

# Industry Insider: John Brody

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This interview was conducted by **Jim Kadlec**, associate professor and chair of the Department of Human Performance and Sport Business at Mount Union College and Vice President for Industry Relations of the Sport Marketing Association.

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*NOTE: At the time the interview was conducted, John Brody was still in his role as Senior Vice President of Corporate Sales & Marketing for Major League Baseball. He started his new role with Wasserman Media Group on August 30, 2010.*

**Q: To begin with, what impact has the economy had on the sport industry in general and more specifically Major League Baseball?**

**Brody:** Sports in general, in this economic downturn of the last 18 to 24 months, was high profile and an easy punching bag for many different folks to concentrate on. Yet whether it is in ticket sales or in sponsorship or any form of third-party relationship, people are ingesting or consuming sports because they enjoy it, and because they find it to be good business.

One of our valued business partners is Bank of America, who was a part of all the conversations relative to TARP funding. When questioned about their motivation behind their presence in sports, they responded by stating they have been doing it for a very simple reason and, make no mistake, for every dollar they put in they get three dollars out. I am not an economist and I am certainly not as skilled in the banking sector as many of my colleagues from Bank of America but I know if I put one dollar in and get three dollars out, that is a good investment. The investment in sport by brands like Bank of America and all of our partners here at Major League Baseball is because it is good business.

The over-arching comment is people continue to spend and the spending will escalate in sport sponsorship because it is good business that is driven by return on investment. As the world continues to open its doors globally, providing an increase of choices, we think more people will choose sports; baseball most notably.

Last year unequivocally was a time of great economic challenge for all people around the country and around the world. We were very fortunate as a sport property not because of luck or because of predictions but because of preparation and commitment to the fans, such that we enjoyed the fifth-best attendance mark in our history of over 139 years. Almost 73.5 million fans went to Major League Baseball games and more than 41.5 million fans went to minor league baseball games in over 200 cities. In total more than 115 million people essentially voted with their feet and wallets, saying in good times and bad, baseball is an important component of their lives. We are very fortunate because of what we have as a product. And also, we opened two new state-of-the-art facilities in New York. Nearly seven million fans went to those ballparks and enjoyed some of the state-of-the-art amenities that the Mets and the Yankees put forth in an amazing upgrade for the fans of New York.

We were able to continue to have fans go to our ballparks because it is about affordability, access, and understanding what the fan wants. Our clubs were very quick to see the economic challenges facing this country and reacted with great opportunities for fans to come to the ballpark and spend time. Affordable family fun is something that we pride ourselves on. I think that you will see more sport and entertainment properties generally adopting the moniker that we have a commitment to provide affordable family fun and more creative approaches to how sport properties, clubs, and teams attract their fan base.

To start with, you have to have a quality product. You have to be relevant to the fan base and you have to be worth the investment because people have only a certain amount of money to spend on entertainment and a certain amount of time to dedicate to it. That is

why we thought that we were so well positioned in a challenging time that nobody wanted to endure.

**Q: Speaking of value and affordable entertainment, Major League Baseball seems to have popularized the concept of the all-you-can-eat sections. Is this something the league level pushed as a best practice for teams or did it come out of a couple of teams and they talked with others and it snowballed?**

**Brody:** We are very careful at the league office to know what we know and know what we don't know. We think that we have some of the best and brightest in the field working for us at the club level to come up with creative ticketing solutions and marketing plans. We do not legislate from the league office. We allow our clubs to do what they know better than we know, which is how to sell tickets and interact with their fans.

What works in Atlanta might not work in Philadelphia. What works in Philadelphia might not work in Toronto. So we certainly are here to provide detailed information and support, but we allow our clubs to know the marketplace that they live, work, and play in better than we do.

Whether it is all-you-can-eat sections or family fun days, our sport has been very creative. Providing fans with the opportunity to touch the Wrigley Field grass or being able to run the bases at new Target Field in Minnesota are the sort of experiences and the unique access that our clubs have been so aggressive in putting forth. I think that has been a real difference maker for our clubs and our sport.

**Q: How do you see sponsorship evolving?**

**Brody:** Let me go back to the opening statement I made. People do sponsorships; leading brands do sponsorships, because they are good business. We work very hard in baseball to ensure the return on investment. The understanding of property assets from an intellectual property standpoint and a unique access standpoint and a media standpoint is something that is well explained to any potential partner. We are very selective, not out of arrogance but out of great respect for our brand and the brands of potential partners. We are very aggressive and selective about who we do deals with, who we tie our intellectual property to.

We have some strong tenets that we believe great partnerships are built with. The first is we need our partners to be all-in. Two simple words, but it is very difficult to find partners who can commit to that sort of strategy. All-in means a sponsor that is not someone who wants to take our rights for a specific time period in the month of July in a specific year. It is someone who has a long-term commitment to what Major League Baseball stands for; to the fabric of America and around the world and what our brand means to consumers. We are fortunate that more than 60% of

Americans consider themselves baseball fans. That is a tremendous place to start from but I think it is important as a brand to know what you are and know what you are not. I think that we know what we are. We obviously attract a significant reservoir of consumers for brands to pull from. If we want partners who are all-in, it is important for us to know what we can offer the brands and the consumer before getting into deal making.

The second tenet for us is to make sure we understand their business, we understand what their objectives are, and we understand what they can and will do to support the Major League Baseball partnership. We look at our sponsor partners as the great enablers and the conduit to our fans. We look for the brands like MasterCard, General Motors, State Farm, and Anheuser Busch to help take messages about baseball and their brand to the consumers. That is why these are true marketing partnerships, not sponsorships. We are asking them to help us market our sport and their brand together. If you select your partners carefully you don't have to try to come up with ideas to help them market. Everything is already planned, everyone is already researched, and everyone is ready for the exposure mechanisms that you have in your agreement.

During the last couple of years I have had a lot of questions from reporters about, "Have you changed or improved your ROI or research model?" And the quick answer is no, but the true answer is no, because we already had it. We aren't all of a sudden trying to find return on investment for our partners and trying to incorporate research into how we sell and how we market. We are doing the same thing we did three, four, five, six years ago because that is how you make sure you're finding the right partner and you are the right partner for the company that you are working with.

There is a reason why we have been with Gillette since 1939. I think that it obviously speaks to the value of our brand, but it also speaks to the fact that we understand what they stand for and they understand what we stand for. It is based on research and market understanding, not just how we can try to figure out a deal. I think that you will see much more of that as you look to the future, not just in 2010 but for years to come.

**Q: As a league it seems you have intentionally not sliced categories up but instead have focused on fewer, bigger, and more comprehensive deals that make it a greater value for your partners. Has that been a deliberate approach?**

**Brody:** It is deliberate. Another one of our philosophies is less is more. We don't have a number. It could

be five partners, it could be 30 partners. But if you are truly able to support the all-in philosophy, if you are a best in breed, and we are, then you can be very selective. We are stewards of this great American brand known as Major League Baseball. If we are going to tie our brand into another intellectual property, we want to make sure we do our research. The companies that we are tied to are also best in breed. There is a reason why we are with who we are with. It is not just about finding the right partner who can spend the right amount of money. It is finding the right partner who markets their brand in a way that we want to market ours and also embraces and understands the all-in philosophy.

We have been successful in adding partners strategically but it has always been about less is more; having fewer partners doing more. We believe this is a better philosophy over the long term than expansion of the business in any way, shape, or form that will allow us to get revenue in the short term. We think you do better by having a consistent approach and having the best in breed partners doing more.

Return on investment is certainly a priority but we have also heard more about 360-degree marketing programs, which I think you will see much more of in the years ahead. An example is our deal with Scotts Lawn Care. Let's check the different boxes: Best in breed? Yes, a dominant category leader. Research looking at a cross section of our fans and their customers jumped off the page with their's over indexing. Do they have a commitment to all-in partnerships? Well, this is the largest, most comprehensive partnership they have ever done and I think one of the largest, most cohesive programs that has ever been done by us or anyone in sports. It is a sponsorship that has national exclusivity and a lot of national elements as well as local extensions. I think they have eight local deals, so they are getting into the markets that are most important for their business. Their partnership with MLB will allow them to take their local deals and leverage them on a national scale, selling grass seed from ballparks including Wrigley Field and Fenway Park. Having a national overlay, they will have significant media commitment. They will be involved nationally in licensing seed and fertilizer but they also have a component where they will use their expertise as the leading lawn care company in the world and help refurbish youth baseball fields in local communities. This type of deal could not have been executed 10 years ago because the sophistication needed for the level of integration among different facets of the baseball world and Scotts didn't exist. As sponsors and properties get deeper into how they are going to take their brands to market, more deals like this will come to be.

**Q: Can you tell us about your relationship with Holiday Inn? They seem to have done a very good job of leveraging their relationship with baseball.**

**Brody:** This is an example of what we try to do for brands. Last year they re-launched the Holiday Inn brand in America. Intercontinental Hotels Group, the parent to Holiday Inn, is the largest hotel chain in the world. Holiday Inn is one of those golden brands in America and to change the brand as significantly as they did is a tremendous undertaking. We worked with them for the better part of two years to re-launch the Holiday Inn brand. The first real execution tied to the re-launch of the Holiday Inn brand was around the 2009 Major League Baseball All-Star Game for a few reasons. The simplest reason is the media strength of the All-Star game, using the ability that we had to plan and orchestrate a complete solution on how they would go to market through media and different executions tied to the re-launch of their brand. They knew that they had a big event coming in 2009 and we executed it for them. They have been successful as they looked to 2010 as the first year that this new brand launched. A lot of it had to do with how we unveiled it during All-Star week last year.

**Q: With respect to Major League Baseball, can you talk about the role of technology and its impact in the world of sport marketing?**

**Brody:** Technology is, in its simplest form, an enabler to allow people to have greater access to the sport in different ways. If you go back 50 years you needed either to be near a Major League Baseball ballpark or you needed rabbit ears on your television or radio so you could actually hear the game broadcast. Technology has impacted the way that people can enjoy sports, whether you want to instantly find a score update on your PDA or watch a game online on MLB.com even if you are out of the country. I am certainly not the one to predict what the next iPhone application will be, because I am not a technology expert. We have experts here at baseball through our Internet company and our network.

Our job on this side of the business is to try to find more access points for baseball and sports in general. I think technology will continue to find incredibly innovative ways to deliver content. Sports content and baseball content in particular is something that people crave. That is why MLB.com launched at the turn of the century. That is why MLB Network launched this past year and it is the largest launch in the history of cable television—not in cable sports television, but in cable television vs. the likes of MSNBC and OXYGEN and CNBC, FOX Business. We are in more than 54 million homes. That is about access and I think technology will continue to evolve as great minds through-

out the country and the world find new ways to integrate technology into customers' consumption of media and content.

Generally, as a sport and as a property we embrace technology to make the fan experience better. It may be in other forms of media that I talked about or along the lines of what we did with our partner at MasterCard. When you go to the hot dog stand to get your hot dog and a Pepsi you can just swipe your MasterCard rather than having to fumble for cash. We think that is technology being an enabler for improving the customer experience. All of those different forms of technology really help make the experience better. This is a small example, but instant replay began in a limited way in our sport in August of 2008. We looked to our technology partner Sharp to provide the LCD televisions for all 30 Major League ballparks after the commissioner made the decision to allow instant replay in limited forms. Those are just a couple of examples of technology.

**Q: How has Major League Baseball addressed retention—both retention of your partners as well as your fans?**

**Brody:** Retention revolves around having a good plan going in, if you have done the proper research to prepare yourself and your business partner, and whether you execute. If you prepare, research, and execute properly then everything should take care of itself. It doesn't always happen that easily, though. There are so many outside factors that can impact the success of a given promotion, marketing platform, or relationship. We put ourselves in the best position to be successful by being as prepared as we can, being as thoughtful as we can, and researching and getting ourselves in the best position to be successful. I think that is also true on the club level with customer retention. Clubs need to be trying to put the best team on the field, be competitive, have the best customer service on the driveway-to-driveway experience, and offer fans value, access, and an interesting product. Most of the time that will put you in a position to be successful.