Major League Baseball Marketing Ads and Ticket Sales

A Senior Project
presented to
the Faculty of the Graphic Communication Department
California Polytechnic State University, San Luis Obispo

In Partial Fulfillment
of the Requirements for the Degree
Bachelor of Science

by

Nicole Cohen
March, 2012

© 2012 Nicole Cohen
Abstract

Major League Baseball teams spend thousands of dollars each year on the promotion of their team to sell tickets to games. Much of this money is spent on print advertisements. Marketing teams of MLB teams would benefit by knowing if there is any direct relationship between a print advertisement and ticket sales. This report explores if there is any type of direct correlation between the two. Elite and specialized interviewing, descriptive and historical research, as well as surveying were all used to help determine what, if any, sort of relationship print advertisements and ticket sales have.
Table of Contents

Chapter I: Introduction 4
Chapter II: Literature Review 6
Chapter III: Research Methods and Procedures 12
Chapter IV: Results 16
Chapter V: Conclusions 19
Appendices 21
References 23
Chapter I: Introduction

Every baseball team in Major League Baseball (MLB) spends thousands of dollars on advertisements each year. These advertisements include many different kinds of media. Print advertisements are one of the most expensive advertisements used to promote ticket sales. This includes promotional pieces such as postcards, flyers, billboard advertisements, newspaper advertisements, and magazine advertisements. Marketing pieces are created with the intention of getting fans to buy tickets to a baseball game, and increase the overall sale of tickets. The problem is, marketing departments do not know if there is a way to link a certain printed publication and the number of ticket sales it generates. There are many different ways to attempt to track the number of tickets an ad sells, but it is not clear if there is a direct correlation between between the two. This study will determine whether it is possible for MLB teams to draw any direct conclusions between a print advertisement and ticket sales.

To determine whether or not a MLB team can draw a direct conclusion between the two, a successful tracking system would need to be implemented. A successful tracking system would be simple not only for marketing to use, but also easy for the customer to use. The marketing team should be able to easily collect data of how many tickets were bought by a person after seeing a certain ad. Also, the customer should not have to put in much effort to provide information on which ad compelled them to purchase a ticket. Because teams spend large sums
of money each baseball season on promoting ticket sales, if there was a connection between the
two, teams would be able to cut back on ads which do not bring in a reasonable profit. Not only
will it save money, but it will also save time. For each ad that is printed, someone spent time to
design that piece. Advertisements are meant to raise awareness and generate interest for ticket
sales. If the advertisement is not doing that, the time and money spent to design is not utilized
well. In an industry where time and money are precious, it is valuable to cut back on wasted
resources. If there was a way to directly link an increase in sales to an advertisement, the team
would know that the money spent on the print advertisement is worth it.

Different ways to track an advertisement include unique Uniform Resource Locators,
Quality Response codes, watermark inscriptions, direct response advertisements, and outsourcing
tracking to an ad tracking agency. Assessing these tracking methods based on ease of use, both
for the marketing team and customers, will help to determine the willingness of customers and
marketing departments to implement a certain tracking system. A tracking system would also
assist in deciding if implying a correlation between print ads and ticket sales is plausible.
However, there are also many other factors that have to be taken into account for the reason
tickets are sold. Because there are many other external factors that a tracking system would not
be able to account for, direct conclusions cannot be drawn between a printed advertisement and
ticket sales.
Chapter 2: Literature Review

Major League Baseball grosses about seven billion dollars a year (McLellan). Around thirty five percent of the MLB’s revenue comes from admission to baseball games. “The profitability of individual teams depends on achieving high fan attendance…[which is] enhanced by effective marketing” (Professional Sports Teams & Organizations). Powerful marketing can be the difference between an annual attendance of 3.6 million fans like the Philadelphia Phillies had this year, or 1.4 million fans like the Oakland Athletics (MLB Attendance Report - 2011). Since marketing highly influences attendance, it is important for a team to be efficient in their marketing.

A large majority of marketing done by individual teams include print advertisements such as local newspaper, billboard, and direct mail advertising (Professional Sports Teams & Organizations). Newspaper advertisements can cost anywhere from $1,000 to $200,000, depending on the size, color and location and circulation of the newspaper. The cost of a billboard ad ranges from $700 to $2,500 per month. Print advertisements are “one of the most expensive advertising mediums” (Resources for Entrepreneurs). In order to know if an advertisement is worth its expense, it would be helpful if MLB teams knew there was a direct
relationship connecting an advertisement and ticket sales. An advertisement tracking system would assist in determining if there is a connection between the two.

Using a unique Uniform Resource Locator (URL) in an advertisement is a common and simple way to track an ad. A URL is “the global address of documents and other resources on the World Wide Web”(URL). This unique URL can be put on a print advertisement for someone to go to for more information, or in the MLB's case, to buy tickets. A person simply “cook[s] up a special URL (commonly referred to as “link tagging” or “campaign tagging”) and then track[s] how many people come to [the] site” and does what the ad requested of them. The director of Web Strategy for Unionstreet Media notes, once the URL is set up, “Google Analytics is an effective tool to track the performance of marketing activities and advertising campaign.” There are many different ways to set up a URL for an advertisement. One way is to use a vanity URL. A vanity URL is “an easy to remember web address that exists only to redirect [a customer] to a harder to remember address.” The down side to a vanity URL is it takes some time to set up and the company needs to pay yearly or monthly for the website address. However, it is only a fairly small amount of time and money (Dewald). A vanity URL could be something such as www.thebestteamever.com that then redirects to the San Francisco Giants homepage. On the other hand, a shortened URL will not be a tag line, but is something shorter than the original, usually hard to remember address of the website.

A link-shortening service is another way to create a personalized URL for an ad. The advantages of a link-shortening service are it is “quick, low cost, and familiar in Social Media.” Setting up one of these links is also simple. First, a long, difficult to remember link is generated
for a specific ad. Then, the URL is entered into a link shortening service, such as ListingNumber, and the URL is shortened into a “very short web address in a short period of time.” The short URL is then easy to track using Google Analytics or the link-shortening services' analytics that are provided. The advantage of these unique URLs is the analytics are automatically generated for the owner of the URL to use once the link is set up (Dewald).

Some MLB teams are using unique URLs to track ads already, but there are many faults with this tracking system. Chris Hunsaker, the marketing manager at the Houston Astros, notes the Astros often use unique URLs. “These URLs are only promoted in specific print ads and are tracked for clicks, orders and sales” (Hunsaker). Chris Garcia, the senior graphic designer at the Astros, adds, it is one of the “easiest ways [to track ads]…simply add a custom URL to the ad and a different one on the collateral piece. For example, www.astros.com/dogday for the ad and www.astros.com/dog for the collateral piece. Then we would create a webpage (or landing page) for both URLs that is literally the exact same webpage and information. Then using detailed analytic reports, most all websites have basic analytics at no charge, from our website, we can measure the traffic we received for the print ad versus the collateral piece we mailed out.” The Astros have found unique URLs have many faults. Hunsaker notes,

While that gives us some results, it is not anywhere near complete data and it is hard to guesstimate what percent of the total activity is being tracked. We have found that very few people look at a print ad and go to the URL that is provided. Most people see it and come back to it later in the day or the week by just visiting astros.com and finding what they are looking for or just buy
tickets at the box office. The hard part is that we have no way to know how many people do this (Hunsaker).

Customized URLs are very simple to make, and also simple to track. Customized URLs are what the Astros and other MLB teams currently use for special events, such as www.astros.com/dogday as Chris Hunsaker noted. Unfortunately, the information collected from tracking a URL rarely accurately represents which ad convinced a person to purchase a ticket.

Chris Garcia recognizes the lack of advertisement tracking at the Astros and suggested “watermark inscriptions or QR codes” as two other possible ways to track advertisements. Quality Response, or QR, codes “act like 2-dimensional barcodes [and are] monochromatic squares dotted with seemingly random pixels”(Penny). The QR code is created electronically, but then printed onto the advertisement. When placed in an ad, “people scan [the] QR code using their smartphone's camera and a free scanning app, [and] the code will trigger whatever action [is] linked [to] the code…” These actions can include linking the user to a website, playing a video, displaying a message, or many others. Creating a QR code is simple and there are multiple websites that create QR codes for free. Adding tracking analytics to the code is possible, but costs between a few hundred to a few thousand dollars. A QR code is a small addition to an ad and a simple way to help track the advertisement when it has tracking analytics associated with it (Penny).

Watermark inscriptions are similar to QR codes, but they are not visible to the naked eye. A digital watermark inscription is digital data that is embedded into any kind of media. The data can be detected and read by the most popular smartphones, which then validates original content
or triggers an action (About Digital Watermarking). In this way, it can do the same things a QR code can do, but the person looking at the ad will not see it right away. “Copy, rather than a symbol, alerts the reader to the additional content they can activate on their phone by holding it over the advertisement”(Targeted News Service). The information is “embedded invisibly” into the printed content and can then be “unlocked” by a smartphone (Targeted News Service). However, digital watermarks are more difficult to generate than QR codes. It often requires certain software or a service from a business that charges a price for the watermark to be created (About Digital Watermarking).

Direct response advertisements are fairly easy to track because it encourages an action from the reader. A direct response ad asks “the reader to directly respond to the ad by buying the product or by requesting more information.” The way direct response ads ask for feedback from a reader has changed over time. Ads used to ask the reader to simply mail in a response card. Currently, “direct response ads take a more sophisticated approach, inviting readers to use a promo code for a purchase or to download a link to their PC or mobile device (Resources for Entrepreneurs).” Tracking the ads can be fairly simple in that respect. The company can assign specific promotional codes to specific ads and see how many times the code was used (Resources for Entrepreneurs). Direct response advertisements are more simple to implement than a QR code or watermark inscription. The problem with a promotional code in direct advertisements is unless there is a price incentive for a customer to use the promotional code, they may not go through the trouble of using the code even if they saw the advertisement with the code.
A type of direct response advertisement the MLB uses is direct mail. MLB teams use direct mail to attempt to reach out to fans and encourage them to buy tickets. Like other print ads, it is an expensive process. The cost includes production of the mailer, along with the purchase of postage and a mailing list. In the time that Chris Hunsaker has been with the Astros, mailers have made up a large portion of the print advertising the Astros produce each year. “Mailers usually promote season tickets, mini plans, group outings and some special ticket officer like Holiday or Valentine’s 6-game flex plans. Our experience in tracking these mailers is that after spending thousands of dollars on the mailing, the return is in the hundreds, or less.” Hunsaker also added that the marketing team at the Astros does not have any evidence to support these assumptions because they do not have an effective tracking system. One of the previously stated methods of tracking could possibly be used in conjunction with the direct mailers to better track the response of the direct mail.

It would be the responsibility of the marketing team to implement and analyze all of the previous methods. An alternative to the MLB teams implementing tracking systems themselves is the option of hiring a third party business to track their advertisements and gather data. There are businesses such as The Advertising Checking Bureau, Inc. who provide tracking services. The service ACB specifically provides in the assistance of advertisement tracking is “the ability to view up-to-date ad tracking data on-line.” Some of the benefits of this service ACB advertises are “provide ongoing monitoring and reporting of key retailer advertising… Help better understand brands market position and uncovering opportunities for improved competitive positioning…Evaluate creative and key advertised elements” (ACB-Ad Tracking). Not only would the MLB get the information they are looking for from tracking ads, but would also get
help from a professional business on what to do with the information they collect from tracking
the ads. However, hiring a company for ad tracking services will be much more expensive than a
team implementing tracking systems on its own. Until MLB teams have an accurate and effective
ad tracking system, it is likely they will not be able to tell if there is a direct correlation between
the teams print ads and ticket sales.

Chapter 3: Research Methods and Procedures

The purpose of this study is to determine whether MLB teams can draw any direct
conclusions between print advertisements and ticket sales. The implementation of a tracking
system will help the Marketing team conclude what, if any, relationship a print advertisement has
with ticket sales. Historical and descriptive research of tracking methods was used to help
identify which method is the best for the MLB to use, by gathering information on different
methods and evaluating through content analysis. Historical research was also used to determine
what other factors might have an effect on ticket sales. Elite and specialized interviewing was
used to inquire about Marketing professional's opinions on tracking methods, and print
professionals thoughts on the correlation of advertisements and sales.
According to Harvey Levenson, “Historical research is an attempt to establish facts and arrive at conclusions concerning past events” (Levenson 28). The University of Texas School of Information gives certain steps to be followed in historical research to ensure a correct result. Those steps include:

1. The recognition of a historical problem or the identification of a need for certain historical knowledge.
2. The gathering of as much relevant information about the problem or topic as possible.
3. If appropriate, the forming of hypothesis that tentatively explain relationships between historical factors.
4. The rigorous collection and organization of evidence, and the verification of the authenticity and veracity of information and its sources.
5. The selection, organization, and analysis of the most pertinent collected evidence, and the drawing of conclusions.
6. The recording of conclusions in a meaningful narrative (The Historical Approach to Research).

By following these steps, “the researcher hopes to show what may be contributed by past experience to a greater understanding of present situations and what might happen in the future” (Levenson 28).

Descriptive research can be used in conjunction with historical research. While historical research focuses on looking to the past to try and better understand what might happen in the
future, descriptive research can be used to “determine the nature of a situation as it exists at the time of the study. The aim is to describe, ‘what exists’ with respect to variables or conditions in a situation” (Levenson 28). Both of these research methods can be used with qualitative or quantitative variables.

Elite and specialized interviewing is important because “there is a growing reliance on human perceptions prior to determining the need for or potential success of a product” (Levenson 26). According to Levenson, “the Elite and Specialized interviewing procedure requires asking precise, open-ended questions, but questions that are open to refinement as the research and interview continues” (Levenson 26). The questions are given to people who are considered professionals in their field of work.

The first step of this study was to research different kinds of advertisement tracking methods. Unique URL's, water inscriptions, QR codes, direct response advertising, and using a third party business for tracking analytics are the different types of print advertisement tracking methods available. This consists of older tracking technologies, such as direct response advertising, as well as methods that are relatively new like water inscriptions and QR codes. Details about each of these tracking methods was researched in the articles “About Digital Watermarking”, “ACB-Ad Tracking”, “Tracking Print Advertising with ListingNumber and Google Analytics”, “Marie Claire and InStyle Devise 'Digital Watermarking' Campaign for Armani Code”, “Clickable Codes Give Signage Extra Punch”, and the website Resources for Entrepreneurs. Information was gathered through descriptive research about each of the method's ease of use. Descriptive research was used in different ways to evaluate ease of use.
To evaluate the ease of use, potential purchasers of baseball tickets were asked to rate the simplicity of performing a task incorporated with the tracking method using a scale of one to five. A method was considered simple if it was very likely that the customer would perform the action required to make use of the tracking system. To determine the ease of use for customers, a survey was emailed out to young, computer savvy, college aged students, as well as computer savvy forty to sixty year olds. The survey asked each person to rate how likely he or she would be to perform the tasks associated with the different tracking systems. A one meant the customer would definitely perform the task, a three meant he or she might perform the task, and a five meant he or she would definitely not perform the task. Each tracking method was associated with a specific task the customer would be required to perform. They were also given clarifications of what a one, three and five meant. Before each question about each of the methods, there was a sample of the specific type of tracking method the question referred to if needed for clarification. There was also a note in the survey informing customers that in order to take a picture of a QR code or water inscription with his or her phone, he or she would need a scanning application for it to work properly. A copy of the survey that was sent out can be seen in Appendix A. A question about using a third party business for tracking analytics was not included in the survey because that would be a decision for the marketing team, not a potential customer.

Different tracking methods require a marketing department to go through different steps to implement the tracking system on an advertisement. The tracking methods also give the marketing department feedback from the tracking method in different ways. Questions were emailed to Chris Hunsaker of the marketing department for the MLB team the Houston Astros to
gather information on the ease of use, what tracking method they would prefer to use, and how to
determine if an advertisement is effective in promoting ticket sales. See Appendix B for a list of
the interview questions. To get more insight from a production side, professionals in the print
industry that have worked with sports teams to produce print advertisements were also
interviewed. The list of questions they were asked are in Appendix C.

To find out if there are other factors that influence ticket sales to an MLB game, historical
research was done. This involved researching the correlation between a MLB teams winning
percentage and attendance at their games. Research was also done on articles written about what
drives attendance for a sporting event.

Chapter 4: Results

Once one hundred and fifty two surveys were received back, the number of each response
was counted for every tracking method. The method with the largest number of ones was
considered to have the best ease of use for customers. Unique URL's received the most number
ones on the survey, so was considered the easiest tracking method for customers to use. A table
with full survey results can be found in Appendix D.
The ease of use for the marketing department was evaluated differently than customer ease of use. It was evaluated using elite and specialized interviewing. According to Chris Hunsaker from the marketing department for the Houston Astros, “Unique URLs are definitely the easiest [tracking] method for us. We are easily able to create unique URLs and receive tracking from MLB” (Hunsaker, Re: Questions for a Project). Unique URL's were also considered the easiest method for marketing departments to use. Because of results from the survey and interviews, a unique URL is the best tracking method for MLB teams to use on ticket advertisements.

Print is a fairly expensive way to advertise, so it needs to have a value which justifies this expense as compared to other forms of advertisements. Vanessa Pateman from Watermark Press, a Consolidated Graphics company, in San Francisco, works with the National Football League's San Francisco Forty Niners. She said that print is a valuable, tangible piece. Many people like the physicality of having something in their hands as an advertisement and it is something that stays with you (Pateman). Evan Ballinger from Trend Offset agrees. He says that the value of print is in its durability and its pass around value (Ballinger). One of the difficulties when trying to determine the return on investment for a print advertisement is that a team does not know who they are reaching out to and who received the advertisement according to Vanessa. She also mentioned that a way they use to track advertisements is by using cross media and incorporating things such as QR codes. That way, they can then track the advertisement by how many people got to the website using the QR code that was printed in the advertisement. Vanessa also mentioned that she believes using cross media like this is what is going to save print (Pateman).
According to Jung Heon Kim, the author of the paper *An Investigation of Promotional Events and Other Factors That Affect the Attendance on Sporting Events*, he found former studies where researchers drew conclusions that attributed attendance to the attractiveness of certain factors. These factors include “game factors, e.g., winning record of home team, number of star players, offensive/defensive output of home team, rivalry, record breaking performance, special events, and team standings; and residual preferences contained various factors, e.g., game schedule, facility condition, time of season, behavior of fans during game, accessibility to the facility, and history of team in the region” (Kim, 83). It was reported that these factors “are considered more important as factors that positively affect attendance at professional sport events” (Kim, 83). His research showed that attendance is positively correlated to many different factors that do not have any correlation with the efforts of the teams Marketing department, such as print advertisements.

In an article from the *Atlantic Economic Journal*, "Factors affecting attendance of Major League Baseball: revisited", the authors found similar results in their study. They found that “the time of the day, the day of the week and month, year that game is played, the fan interest variables, such as whether the game is an opening home game and whether the home team played an interleague rival, per capita income for baseball teams resided in the USA at the MSA level and per capita income for Montreal, team's performance up to that point in the seasons, and the attendance volatility [were] all found to be significant predictors of the long-run attendance demand” (Denaux, Denaux and Yalcin).
In Appendix E is a chart mapping each MLB team's winning percentage along with their average attendance for home games in the 2011 baseball season. Overall, there is not a general correlation between high winning percentage and high average attendance. The computed correlation comes out to 0.48 which indicates neither a strong positive or negative correlation between the two. Like the previous articles have found, winning percentage is one of the factors that can increase attendance, but it alone is not the reason for a MLB team's high game attendance.

Chapter 5: Conclusions
From the results of this study, one can conclude that it is not possible for MLB teams to draw any direct correlations between a print advertisement and ticket sales. It was found that there are multiple factors that contribute to a customer's decision to purchase a ticket to a baseball game. Initially, the print advertisement could give a customer the idea of purchasing a ticket, but unless they purchase the ticket right away, there is no way of telling if the print advertisement was the main reason tickets were purchased. Other factors that contribute to a person's decision to buy a ticket are a team's standing, number of star players, special events, time of the season, and history of the team. A combination of factors is more likely to be the reason a person buys a ticket than just a print advertisement alone.

Also determined from this study was the best way for a MLB team to attempt to track ticket sales from a print advertisement. The best tracking method is using a unique URL. It was found that using a unique URL as a tracking system is the easiest tracking method for customers to use, as well as the easiest method for a MLB team's marketing department to use. Although this will not give the team a precise number of how many ticket sales an advertisement inspires, the unique URL can give the team some helpful tracking information they can interpret for future print advertisements.

Even though print is an expensive way to advertise and there is not a direct way to record the return on investment for a print advertisement, it is still a valuable type of marketing media. The physicality of a printed advertisement is something that stays with a potential customer. It is durable and lasts longer than a radio, television or internet advertisement, and can remind a customer to buy tickets multiple times before it is discarded. In the end, there is no way to draw a
direct correlation between a print advertisement and ticket sales, but print advertisements are still effective ways for MLB teams to advertise and market ticket sales and special promotions.
Appendix A – Potential Customer Survey

Rate the likeliness that you would perform the action the ad is asking you to perform to buy a ticket. Use a scale of one to five. A one means you would definitely perform the action, a three means you might perform the action, and a five means you would definitely not perform the action. (Note: to take a picture of a QR code or a water inscription with your phone, you have to have a scanning application for it to work properly)

1. How likely are you to use a unique URL seen on an advertisement to buy a ticket to a MLB game? (as displayed above)

2. How likely are you to take a picture with your phone of a QR code, like the one above, seen on an advertisement to buy a ticket to a MLB game?

3. If you were told there was an inscription in an advertisement that you could take a picture of to buy a ticket to a MLB game, how likely would you be to take a picture of the ad with your phone of to do so?

4. How likely are you to send back a piece of mail you received in order to purchase tickets to an MLB game?

Appendix B – Questions Asked of a Marketing Professional

1. Which type of tracking method, unique URL, QR code, water inscription, direct mail, or a third party business with tracking analytics, would you prefer to use?

2. Out of those 5 tracking methods, which would take the least amount of time and effort for you as a marketing department to implement?
3. How do you know if an advertisement is effective in promoting ticket sales for the team?

Appendix C – Questions Asked of Print Professionals

1. How do you justify the value of print to a customer when there are many other ways to advertise?

2. What difficulties are there when trying to determine the return on investment for a print advertisement?

3. Do you have a way of tracking the print advertisements you produce?

Appendix D – Survey Results

<table>
<thead>
<tr>
<th></th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unique URL</td>
<td>31</td>
<td>33</td>
<td>34</td>
<td>26</td>
<td>28</td>
</tr>
<tr>
<td>QR Code</td>
<td>27</td>
<td>21</td>
<td>25</td>
<td>37</td>
<td>42</td>
</tr>
<tr>
<td>Water Inscription</td>
<td>22</td>
<td>26</td>
<td>35</td>
<td>34</td>
<td>35</td>
</tr>
<tr>
<td>Direct Mail</td>
<td>29</td>
<td>22</td>
<td>29</td>
<td>33</td>
<td>39</td>
</tr>
</tbody>
</table>

Appendix E – Attendance and Winning Percentages for 2011
References


“ACB-Ad Tracking.” The Advertisement Checking Bureau. ND.


