Allegiant Air Took a Prepandemic Bet, and It's Already Paying Off

Even though it carries fewer passengers per day than the stadium that bears its name actually holds, Allegiant Air is a known brand nationwide.

A leisure airline that predominately serves smaller markets, Allegiant made a big marketing bet before the pandemic, securing the naming rights to the Las Vegas Raider's stadium. A year later, it's paying off, as the Raiders kick off their inaugural season at Allegiant's ink-black stadium.

While ratings for Sunday's game between the Raiders and Buffalo Bills aren't known yet, the stadium's first national broadcast—a Monday Night game against the New Orleans Saints—averaged 15.59 million viewers across ESPN, ESPN2 and ABC. The airline said that since signing the deal, the stadium has racked up 40.6 billion impressions, with 8 billion coming from the Saints game.

In January, Allegiant expanded its routes to include flights to Boston, Houston and Chicago. And after the Monday night game, Allegiant's site traffic from those three markets were up 60%-80%.

"It affords us flexibility going forward," said Scott Deangelo, the airline's CMO. "It's allowed us to reduce our [spend] by 50% inclusive of the stadium and only build back as we see demand materialize."

Deals like Allegiant's aren't without controversy, though. The

Bills haven’t had a sponsor since July when apparel company New Era asked to be released from its contract. And the Saints are currently without a partner for the 2021 season after Mercedes-Benz decided to part ways in May after 10 seasons.

It’s unclear if these withdrawals are a direct consequence of empty arenas or overall financial hardships caused by the pandemic. But even before the pandemic, there were cases like Enron Field, where the energy company put its name on the stadium as it declared bankruptcy and subsequently folded.

Still, Allegiant is pleased with the deal.

“The stadium is a very efficient way to build awareness,” said DeAngelo. “Anyway you slice it, it exceeded our expectations.”

Unlike SoFi, which has placed a high value on the stadium’s real estate and the opportunity for events beyond football, the decision to partner with the Raiders was about pursuing opponents’ audiences. While DeAngelo called the investment a “sizable chunk” of its marketing budget, he said it was worthwhile.

“When [an opponent’s] team comes to play in Vegas, those millions of fans are going to be watching, and we want to be top of mind for them,” said DeAngelo.

DeAngelo acknowledged that naming rights aren’t perfect. Even though the brand is guaranteed shots during a game’s broadcast, it’s not like the airline can advertise a specific message beyond its own name. Curiosity has to bring audiences to the site. But it is easier than going market to market, buying local spots for each team and following those up with digital campaigns.

It was “precise” yet cumbersome for the brand and media buying agencies. Now, the airline can get just as many impressions in one shot. And those impressions are vital, as the airline industry has been destroyed by the pandemic.

Allegiant has seen its revenue fall nearly 73% year over year and its schedule capacity cut in half. However, DeAngelo expects the airline to be in a “positive earning position” by early next year.

Like Southwest—its largest competitor, as both serve the leisure market and neither rely on international flights—Allegiant is focused on growing new travelers by converting those that had previously flown with American and Delta.

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