GM Says Super Bowl Ads Too Expensive

Tom Krisher, AP Auto Writer

DETROIT (AP) — For General Motors, the price isn't right when it comes to an ad during next year's Super Bowl.

The Detroit automaker said Friday that it won't be advertising on the Feb. 3 spectacle because of a steep price hike demanded by CBS, the network broadcasting the game.

"We understand the reach the Super Bowl provides, but with the significant increase in price, we simply can't justify the expense," GM marketing chief Joel Ewanick said in a statement.

A person with knowledge of advertising costs said Friday that CBS wants 25-to-30-percent more for air time than NBC charged during this year's game. Companies spent an average of $3.5 million for a 30-second commercial this year, meaning the increase would be at least $875,000 per ad. The person didn't want to be identified because the ad prices have not been made public.

CBS spokeswoman Shannon Jacobs would not comment on GM's decision or on the size of any price increase.

Earlier this year, a top CBS sales official told the trade publication AdvertisingAge that prices for Super Bowl spots would be raised. CBS has said spots for next year's game are selling well.

For GM, it's the second major advertising change it confirmed this week. On Tuesday the company said it would pull $10 million in ads from Facebook, saying they weren't effective. The announcement came just three days before Facebook's public stock offering on Friday.

The moves for GM come as the company shakes up its global advertising, hoping to save $2 billion. The company consolidated its two main ad agencies into one and centralized its media buying with one firm in an effort to get better prices. GM spent about $4.5 billion on advertising worldwide last year, and the company expects to spend about the same this year.

GM advertised on this year's Super Bowl with a spot that rankled rival Ford Motor Co. One of GM's ads implied that its Chevrolet Silverado pickup truck was more dependable than Ford's F-Series pickup. In the ad, a driver in a Silverado navigated a post-apocalyptic scene. When he met up with some friends, he noticed one was missing. The ad said the friend who didn't make it was driving a Ford.

The Super Bowl traditionally is advertising's biggest spectacle, with automakers buying up a big chunk of air time.

Hyundai Motor Co., which had five spots before and during this year's Super Bowl, is willing to pay the price increase for next year's game, Steve Shannon, vice president of marketing in the U.S., said Friday.

"We still think it's a terrific value. We're happy to be back next year," he said, declining to reveal how much the company will spend.

The Korean automaker has used Super Bowl ads for the last several years to help build its image and raise its U.S. market share. Next year's game takes place about the time the company launches an all-new Santa Fe crossover SUV, a key product for Hyundai, Shannon said.

Super Bowl ads go beyond the huge audience on game day, since they are posted on social media sites and discussed long after the game, Shannon said.

Chrysler Group LLC has used lengthy spots during the past two years to highlight its comeback from bankruptcy protection. Spokeswoman Dianna Gutierrez said Friday it's too early for the company to say if it will be on the 2013 game. But she hinted that it might be too big of an audience to pass up. "Obviously we've seen success from the past two years," she said.

The shift away from football's biggest game is a risky one for GM, especially in a year when it plans to roll out new pickup trucks and several other models. This year was the third consecutive year that the game set a record as the most-watched U.S. television show in history. The Nielsen Co. said an estimated 111.3 million people watched the New York Giants beat the New England Patriots. That was slightly more viewers than in 2011.

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