



UNIT 4 – CASE STUDY

Marketing Mix: The Affordable Angels



Name _____

Class Period _____

**** Establishing the Marketing Mix: A SEM Case Study ****

For many years, the Los Angeles Dodgers were the low-cost, high-volume providers of major league baseball services in Southern California. Even during the middle 1990s, tickets were relatively inexpensive (for well under \$20 you could sit between the baselines in the second deck), as was parking (around \$5 per car). Options at the concessions stand were limited, but reasonable; the famous "Dodger Dog," with a sparse selection of condiments, was only a few dollars. The game presentation was uncluttered. And, of course, Dodger Stadium has always been a jewel. However, after two sales of the team (to Fox Entertainment in 1998, then to the McCourts in 2004) things changed. According to Team Marketing Report, the Dodgers' nearly \$30 average ticket price for 2008 was one of the highest in baseball.

The Los Angeles Angels of Anaheim have filled this void. Their budget-friendly "fan cost index" of \$140.42 (which includes four tickets, parking, two beers, four sodas, four hot dogs, two game programs, and two caps) is the second most affordable in Major League Baseball.

The Angels approach is to provide a premium on-field product combined with lower prices that make it easy for fans to watch games in person. Angels' management is less concerned with measures such as revenues per fan on which many other teams focus. Instead, they seek to increase overall revenues through volume, making more on parking, concessions, and other game-related revenue streams.

The approach seems to be working – both on and off the field. Prior to 2002, the Angels made the playoffs three times in 41 seasons. They have participated in post-season play five times in the last seven years, including a World Series championship in 2002. Attendance is way up. Most of Angel Stadium of Anaheim's 45,050 seats are sold -- and filled. The team's average attendance of nearly 3,400,000 over the past five years is second in the American League. Angel Stadium is an attractive, pleasant venue with three restaurants, updated amenities, landscaped courtyards, and an interactive game area for kids (the "Pepsi Perfect Game Pavilion").

One strategy is to build a long-term fan base by marketing to families (especially, to female heads of households), kids, and teens. They advertise in both English- and Spanish-language media, a necessity in Southern California. Many teams limit giveaway promotions for the first 15,000 or 20,000 fans. The Angels don't; their promotional nights allow everyone to receive the items given away. Giveaway promotions directed at kids go beyond the common 12- to 14-year age cutoff. At Angel Stadium, kids up to age 18 qualify for both kids ticket prices (\$5 general admission seats) and promotions.



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**** Establishing the Marketing Mix: A SEM Case Study (page 2) ****

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Aside from season tickets, there are a variety of ticket packages available. For certain special games, fans can purchase four upper level seats, plus get coupons for four hot dogs and four soft drinks – all for \$39. The price hasn't changed since 2001. Nine- and 11-game packages provide additional cost savings for frequent customers.

The team has also worked to make games more accessible on TV and radio. All games are televised locally, with 50 games on a strong local station and the rest on regional or national cable sports networks. Broadcasts in both English and Spanish over powerful radio stations also extend the team's reach.

**** Case Study Questions ****

1. *Many teams prefer to maximize revenues per attendee, even if it means less revenue per game. Why do you think they use this approach?*
2. *Why do you think the Angels provide giveaways to all fans, rather than only a limited number? Is there any effect on revenues other than ticket sales?*
3. *If the Angels implemented a substantial ticket price increase, how would it affect other elements of their marketing mix?*
4. *Describe how the Angels have evaluated the market and made decisions accordingly when developing their marketing mix.*
5. *Do you think that the Angels' marketing mix has been effective? Why or why not?*
6. *What elements of the mix will the Angels need to consider adjusting in the future to create opportunities for growth?*

Sources: *www.angelsbaseball.com, Robert Alvarado, Angels Marketing Director (interviewed by Dr. Bruce Herbert), www.baseball-reference.com, www.boston.com*