

## THE OAKLAND A's (A)

Steward Roddey, general manager of the Oakland A's baseball team, stared at the attendance figures he had put together for the recently completed 1980 season (**Exhibit 1**). It was October 1980, and Roddey was in the middle of a difficult contract negotiation with the agent for Mark Nobel, one of the star players for the A's. Nobel and his agent had argued that, in addition to contributing to the recent success of the A's team, Nobel had also been an attraction at the box office. They claimed that people came to the game specifically to see Nobel pitch, and that Nobel should be compensated accordingly.

Roddey believed there could be some truth to Nobel's claims but wanted to look carefully at last year's figures nonetheless. He put together the information in **Exhibit 1** as a first step, recording everything he thought could possibly influence attendance. The next meeting with Nobel's agent was two weeks away, so Roddey had plenty of time to analyze the data.

### Professional Baseball: Background

The Oakland Athletics Baseball Club was one of 28 professional teams that played baseball in the major leagues. Each team played 162 games a season within its league, half of which were played at home (see **Exhibit 2** for final 1980 standings). At the conclusion of the regular season, the teams with the best won-lost percentages in each of the four separate divisions participated in a post-season single elimination tournament. The first round was a best-of-five game series between the division winners in each league. The two league championship teams then met in a best-of-seven game series called the World Series and the winner was designated World Champion.

Each team was owned and operated independently within a framework set forth in the 1921 document, "Major League Agreement." Although gross revenues from the sale of tickets to each game were shared (77% to the home team, 20% to the visiting team, and 3% to the league office), each team was responsible for its own expenses. The largest expense items for the A's were players' salaries, player development, travel, accommodations, and stadium rental. The

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major expenses associated with actually staging an Oakland home game in the 50,000-seat Oakland-Alameda County Coliseum were also incurred by the A's.

## The 1980 Season

The Oakland A's finished second in their division in 1980 with a record of 83 wins and 79 losses, 14 games behind the division-winning Kansas City Royals. Many attributed this turnaround from their 1979 last-place finish to their new manager, Billy Martin (see **Exhibit 3**).<sup>1</sup> Perhaps the most colorful manager in baseball, Martin had managed six different teams in twelve years. In each instance, he had brought faltering teams to the top of the standings, but was fired a short time later.

A second ingredient in the success of the 1980 A's was the remarkable performance of their young pitching staff.<sup>2</sup> Led by Mark Nobel, they had an earned-run average<sup>3</sup> of 3.46 (best in the league), compared to 4.74 the year before. Many baseball people attributed this abrupt improvement to the fact that Martin had instructed his pitchers in the art of throwing "spitballs,"—an effective but highly illegal pitch.

The successes of the A's on the field carried over to the box office. Home attendance in 1980 nearly doubled over the previous season, and road attendance was the highest it had been in the A's history (see **Exhibit 4**). Total gross revenues from the sale of tickets at home games amounted to \$3.085 million, compared to \$1.489 million the year before. Ticket prices, the lowest in the league, ranged from \$2.00 to \$6.00 (see **Exhibit 5**), with various discounts (such as half-price night and group rates) offered throughout the year. An aggressive series of promotions numbered 13 in 1980, as compared to 4 the previous year (see **Exhibit 6**).

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<sup>1</sup> The manager of a major league team had the responsibility for directing all activities of the team associated with playing and preparing to play the game of baseball. A baseball manager was roughly equivalent to a head coach in other sports.

<sup>2</sup> The pitcher, one of nine players on one side in the game at any one time, started each play by throwing the baseball towards the opposing team's batter. The pitcher had perhaps more influence on the outcome of the game than any one other player. Because he often threw over 100 pitches a game, his arm could not endure more than one game every four or five days.

<sup>3</sup> An earned-run average was a measure of the average number of runs per game the opposition scored against each pitcher during a game. It was considered by many to be the most important measure of a pitcher's performance.

## Factors Affecting Attendance

**Exhibit 1** gives data on the following factors Roddey believed could influence attendance at home games:

*Day of the week.* Roddey was confident that the day of the week on which the game was played influenced attendance. Generally, he thought, weekend games were better attended because more people (especially children when school was in session) had leisure time on weekends.

*Team performance.* Everyone loves a winner, and Roddey believed that the better the A's played, the more people would want to see them play. Especially important was the A's performance relative to the teams in its division. Two measures of this factor are included in **Exhibit 1**: the A's ranking compared with other divisional teams and the number of games the A's were behind the leading team.<sup>4</sup>

*Weather.* The Oakland Coliseum was an open-air stadium, and weather conditions (especially rain) could influence attendance. Included in **Exhibit 1** is the average temperature and a record of precipitation during each game.

*Double headers.* Six times during the 1980 home season, the Oakland A's played double headers, that is, two consecutive games on the same day between the same teams. Thus, the 75 entries in **Exhibit 1** represent 81 home games. One ticket, at the same price as a single-game ticket, provided admission to both games. Roddey believed this two-for-the-price-of-one bargain increased attendance but was unsure if double headers were actually more profitable than two single games on separate days.

*Starting times.* Baseball could be played in daylight or under artificial lighting at night. Thirty-nine of the A's home dates represented day-time single games or double headers, with the remainder being night games or double headers starting in the late afternoon (see **Exhibit 5** for starting times). Roddey was quite familiar with the difference in the composition of day-versus-night game crowds but was not sure if there was any real difference in total attendance. **Exhibit 1** contains information on which of the 75 dates were played under the lights.

*Starting pitcher.* Many baseball aficionados thought that the quality of the starting pitcher affected attendance. The starting pitchers for each baseball game were scheduled days in advance, and this information was published in local newspapers. Roddey thought that

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<sup>4</sup> "Games behind" may be interpreted as the number of consecutive games the A's would have to win and the division leading team would have to lose before the two would be tied for first place. As an example, if the California Angels were in first place with a record of 42 wins and 34 losses and the A's had won 37 and lost 39, the A's would be 5 games behind the Angels. Comparing the number of games behind to the number of games remaining gave some indication of the chances a team had of eventually winning the division.

pitcher Mark Nobel, who might have been considered a star attraction, could conceivably have influenced people to attend those ball games in which he performed. **Exhibit 1** gives those games in which Nobel was the starting pitcher.

*Opponent.* Although most people came to the ball park to root for the home team, characteristics of the opposing team could also be important criteria in choosing to attend a baseball game. In particular, the New York Yankees—perhaps baseball’s most famous team—were known to attract larger crowds than many teams. Roddey was certain that the Yankees had a big effect on the 1980 season attendance, since the A’s manager Billy Martin had been fired by the Yankees the previous year. **Exhibit 1** identifies the opposing team in each contest.

*Television.* In the past it had been generally thought that televising a home game would dissuade people from attending the game in person, thus depriving the home team of ticket revenue. Recently, however, the amounts of money local stations offered for broadcast rights to home games had convinced many local teams to televise a portion of the home schedule. **Exhibit 1** shows that nine home games were carried on local Oakland station KPIX.

*Promotions.* **Exhibit 6** lists the kinds of promotions, all designed to bring people into the ball park, run by the A’s in 1980. Roddey was fairly confident that they did increase attendance; thus **Exhibit 1** includes them as part of the attendance data.

## Nobel’s Pitch

Mark Nobel’s record before 1980 had not been impressive. The 26-year-old had won a total of only 11 games for the A’s, although Nobel had been in the major leagues since 1975. An arm injury early in that first year had contributed to his poor performance. He was making only \$40,000 a year in 1980, when he turned in a spectacular season. As he entered salary negotiations, he was talking in terms of \$600,000 a year.

The major evidence presented by Nobel and his agent in support of his salary demands was performance statistics from the 1980 season. Nobel started 33 games, winning 22 and losing 9. He was the second best pitcher in the American League in four important categories: earned-run average (2.53), completed games (24), innings pitched (284-1/3), and strikeouts (180). He was voted the Gold Glove Award as best fielding pitcher and finished second in the balloting for the Cy Young Award, given each year to the outstanding pitcher in each league.

Nobel also argued that he had the ability to attract people to the ball park. He had been quoted in *Sports Illustrated*<sup>5</sup> as saying: “I’m not saying anything against Rick Langford or Matt Keough (fellow A’s pitchers) ... but I filled the Coliseum last year against Tommy John (star

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<sup>5</sup> Ron Fimrite, “Winning is Such a Bore,” *Sports Illustrated* (April 27, 1981).

pitcher for the Yankees).” The implication was that Nobel felt he did indeed personally attract people to the games.

The hard numbers behind this argument had been presented to Roddey in a previous negotiation session. The average home attendance for the 16 games that Nobel started was 12,663.6. When Nobel did not start, the average was only 10,859.4. Nobel’s agent multiplied the difference in attendance, 1,804.2, by the average ticket price, \$3.66, and then by 16; he put forth the resulting figure, \$105,650, as a rough measure of the value of Nobel to the Oakland A’s as a box-office attraction. The agent also made it clear that this value was above and beyond the value associated with Nobel’s ability to help the A’s win ball games.

Exhibit 1  
**THE OAKLAND A's (A)**  
1980 Home Game Data

<u>Date</u>	<u>No. of Tickets Sold</u>	<u>Opposing Team</u>	<u>Position</u>	<u>Games Behind</u>	<u>Day of Week</u>	<u>Average Temp.</u>	<u>Precipitation</u>	<u>Time of Game</u>	<u>Televised</u>	<u>Promotions</u>	<u>Nobel</u>
4/10	24,415	2	5	1	4	57	0	2	0	0	0
4/11	5,729	2	3	1	5	66	0	2	0	0	0
4/12	5,783	2	7	1	6	64	0	1	0	0	0
4/13	6,300	2	5	1	7	62	0	1	0	0	0
4/14	5,260	1	7	2	1	60	0	2	0	1	1
4/15	2,140	1	6	1	2	60	0	2	0	0	0
4/16	2,418	1	4	1	3	61	0	1	0	0	0
4/18	6,570	3	3	1	5	58	0	2	0	0	0
4/19	5,239	3	2	1	6	59	0	1	1	0	1
4/20	9,014	3	1	0	7	57	1	1	1	0	0
(double header)											
5/2	8,636	5	1	0	5	57	0	2	0	0	0
5/3	7,062	5	1	0	6	59	0	1	1	0	0
5/4	18,217	5	1	0	7	58	0	1	0	0	1
(double header)											
5/5	12,605	11	1	0	1	60	0	2	0	0	0
5/6	24,272	11	1	0	2	60	0	2	0	1	0
5/7	4,731	11	1	0	3	60	0	1	0	0	0
5/10	4,929	7	1	0	6	55	1	1	0	0	0
5/11	7,839	7	1	0	7	57	0	1	0	0	1
5/23	4,141	12	4	2	5	56	0	2	0	0	0
5/24	5,061	12	3	2	6	55	0	1	1	0	0
5/25	10,549	12	5	3	7	57	0	1	0	0	1
5/26	21,882	13	4	2	1	58	0	1	1	0	0
5/27	4,488	13	4	3	2	58	0	2	0	0	0
5/28	4,094	13	3	2	3	59	0	1	0	0	0
6/6	15,947	9	3	6	5	59	0	2	0	0	1
6/7	12,990	9	3	6	6	61	0	1	0	0	0

Exhibit 1 (continued)

Date	No. of Tickets Sold	Opposing Team	Position	Games Behind	Day of Week	Average Temp.	Precipitation	Time of Game	Televised	Promotions	Nobel
6/8	18,753	9	3	7	7	63	0	1	0	0	0
6/9	20,162	10	3	7	1	61	0	2	0	0	0
6/10	3,873	10	3	7	2	59	0	2	0	0	0
6/11	5,628	10	3	7	3	60	0	1	0	1	0
6/13	47,768	4	3	7	5	60	0	2	0	0	0
(double header)											
6/14	27,312	4	3	7	6	63	0	1	0	0	1
6/15	46,294	4	3	8	7	64	0	1	0	1	0
6/23	17,666	6	3	9	1	62	0	2	0	1	0
6/24	4,899	6	4	10	2	62	0	2	0	0	0
6/25	6,856	6	4	11	3	63	0	1	0	0	0
6/27	8,482	8	4	11	5	69	0	2	0	1	1
6/28	5,204	8	4	12	6	69	0	1	1	0	0
6/29	7,369	8	4	12	7	63	0	1	0	0	0
7/10	11,337	3	5	12	4	66	0	2	0	0	1
(double header)											
7/11	7,696	3	5	12	5	62	0	2	0	0	0
7/16	7,413	5	5	13	3	65	0	2	0	0	0
7/17	6,370	5	3	12	4	65	0	1	0	0	0
7/18	5,949	11	3	12	5	60	1	2	0	0	1
7/19	6,506	11	3	11	6	65	0	1	1	0	0
7/20	10,606	11	3	11	7	65	0	1	1	1	0
7/21	14,588	7	3	12	1	65	0	2	0	1	0
7/22	8,645	7	3	12	2	63	0	2	0	0	1
(double header)											
7/23	4,765	7	3	12	3	64	0	1	0	0	0
8/4	16,741	2	2	12	1	65	0	2	0	0	0
8/5	4,651	2	2	12	2	67	0	2	0	0	0
8/6	6,697	2	2	12	3	63	0	1	0	0	0
8/8	6,283	1	2	13	5	62	0	2	0	0	0

Exhibit 1 (continued)

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Date	No. of Tickets Sold	Opposing Team	Position	Games		Day of Week	Average Temp.		Precipitation	Game	Time of Game	Televised	Promotions	Nobel
				Behind	Behind									
8/9	13,629	1	2	12	12	6	63	63	0	1	1	0	1	1
8/10	13,062	1	2	13	13	7	63	63	0	1	1	0	0	0
(double header)														
8/19	11,934	9	2	15	15	2	67	67	0	2	2	0	0	0
8/20	7,569	9	2	15	15	3	65	65	0	2	2	1	0	1
8/21	10,947	9	2	15	15	4	61	61	0	1	1	0	0	0
8/22	11,532	10	2	15	15	5	62	62	0	2	2	0	0	0
8/23	10,578	10	2	16	16	6	64	64	0	1	1	0	1	0
8/24	18,745	10	2	17	17	7	63	63	0	1	1	0	1	0
8/25	47,946	4	2	17	17	1	62	62	0	2	2	0	0	1
8/26	32,905	4	2	17	17	2	62	62	0	2	2	0	1	0
9/8	9,731	12	3	19	19	1	65	65	0	2	2	0	0	0
9/9	2,443	12	3	18	18	2	63	63	0	1	1	0	0	0
9/10	3,598	12	2	17	17	3	64	64	0	1	1	0	0	1
9/12	17,440	13	2	17	17	5	62	62	0	2	2	0	0	0
9/13	11,253	13	2	16	16	6	61	61	0	1	1	0	0	0
9/14	10,756	13	2	17	17	7	63	63	0	1	1	0	0	0
9/23	3,069	8	2	15	15	2	70	70	0	2	2	0	0	0
9/24	3,836	8	2	14	14	3	69	69	0	2	2	0	0	0
9/25	3,180	8	2	14	14	4	64	64	0	1	1	0	0	0
9/26	5,099	6	2	14	14	5	64	64	0	2	2	0	0	1
9/27	4,581	6	2	13	13	6	62	62	0	1	1	0	0	0
9/28	10,662	6	2	12	12	7	65	65	0	1	1	0	1	0

Legend:

Opposing Team:

- 1 Seattle
- 2 Minnesota
- 3 California
- 4 Yankees
- 5 Detroit
- 6 Milwaukee
- 7 Toronto

- 8 White Sox
- 9 Boston
- 10 Baltimore
- 11 Cleveland
- 12 Texas
- 13 Kansas City

Position: A's Ranking in American League West

Day of Week: Monday = 1, Tuesday = 2, etc.

Precipitation: 1 if precipitation; 0 if not

Time of Game: 1 if day game; 2 if night game



Exhibit 2

**THE OAKLAND A's (A)**

Final 1980 Standings

**American League**

**Eastern Division**

	<u>W.</u>	<u>L.</u>	<u>Pct.</u>	<u>G.B.*</u>
Yankees	103	59	.636	--
Baltimore	100	62	.617	3
Milwaukee	86	76	.531	17
Boston	83	77	.519	19
Detroit	84	78	.519	19
Cleveland	79	81	.494	23
Toronto	67	95	.414	36

**Western Division**

Kansas City	97	65	.589	--
Oakland	83	79	.512	14
Minnesota	77	84	.478	192
Texas	76	84	.472	202
Chicago	70	90	.438	26
California	65	95	.406	31
Seattle	59	103	.364	38

**National League**

**Eastern Division**

	<u>W.</u>	<u>L.</u>	<u>Pct.</u>	<u>G.B.*</u>
Philadelphia	91	71	.562	--
Montreal	90	72	.556	1
Pittsburgh	83	79	.512	8
St. Louis	74	86	.457	17
Mets	67	95	.414	24
Chicago	64	96	.386	27

**Western Division**

Houston	92	70	.568	--
Los Angeles	92	70	.568	--
Cincinnati	89	73	.548	3
Atlanta	81	80	.503	112
San Francisco	75	86	.466	172
San Diego	73	89	.451	20

\*G.B. refers to games behind. Because the Yankees won three more games than Baltimore, Baltimore was three games behind the Yankees.

Source: *New York Times* (October 6, 1980).

Exhibit 3  
**THE OAKLAND A's (A)**  
Past Team Performance

<u>Year</u>	<u>W.</u>	<u>L.</u>	<u>Pct.</u>	<u>Pos.</u>
1968	82	80	.506	6
1969	88	74	.543	2
1970	89	73	.549	2
1971	101	60	.627	1
1972	93	62	.600	1
1973	94	68	.580	1
1974	90	72	.556	1
1975	98	64	.605	1
1976	87	74	.540	2
1977	63	98	.391	7
1978	69	93	.426	6
1979	54	108	.333	7
1980	83	79	.512	2

Exhibit 4

**THE OAKLAND A's (A)**  
Yearly Oakland Attendance

<u>Year</u>	<u>Home</u>	<u>Road</u>	<u>Total</u>
1968	37,466	960,210	1,797,676
1969	778,232	992,124	1,770,356
1970	778,355	971,568	1,749,923
1971	914,993	1,222,741	2,137,734
1972	921,323	1,115,553	2,036,876
1973	1,000,763	1,382,250	2,383,013
1974	845,693	1,526,630	2,372,323
1975	1,075,518	1,436,383	2,511,901
1976	780,593	1,392,109	2,172,702
1977	495,412	1,195,138	1,690,550
1978	526,412	1,381,142	1,908,141
1979	306,763	1,393,196	1,699,959
1980	843,319	1,572,926	2,416,245
<b>Total:</b>	10,105,429	16,541,964	26,647,393
<b>Average:</b>	777,341	1,272,458	2,049,800

Exhibit 5

**THE OAKLAND A's (A)**

**Ticket Prices and Starting Times**

First Deck Tickets .....	\$6.00	Single Night Games.....	7:30 p.m.
Second Deck Tickets .....	\$5.00	Single Day Games .....	1:30 p.m.
Third Deck Tickets .....	\$4.00	Day Doubleheaders .....	12:30 p.m.
Bleacher Tickets .....	\$2.00	Tw-Night Doubleheaders .....	5:00 p.m.

Special Group Plan: A group of 25 or more could receive \$1.00 off the regular full price for each ticket purchased to A's games (Monday excluded).

Source: Company records.

Exhibit 6

**THE OAKLAND A's (A)**

1980 Promotions

<u>Date</u>	<u>Promotion</u>
4/14	Half-price Night
5/6	Drawings for Gifts
6/11	Bartenders' & Culinary Union Day—Free admission
6/15	T-Shirt Day—Free Billy Martin T-shirt
6/23	Bartenders', Beauticians', Cabbies' Night—Free admission
6/27	East Bay Merchants' Night—\$7,000 merchandise giveaway
7/20	Poster Day
7/21	Family Night
8/9	Cap Day—Free caps to those 14 and under
8/23	Farmers' Day—Free drawings for produce
8/24	Billy Martin Day
8/26	Old Timers' Day
9/28	Poster Day

Source: American League Office.