did the stock price continually rise or fall from before and after the Super Bowl? Were the changes extreme?

Ticker	Description

Based on what you know so far, was buying a Super Bowl advertisement a good investment for these companies? Explain.