

# Mlb advanced media case summar

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Stephen Sewell MLB Advanced Media Case 1. Major League Baseball has been an industry leader in the digital space for athletic entertainment, thanks to the launch of Baseball Advanced Media (BAM) in 2009. Once the organization took off and grew, it began branching out and offering its content in a variety of channels and platforms. Careful consideration had been given on each of these platforms, but the organization considered itself to be a risk-taker and a first-mover for its industry. Now, with the launch of Apple's iPad in 2010, BAM was faced with different and complex issues concerning a BAM application for the device.

Would they invest the resources to create an app? Would this app be different from existing apps, such as At Bat for the iPhone and iPod touch? How does this addition improve the portfolio of offerings, and does this cannibalize other sources of revenue for BAM? 2. BAM has experienced tremendous growth since its inception, and has come to be known as an industry leader and overall content delivery model for others to aspire to be. Their content generation leads to increased revenues and partnerships, which leads to more features and options, which leads to more passionate fans and employees, which leads to more innovation.

This virtuous cycle has allowed BAM to achieve substantial revenues from its four major sources. The first is their Ticket Sales, which account for 39% of total revenues. Over 30 million tickets were sold online last year (at the time of the case), which is more than a third of the overall baseball attendance. This ticket sale dominance grew substantially with the acquisition of Tickets.com, and a five-year partnership with Stubhub.com. Through these mediums, MLB and BAM removed the uneasiness and uncertainty associated

with scalping tickets and created an official secondary market for reselling MLB tickets.

When a fan enters the game, the clubs also make a lot of money on things like concessions and merchandise sales. Because of this, Ticket Sales is one of their greatest strengths (key driver), but is also one of the biggest areas that can be seen as a threat. As the content and experience of online and mobile products increases, the desire and willingness to pay for going to the actual stadium decreases. The MLB must work closely with BAM to ensure that the two are not in direct competition with each other. The next is their paid-content model, which attributes about 31% to the company's overall revenues.

This, as discussed later in the paper, has been a great strength for BAM. If they are not constantly pursuing innovative and novel ideas and products, this will become a huge threat. BAM also benefits from Merchandizing and Advertising/Sponsorships, which account for the remaining sources of revenue. A key driver going forward will be to continue partnering and aligning with major players in the industry to not only leverage their content and expertise, but also to subdue any potential competitive products from seriously posing a threat to market share. 3. BAM seeks to serve MLB fans of all walks of life.

Whether it's the Cardinals fan that wants to get audio coverage of a game that can't attend, or the business executive that needs a quick update on how his Twins are doing during a meeting, BAM's products seek to address a variety of fan lifestyles. For the die-hard fan that never wants to miss any of the action, MLB TV gives fans incredible value by being able to watch any game out-of-market at any time, watch up to 4 games at once, or even get a

10-12 minute condensed version. MLB. TV reaches out to the more active fan that seeks to dedicate a large amount of their time to their MLB allegiance.

For the fan that is passionate about the sport and/or their favorite team but doesn't have a large amount of time to sit through 9 innings, there is MLB. com. On this website, fans can view scores, statistics, schedules, standings, get links to individual team pages, buy tickets and merchandise, or get video highlights. The fan that frequents this product can spend on average about 20-30 minutes on the page at a time, but really cannot devote the time that those who utilize MLB. TV can. Next, we have users that frequent the At Bat, who are more of a tech-savvy, on-the-go type of fan.

The value BAM users receive from these push notifications, quick highlights and stats, and live audio streams allows for them to access information anywhere, at any time. The fan can always be on top of the latest rumors and trades, even if their schedule is packed. These products also create value for customers that it does not serve. BAM being recognized as one of the best in digital sports content, it puts the pressure on other athletic organizations to pursue similar initiatives. Sports fans of the NFL and NBA are aware of what is happening in the baseball world, and demand similar experiences.

Moreover, BAM's content delivery and quality are well-respected even with those companies not in the sports arena. Companies can model their online and mobile presences after BAM, or can even bring in people for temporary projects to ensure efficiency (like Apple did). 4. BAM's paid-content model was initially met with a heavy amount of resistance, both internally and externally. With so much information available all over the web and TV, a lot

of people questioned whether people having to pay for information and access would be something that would catch on and hold.

It has now taken off, mainly because of the passionate and active fan base. Due to the fact that there are SO many games throughout the regular season, and that each team typically has a strong following, Baseball Advanced Media can afford to up-charge for their information and content. As more and more sources become available, and “ generic” prescriptions for these athletic media sources permeate the scene, the paid-content model will come into question. As long as BAM, and all of their products, are constantly pursuing ground-breaking and innovative initiatives, the paid-content model can be sustainable.

But, to that end, this means that their entrepreneurial push needs to be effective and tactical. They cannot afford to be first movers on products, and then have these products fall flat and keel over. As they continue onward down the media content path, they must continually offer more interactive and unique experiences that do not eat into each other’s markets and profits. 5. Bowman and the BAM staff must be very careful in approaching this iPad application. Although the app will serve a similar audience, BAM should be cognizant of the different “ brand images” each of their offerings in their product portfolio.

For example, At Bat allows fans to listen live (audio, even though there are 2 free games per day) to every game, get up-to-the-minute stats, receive push notifications, etc. So, it is safe to assume that the At Bat user is looking for convenience and quick analysis of what is important to them. MLB. TV encounters a similar situation, in that it is primarily utilized for streaming and <https://assignbuster.com/mlb-advanced-media-case-summar/>

HD-quality video of all out-of-market games, and that users can view multiple games at once. BAM's In-Market Streaming brings with it some great opportunities, but can also severely cannibalize existing ticket sales if not monitored and controlled properly.

MLB.com also served as a hub for fans that want to get in-depth information, but aren't willing to sit through an entire game or TV show. Overall, BAM has an extensive portfolio that has brought them significant revenues and accolades over the past few years. Based on the explosive success of their previous relationships and dealings with Apple, on top of the achievements their At Bat app has had in the iTunes store, there is a lot of room for expansion with the iPad launch.

BAM must consider the exact same issues that Apple is currently facing with its new launch: are they truly reaching a "new audience" or are they just cannibalizing the revenues of existing products. For example, will Apple lose money on their big money maker, the iPhone, as a result of this new product? BAM faces a similar scenario. There is a tremendous opportunity to be a first-mover on what could be a ground-breaking product. Because of their previous relationship and prior commitment to an application launch, BAM would be wise to invest resources into this new product, even if the iPad is receiving less-than-stellar reviews. . The new iPad app must be easily differentiated from the existing products, and also come with different features as well. Just as there other products seek to do, this app must serve a specific function for its customer. The new iPad app should seek to capitalize on the screen size and capability of the iPad, and truly be INTERACTIVE for the user. This new brand will be a hub for those who want

to not only watch and follow their teams and players, but also participate in the journey.

To do this, first and foremost, the new app must be given a new name. Although BAM could stand to leverage the already-popular brand for the purpose of the new launch, there are a few reasons why they should go with a different brand name. Customers will automatically assume that the products are the same (both specifically made for Apple products, therefore assuming the features and specs are identical). Therefore, BAM should go with a name that vividly describes the interactive user experience, such as MLB Experience or Home Field Advantage.

Setting the stage early in terms of its name will truly help to set this product apart from the rest. With that, there should be a different price charged for this new iPad application. For the same reason that a similar name would confuse users, the new product should be a tad bit pricier (not terribly higher than the iPhone application, but enough to demonstrate the full value of its features). Since the price of this application would be directly compared to At Bat, I would suggest putting the price in the \$20-\$25 range for the length of the season.

Finally, the features need to encompass some of what At Bat does, but then bring the user experience to an entirely new level. Users will be exposed to live video with superimposed stats, live fantasy updates right on the screen, unique statistics (for instance, how well does this hitter do with two outs and runners in scoring position), and other pre-game and post-game interviews. To further differentiate between the existing products, the iPad application should not just offer two free games per day.

Instead, they should have an “ introductory demo package” that will give users 1 month of free usage, which is a one-time offer. This will allow MLB fans to see all the perks associated with the app, and essentially become hooked with 100 games left to go in the regular season. Following the initial trial package, they can allow for one or two free games per week, to allow those who haven’t experienced the app. This will avoid the criticism and the dilemma that the At Bat is facing by trying to reduce the amount of free games offered.

Furthermore, the iPad application can sell individual games in an a-la-carte type of menu, but only if those games are at a higher price than At Bat. Since fans will be receiving a higher-quality experience with more features, the price per game should be \$1. 49, and fans will be able to access this individual game at any time. By maintaining a separate brand for the iPad app, the company can encourage users and fans to purchase multiple products, which will ultimately prevent cannibalization of revenues. It will require more of a marketing push, but BAM can leverage other sources to aid in this effort.