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COM 336: Big Ten Conference Additions

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Rutgers University and the University of Maryland were recently invited to join the Big Ten conference. This was a move by the network to geographically broaden their platform and plant themselves in eastern locations. Its main focus, however was to ultimately make more money benefiting both parties. The invitation for the universities was not profoundly motivated by performance. The Rutgers in particular did not hold an impressive record in the conference, not winning a single game against another Big Ten opponent in 2016, just two years after their entrance into the conference. On October 8th that same year, Rutgers lost to fourth-seed Michigan in a game of 78-0. It is intriguing to speculate why teams would be added to this conference when their performance is nothing spectacular. When you look into TV advertising and broadcasting stations in the geography of the two universities, the puzzle becomes clearer. By expanding to these schools, BTN created access to nearby large metropolitan areas, which has remarkably increased their broadcasting and network subscribers. The plan was not motivated on the basis of football, but rather the idea of money surrounded in the advertising industry.

The Big Ten's move on the eastern coast opened promising deals with broadcasting and increasing subscriptions to their network. The metropolitan areas near the two Universities are adjacent to New York City and Washington D.C. The large populations of these areas mean increasing the amount of households with an even more substantial amount of cable cords. According to the network's president, Mark Silverman, "in the Rutgers's first year in the conference, the Big Ten Network added eight million homes in the New York City area and experienced a higher-than-expected rise in advertising revenue" (Tracy, 2016). This rationalizes deals with bigger broadcasting television stations and increases subscriber fees to the Big Ten. The Network was able to acquire deals with Warner Cable, Comcast and Cablevision in the New Jersey, Washington, and New York markets to add their network into the main packages (Martin, 2016). Additionally, the more viewers they received meant their advertising costs increased, creating a larger turnout for the network's revenue. Once the network began broadcasting in the new locations, "ads were going for $4,000 per 30-second slot" (Martin, 2016). The larger audience for the network yielded a higher reach, which attracted organizations to use their network as an advertising outlet. Ultimately, making more money.

Prior to joining the Big Ten conference, University of Maryland was battling budget deficits. The shortages led the university to remove seven of their sporting teams, some of these teams including men's track and field, cross-country, tennis and both swimming teams. Maryland's solution to getting out of their deficits would be solved by leaving the ACC and joining the Big Ten. When Maryland joined, the audience's reach within the Big Ten increased and TV advertising created larger revenues. This allowed the university to begin reinstalling the previously discontinued teams. By joining the Big Ten and contributing in the network's strategy for a larger audience reach, Maryland was able to experience financial stability like never before. Athletic Director, Kevin Anderson, responds to the conference invitation announcement with, "no future Maryland athletic director will ever have to look in young men's and young women's eyes and say you can't play here anymore" (Mihoces, 2012). The successes that TV advertising and broadcasting brought to the Big Ten contributed to this. Both the university and the conference benefit from the roots of advertising, which ultimately is to solve problems.

The addition of Rutgers University and the University of Maryland was a strategic financial plan to benefit both the schools and BTN. Expanding to dense metropolitan locations led to an increase in audience reach. This ultimately allowed the conference to boost revenues and benefit their participating colleges. Although this strategy wasn't based off of football or performance itself, the result of audience expansion was able to help the teams financially by its newly increasing advertising and broadcasting revenues. Additionally, advertising aided to solve Maryland's financial deficit problems and resulted in monetary security for the college's athletic department. To conclude, the Big Ten network's expansion yielded a greater interested audience reach, which attracted organizations to use their network as their advertising outlet became increasing prevalent.

Reference

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