The baseball game-changer

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America’s national pastime is dying. Or so you might think if you read much of the commentary surrounding baseball these days. Those who believe baseball is on the decline, point to the growing dominance of the National Football League (NFL) with its record-setting national viewership, massive TV deals, exploding revenue, and the cultural importance of the Super Bowl. These negative forecasters also point to declining national TV ratings for the World Series, a lack of general awareness of some of baseball’s biggest stars, and the fact that baseball doesn’t dominate the American sports conversation anymore. It’s also no secret that many fans are turned off by the high cost of attending games – and with the proliferation of cable channels and other content services, they have no shortage of alternative entertainment options.

But is this true? How well is Major League Baseball (MLB) doing today? The reality is that it has never been healthier. MLB revenue exceeded $9 billion in the 2014 season – a 100% increase from 2000 – and it is expected to top $10 billion in 2015. Meanwhile, MLB commissioner Rob Manfred has set a revenue goal of $15 billion for the next decade. Strong attendance also suggests that MLB is doing better than some might realise. In 2014, game attendance for the season hit nearly 74 million, with the past ten seasons ranking as the most-attended of all time.

So what are those who have a dim view of the state of MLB today missing?

First, they’re overlooking the way people engage with the sport. The baseball season is a marathon: from the early spring and into fall, MLB teams play 162 regular season games before the post-season. While there are a handful of games per week that are nationally broadcast, it is primarily consumed locally, with fans tuning into their local teams on a nightly basis through a regional sports network. Contrast this with the NFL, which hosts 16 regular season games from the early fall into winter, with the games broadcast nationally. Those making dire warnings about the state of the sport miss that baseball is enjoyed locally over the course of a season, while NFL fans spend Sundays watching national coverage of multiple teams they’re not necessarily rooting for. Simply put, baseball is consumed and enjoyed regionally, while football is consumed and enjoyed nationally.
But what’s most important to note is the digital revolution going on behind the scenes, one that has fundamentally altered how baseball engages its localised audiences — both casual and passive fans, as well as the more active. MLB has embraced digital channels to further engage with its audiences everywhere. These efforts started in earnest in 2000 when the league launched MLB Advanced Media (BAM) with funding from all 30 teams. Initially created to run mlb.com and the individual team websites, BAM is now a full-service media entity offering news, stats, live streaming, radio broadcasts, mobile apps, and more. BAM was an almost immediate success, paying out dividends to the owners within a few years.

With the formation of BAM, MLB management realised it was sitting on a highly valuable content engine. Consider this: if you were a Boston Red Sox fan living in New York before 2003, you would only be able to enjoy watching your team when they were in town to play the Yankees, or if they were one of the featured teams on a national telecast station such as ESPN or FOX. Many of MLB’s most engaged fans could not even watch their favourite teams before — which is the way most fans enjoy baseball. Thanks to BAM, the MLB seized an opportunity to bring a 19th-century sport into the 21st century, in partnership with all of its teams.

In 2002, BAM launched mlb.tv, baseball’s online streaming service, offering to stream feeds of out-of-market pennant race matchups so that engaged fans could follow the most exciting part of the season. In 2003, mlb.tv expanded to offer a full list of regular season out-of-market games, streaming to PCs. The real breakthrough came in 2009 when BAM launched its At Bat app for the iPhone. The app, now available for other platforms, includes baseball news, scores, live game tracking, videos, and, yes, allows the streaming of games directly to mobile devices. In 2014, the app was downloaded 11 million times and 2 billion live games were streamed to various devices over mlb.tv. Today, MLB At Bat is the highest-grossing iOS app of all time.

With these initiatives, BAM became a pioneer in monetising streaming content and ensuring that fans who wanted access to their product were not denied. But this is just one piece of the engagement puzzle. Another is data. One thing that separates baseball from other sports is its wealth of statistical information. The sport is, in essence, a series of discrete events in which the outcomes can — and have been — measured since the sport began. The measurement process has become more and more sophisticated over time, with MLB actively encouraging innovation. It started by adopting PITCHf/x, a system created by Sportvision, which tracks the movement and velocity of pitches thrown, using cameras installed within baseball stadiums. Not only does it feed into Gameday — the live game tracking system that allows users to see an animated visualisation of how the game is unfolding — it also creates a database of highly accurate information pertaining to speed, movement, and type of pitches. This is a boon for those interested in detailed statistical reports on pitchers: what they throw, how they throw it, and what happens when they do. PITCHf/x represents a leap forward in terms of making information available to fans, particularly the ones with the deepest interest in the sport.

More recently, MLB introduced Statcast, an advanced tracking technology that, according to MLB, is capable of gathering and displaying previously unmeasurable aspects of the game. Similar to PITCHf/x, it uses high-resolution cameras, now augmented by radar, and it precisely tracks all the action on the field. It can measure a pitcher’s release point, pitch timing, and the spin rate of the ball. For hitters, it can measure the exit angle, velocity, and flight path of a batted ball. On the defensive side, the technology can track fielders’ top speed, first-step timing, and the efficiency of the route taken to arrive at the ball. With the explosion of participation in sabermetrics — the empirical analysis of baseball through advanced statistics — and fantasy baseball leagues, the audience with an appetite for data has never been bigger. Sabermetrics has begun to facilitate a whole new way of analysing events on the field, and provides even more accurate data to teams for evaluating players. It is still in its early stages, but what it is capable of — and how it may change the game and analysis of the game — remains to be seen.

However, technology and digital channels can do more than provide the most engaged fans with nearly unlimited content, reams of data, and a better shot at beating their friends in their fantasy baseball leagues. It can also make the experience of any fan, casual or committed, better at the ballpark.

In 2012, MLB introduced a new app called At The Ballpark. It provides users with a customised ballpark experience: they can ‘check in’ when they arrive at a game to access ballpark maps, concession options, and interesting team information. But the real value comes from the ability to upgrade seats in real time.

All of these recent initiatives prove how much of the curve MLB is in terms of using technology to drive fan engagement and safeguard the sport from declining interest. In fact, mlb.tv was an early player in the streaming game, and BAM had to become extremely capable in building out the platform’s infrastructure to house a high volume of programming. As a result, mlb.tv has become one of the most adept streaming providers out there. According to Forbes, by 2015, mlb.tv will pass 2 billion games live streamed in 720p HD per year.

So now, when other sports or content providers need to stream, BAM has become a provider of choice for backend infrastructure. Not only has the NHL partnered with BAM to stream their own games (with BAM providing some equity to the NHL as part of the deal), BAM has also provided infrastructure for ESPN, the 2014 World Cup, March Madness, WWE, and more.

BAM is now much more than just a digital operation for MLB. It has expertise and experience in the streaming space that is highly coveted. This will now pay off in a big way for MLB, beyond increasing fan engagement. Reports say that BAM will be spun off from MLB into its own independent company (BAM Tech), potentially with a value over $5 billion.

By having foresight, making a commitment to try new things to engage with fans, continuing to improve its product, and finding novel ways to give people more of what they want, MLB may be in for a windfall that sceptics of the sport have considered unimaginable.