



UNIT 9 – CASE STUDY

Oakland A's: \$2 Tickets and \$1 Hot Dogs



Name _____

Class Period _____

**** Ticket Promotion & Sales: A SEM Case Study ****

Sometimes the simplest ideas work the best. Attendance at the McAfee Coliseum has been lagging for some time for Oakland Athletics games for some time. The team regularly trades away its best young players, and, though it has made the American League playoffs several times in the past few years, people have not been as willing to buy tickets as they were in the team's heyday in the late 1980s and early 1990s.

However, people love a sale and sometimes nothing draws a crowd more than deep discounts on tickets and food. The franchise now offers either \$2 tickets or \$1 hot dogs (all you can eat!) at most of their Wednesday games. The only exceptions are high-demand games, such as those featuring popular opponents like the Yankees, Red Sox, and Giants.

The \$2 tickets are outfield and second-deck outfield seats regularly priced at \$9 and \$16. It's either cheap seats or cheap food. Only one promotion is offered on any given night. These days it seems whichever promotion they choose, the fans will come. For a pair of Wednesday games in April 2008, attendance increased substantially. For the first \$2 ticket night with Seattle, attendance was 21,126; it was 10,164 for the following Seattle game. The very next week, average attendance for the Tuesday and Thursday games with Minnesota (like Seattle, normally a weak draw) was 11,430. The Wednesday game with \$2 tickets drew 15,242. Fans anticipate these special prices. Advance ticket sales run far ahead of normal rates. For the 2008 season, all \$2 tickets for the season had already been purchased by early July.

The Athletics use the ticket and food promotions to promote the team's logo merchandise, sell full-price tickets to other games, and fulfill obligations for minimum attendance guarantees made to sponsors.

**** Case Study Questions ****

1. *Keeping the message simple is one key to successful promotions. Does offering significant ticket discounts or cheap concessions send a message to fans? If so, what is it?*
2. *Assume that the Athletics run ten "\$2 ticket" promotions per month during the six-month regular season and that they would normally sell 1,000 seats in these sections at an average price of \$12. For these "\$2 ticket" games, they sell an average of 4,000 additional seats at the sale price beyond the number they would normally sell. Based on these figures, what is the total revenue gained (or lost) from the ticket promotion for the season?*
3. *If you want to encourage casual fans to sample Major League Baseball games, what other promotions might be effective? Why?*
4. *Why would minimum attendance guarantees be important to sponsors?*

Source: Zach Glade, Oakland Athletics