



## THE MARKET

Baseball has been part of the fabric of American culture for more than 140 years, as a love for the sport has been handed down from generation to generation. As the protector and promoter of this incredible game, Major League Baseball, through its role as a social institution, has helped mark milestones for families, communities, cities, and the nation.

For an organization with an on-field product that has remained fundamentally unchanged for almost a century and a half, Major League Baseball has taken extraordinary steps to encourage a great and significant renaissance that will endure well into the 21st century. This commitment has brought about more changes than have been seen in the previous 100 years combined — changes that have been embraced and celebrated by a growing number of baseball fans in the United States and around the world.

These innovations have translated into tremendous growth in the business and branding of baseball. Today, Major League Baseball is an entertainment experience that holds something for everybody, everywhere, at every time.

## ACHIEVEMENTS

As a social institution, Major League Baseball places tremendous value on its activities both on and off the field.

Research has shown that if people play baseball as children they likely will carry an affinity for the game with them for the rest of their lives. Also well known is that children derive great benefit from participating in sports, including better health, increased self-esteem, and a reduced propensity for taking drugs. Commissioner of Baseball Allan H. (Bud) Selig has long been committed to creating opportunities for all kids to play, particularly those from the inner cities. Major League Baseball has championed the Reviving Baseball in Inner Cities (RBI) Program for nearly 14 years and, with the help of Boys & Girls Clubs of America, has seen the initiative grow to include over 120,000 youngsters from more than 200 cities worldwide. This year, Major League Baseball opened its first Urban Youth Academy in Compton, California, where children ages 10–15



will learn not only how to play the game but also how to live their lives. And through a partnership between Major League Baseball and the Major League Baseball Players Association, the Baseball Tomorrow Fund continues to donate millions of dollars to the funding of baseball-related projects that benefit children.

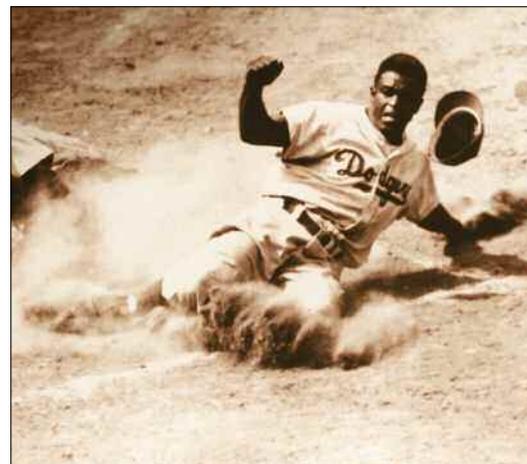
In 2005, Major League Baseball and the Major League Baseball Players Association reinforced the game's zero-tolerance steroid policy by increasing the instances of random testing; toughening punishments to 50 games for a first offense, 100 games for a second, and a lifetime ban for a third; and instituting testing for amphetamines. Building on five years of working together on various antidrug projects, Major League Baseball and the Partnership for a Drug-Free America turned their efforts toward an antisteroid initiative designed to educate children and adults about the dangers of steroids and performance-enhancing substances. The next stage of the public outreach campaign includes a new component: a poster campaign utilizing high school coaches that is designed to expand the initiative's impact on the issue of steroid use among youths.

## HISTORY

One of the most important developments to take place in baseball during the 20th century had enormous social significance for the country as well. On April 15, 1947, Jackie Robinson appeared in a Major League game with the Brooklyn Dodgers, putting an end to the game's segregated past. It was baseball's proudest moment and its most powerful social statement. Fifty years after that historic event — on April 15, 1997 — Commissioner Selig joined Jackie's wife, Rachel, and President Bill Clinton at Shea Stadium in New York to remember Jackie and the history that he made. That night, on behalf of Major League Baseball, Commissioner Selig retired Robinson's No. 42 in perpetuity. It was the first time in any sport that such a gesture was bestowed upon an athlete, and it was a recognition that Robinson truly deserved, because his achievement not only predated the integration of the U.S. Army and the *Brown v. Board of Education* decision, but it also arguably helped change the course of our country's social history. Thanks to Jackie Robinson, baseball, for the first time, became our true national pastime.

## THE PRODUCT

The essence of the brand — the ballpark experience — continues to draw millions each year. In 2004, Major League Baseball set a new all-time attendance record, which was broken in 2005, when attendance at MLB parks cracked 74.9 million and more than 116 million fans attended a professional baseball game. Many of those fans saw games at brand-new venues; indeed, the greatest ballpark construction boon in the history of the game began in 1992, with new ballparks having since opened



in Arizona, Atlanta, Baltimore, Cincinnati, Cleveland, Colorado, Detroit, Houston, Milwaukee, Philadelphia, Pittsburgh, St. Louis, San Francisco, San Diego, Seattle, and Texas. Moving forward, new ballparks are planned for the Nationals, Yankees, Mets, and Twins.

But it is through the sport's Jewel Events that baseball really shines. The All-Star Game and the World Series, two of the most celebrated sporting events of every year, have been thrilling fans for decades, showcasing the game and its players at their best.

For more than 75 years, the All-Star Game has been one of the most anticipated sports events on the summer calendar. Filled with a history bubbling with nuggets of Americana, the Midsummer Classic is the only professional all-star contest with more than pride on the line now that the winning league receives home-field advantage in the World Series.

While the All-Star Game overflows with drama for one night in July, the World Series is where legends truly are made. Established in 1903 to match the season champions of the National and American leagues, the World Series has been the seminal event of almost every baseball season for more than a century. It has provided many of the game's greatest moments, such as Don Larsen's perfect game, Series-winning walk-off shots by Bill Mazeroski and Joe Carter, and the great Red Sox run in 2004.



Television audiences are more discerning and demanding, and Major League Baseball constantly works with its broadcast partners to give viewers a new experience. Fans now tune in to see the perspective from behind home plate — literally — with shots taken by cameras in the masks of the catchers. Microphones worn by players, coaches, and managers also give fans an insider's perspective, as viewers can listen in on conversations from the bullpen, the dugout, and the field.

The ability to deliver information to fans around the globe has enlarged the Major League Baseball fan base and enriched those who already love the game. The overwhelming success of the inaugural World Baseball Classic in 2006 was the most striking example to date of the global passion for the game and the potential for its growth around the world. Sixteen federations played in six venues in Japan, Puerto Rico, and the United States, with games attended by approximately 740,000 people from all around the world. The World Baseball Classic delivered unprecedented numbers on the Internet, as MLB.com experienced great success throughout its coverage, registering more than 1 billion hits during the tournament.

#### PROMOTION

In 2004, Major League Baseball celebrated the inaugural Jackie Robinson Day. The event is now observed every April 15 throughout the league, and is one of a number of national holidays and other special recognitions within the season that Baseball uses to engage fans and activate their relationship with the game.

In addition to Jackie Robinson Day, Major League Baseball currently works to brand events with consistent creative and marketing that are executed both nationally and locally to mark 10 other events throughout the year. The list includes: Mother's Day, Father's Day, July 4, and Roberto Clemente Day, which is held every September to celebrate the humanitarian efforts of Clemente and to honor current players who give back to their communities.

Off the field, Major League Baseball reaches kids throughout America by virtue of its partnership with Boys & Girls Clubs of America. Since

MLB designated BGCA as its official charity in 1997, countless children have had the chance to realize their dreams both on and off the field. Each year, BGCA enjoys nationwide exposure through an MLB-produced public service campaign featuring MLB players interacting with area Club youths. The ads are televised nationally and locally, and are combined with the print and radio public service announcements that MLB produces. Not counting the projected value of the PSA campaigns, Boys & Girls Clubs of America has benefited from nearly \$20 million in direct and indirect funding generated by Major League Baseball over the past eight years.

#### BRAND VALUES

While monumental in its presence, baseball's greatest significance is the passion that it evokes in the individual. The game is filled with nuances and incorporates so many variables that the study and meaning of the game have captured the imaginations of baseball fans for generations. In what other sport can a single number, such as 56, 61, 73, .406, 755, or 2,632, bring instant recognition? Each game brings with it a roller coaster of emotions — slow and languid one moment, fast and furious the next. There is nothing like the palpable, heart-quicken intensity of a game-on-the-line situation. And the loyalty and fervor among fans has been passed down from generation to generation in a way that truly is unique.

Today, as it has for more than 140 years and counting, there has been no better alarm clock for the American psyche than the first "Play Ball" declaration every Opening Day. From that first game to the final pitch of the World Series, from one year to the next, baseball continues to thrill fans all around the world.



#### RECENT DEVELOPMENTS

Increasing fan interaction with the game is one of the enduring goals of MLB, and is what drives the league to work with a roster of premier partners and licensees to create ways for fans to incorporate baseball into their passions away from the ballpark.

New technology is constantly being looked to for opportunities. MLB.com, the official Web site of Major League Baseball, has made tremendous advances in streaming video, and is now considered to be the leader in the field. In fact, more than 7 million games were streamed to fans on MLB.com last year alone. Video games also are providing players young and old with increasingly realistic and challenging options, and sales levels are reaching new highs each year.

#### THINGS YOU DIDN'T KNOW ABOUT MAJOR LEAGUE BASEBALL

- On average, nearly 100 baseballs are used in any given game. Before play begins, the balls are rubbed with mud to remove some of the sheen.
- While the exact origins of the game are unknown, a letter written by an unidentified Revolutionary War soldier refers to General George Washington throwing and catching a ball for hours with his personal aide. Most likely, Washington was playing a game called "Rounders," a forerunner to the baseball we know today.
- No major professional sports team has won more championships than the New York Yankees' 26.