



MEMBER EXCLUSIVE

Pitch deck: The MSG Sphere has tried to sell itself as one-of-a-kind inventory to advertisers

By [Julian Cannon](#) • November 24, 2023 • 4 min read • [f](#) [t](#) [in](#) [v](#)



Ivy Liu

This article is part of an ongoing series for Digiday+ members to gain access to how platforms and brands are pitching advertisers. [More from the series →](#)

The Sphere's bigwigs are banking on their gamble to hit the ad dollar jackpot.

Since the opening of [Las Vegas' multi-billion-dollar venue MSG Sphere in September](#), the facility has bled \$98.4 million in operating expenses, according to its latest earnings report.

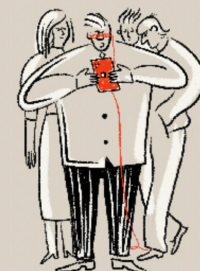
Recently, bosses are eyeing ad dollars to help pull themselves out of that financial hole and have taken meetings with marketers and agency execs to drum up interest. And it's not just talk — Heineken, Marvel, Microsoft's Xbox, Coca-Cola, Meta, YouTube, the NBA, and 20th Century Fox, among others, have put their money where their mouths are, following up those discussions with actual ad purchases.

The Sphere's pitch deck from 2021, shared exclusively with Digiday, sheds light on how it has messaged itself in these early days. In an effort to set itself apart from traditional

ADVERTISEMENT

DIGIDAY+

Cyber Week Offer:
Save 50% on 3-month
membership



Offer ends Nov. 27

outdoor advertising, the company is branding its venue as a flex for marketers.

As per the deck, brands can advertise in and outside the Sphere through three types of events, including original attractions, residencies and sporting events like mixed martial arts, esports, boxing, and professional wrestling. Also, the deck claimed its Sphere is bigger than three football fields, has immersive seats with an infrasound haptic system, and uses the world's largest beamforming audio system. In other words, the deck wants to leave marketers in no uncertain terms that this opportunity is truly one-of-a-kind.

A concert was held by the band U2 for the first time at the Sphere, which opened in September and was the first event to be held at the venue. Additionally, the NBA was the first brand to advertise on the sphere when it turned into a basketball.

The Sphere has been operational for two months but is currently facing a substantial financial loss. The structure's unique inventory relies technologically on brands that advertise on it to provide. This model is a challenge for brands with limited financial resources, making it difficult for them to engage in advertising.

MSG SPHERE – THE NEXT CHAPTER OF GROWTH

A DISRUPTIVE FORCE IN LIVE ENTERTAINMENT

Traditional Venue Model

- Limited utilization: typically no more than 1 event a day (at best)
- No participation in content owner economics

MSG Sphere

- Will use advanced technologies to create original attractions
 - Can play multiple times a day, year round
- Venue of choice for wide variety of content
- Expected to be one of the most highly utilized venues in the world

LAS VEGAS LAYS FOUNDATION FOR FUTURE EXPANSION

- First MSG Sphere expected to open in Las Vegas in CY2023
- Developing expertise and IP across design, construction, technology, and content
- Expect to leverage this upfront investment across broader network
- Plan to target capital light opportunities (franchise model) for future MSG Spheres

• •

Details of the pricing structure are not included in the deck. However, the cost of advertising on the MSG Sphere is reportedly \$450,000 per day, which will no doubt raise questions among marketers on the potential return on investment. Some of them already are.

"Brands frankly aren't sure what to make of the Sphere or how they would use it," said Matt Voda, CEO at OptiMine Software. "It's so new and so different that there aren't proven ways to leverage this asset, and because it comes with a big price tag, it scares most marketers because they don't have confidence in the ability to leverage the Sphere in a way that will have a proven impact."

The venue's 580,000-square-foot LED exterior, fully programmable, adds an extra dimension to its event hosting capabilities.

A PLATFORM TO PROPEL BRANDS

UNPARALLELED PARTNERSHIP OPPORTUNITIES IN A VENUE THAT WILL INVITE ENGAGEMENT

CORPORATE EVENTS

Powerful stage for product launches, meetings and award shows

MARKETING PARTNERSHIPS

Game-changing platform includes fully programmable, 580,000 sq. ft. LED exterior

USE OF DELTA AIR LINES LOGO FOR ILLUSTRATIVE PURPOSES ONLY

• • •

Marketers said The Sphere's pitch strategy centers on key elements designed to capture

SUBSCRIBE

TRENDING IN BEYOND ADS

01 BEYOND ADS

As Lyft builds its ad business, here's why the ride share company views its offering as 'digital retail'



02 BEYOND ADS

Why the NFL released an AI-powered game with Amazon



SPONSORED

How Uber's multichannel advertising is reaching consumers on the go



03 BEYOND ADS

How the NBA hopes to use generative AI to attract more users to its app



ADVERTISEMENT

DIGIDAY+

Cyber Week Offer:
Save 50% on 3-month membership

Offer ends Nov. 27

SUBSCRIBE

MOST READ

01 BRAND SAFETY

Brand safety concerns mount as X (formerly Twitter) pulls out of MRC audit



02 THE CREATOR ECONOMY

Influencer or creator? Here's how marketers can know who



interest. Due to its recent opening, marketers are indicating that there is a shortage of industry feedback to thoroughly gauge the overall effectiveness and impact of their advertising campaigns on the Sphere. The novelty of the Sphere has resulted in a lack of substantial data or insights from industry experiences, making it challenging for advertisers to assess the platform's performance with certainty.

Execs are touting the Sphere as a brand marketing vehicle for PR impact tied to new product launches or major events that is distinct from typical OOH outlets. Translation: the metrics for it are a work in progress.

Doug Zarkin, chief brand officer of Good Feet Worldwide, a manufacturer and retailer of premium fitted arch supports regards the Sphere as a bold and inventive platform, as he sees value in advertising on the Sphere.

"The Sphere's value lies not just in its scale but in its potential to create unique, emotionally engaging experiences that align with a brand's vision," said Zarkin. "It's a tool that, if leveraged thoughtfully, could redefine brand storytelling in the physical space, much like how digital platforms have revolutionized online marketing."



<https://digiday.com/?p=526356>

to hire

03 THE CONFESSIONS

Confessions of a strategist on the strained relationship between X (formerly Twitter) and agencies



04 STRATEGIZING FOR THE FUTURE

Here are the key differences between Gen Z and Gen Alpha that brands and agencies need to understand



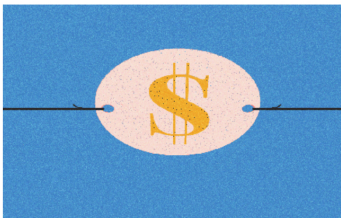
05 NAVIGATING ECONOMIC INSTABILITY

Newsroom unions push for better terms as end-of-year mass media layoffs loom



MORE IN MARKETING

[VIEW MORE »](#)



GAMING & ESPORTS

How the creators of 'Bluey' took a different marketing approach to the show's video game moment

November 27, 2023 • 3 min read

BBC Studios has put a significant effort into building a pipeline for people who encounter "Bluey" through the video game to find their way over to the show, effectively making the game a funnel into the broader IP.

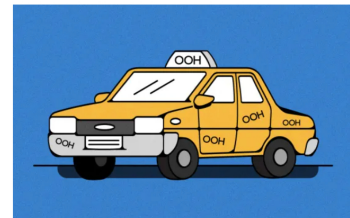


BRANDS IN CULTURE

The Children's Place hopes celebs' star power will help boost brand awareness

November 27, 2023 • 3 min read

As the digital landscape grows more crowded with marketers, The Children's Place taps celebs to help them stand out this holiday season.



BEYOND ADS

As Lyft builds its ad business, here's why the ride share company views its offering as 'digital retail'

November 24, 2023 • 3 min read

Lyft believes its blend of in-app ads, video ads, in-car tablets, roughly 800 digital car rooftop screens and OOH, will help differentiate its ad offering.

DIGIDAY+

Cyber Week Offer: Save 50% on

