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Frank P. Jozsa Jr.

American League Franchises

Team Performances Inspire Business Success

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*To my buddy
John A. Roshel Jr.*

Foreword

Widely understood by followers of the game, baseball achieved its distinction as our national pastime both through the designed cultivation by owners, management, and the media and its emulation by the country's youth in the sandlots and barnyards of America. Baseball's development over the past century and a half mirrors those of the broader society with respect to the challenges associated with institutional, regulatory, and economic change.

What Professor Frank P. Jozsa Jr.—the author of numerous books and articles on the sports industry—provides is twofold: first is a brief historical perspective of the American League (once known as the “Beer and Whiskey Circuit”) highlighting the performance by each team as well as the outstanding managers and players, and, second, and what is unique in this text, is his discussion of a number of factors associated with the success of each team as a business enterprise including what elements have contributed more than others to fan allegiance and what features are most important in determining the success of a team as a profitable organization.

In this regard the book bridges the gap between those of us who enjoy baseball via team loyalties—the author compares several franchise rivalries—and those who seek to better understand the “business” of baseball and the myriad factors that contribute to it. Fans gain valuable insights and better understand the cost and revenue factors associated with various teams, while the latter group gets a better appreciation of the evolution, challenges, and comparable elements that contribute to the financial success of any sports organization. To put this in a broader perspective: seldom does a year go by without a proposal for, or the building of, a new baseball (or sports) stadium. All participants of such deliberations benefit from a serious reading of Dr. Jozsa's book.

Laddie Sula

Introduction

The most prominent and successful organizations in American professional team sports emerged, developed, and matured during the twentieth century. When officially named, these different groups—from most to least experienced in each sport as of their 2014 season—include 114-year-old Major League Baseball (MLB), American League (AL) and National League (NL), and then the 98-year-old National Hockey League (NHL), 93-year-old National Football League (NFL), 66-year-old National Basketball Association (NBA), and 19-year-old Major League Soccer (MLS).

Despite internal problems as franchise owner lockouts and player scandals and also such external issues as economic recessions and government legislation, the teams within these leagues each performed in regular-season games and then if qualified competed against each other in various types of postseason playoff series and championships. Consequently, these professional sports leagues and their teams have become important, popular, and unique organizations in American culture and history especially during various years of the twentieth and very early twenty-first centuries.

To organize and schedule games in each of their regular seasons and postseasons, professional leagues encourage and promote their teams to exist for years and even decades within small, midsized, and large metropolitan areas and appeal to fans in local, regional, national, and even international sports markets. Essentially teams perform to provide entertainment for spectators by competing in home and away games at various arenas, ballparks, and stadiums and by operating as commercial enterprises in order to generate maximum cash flows, revenues, and profits. For various reasons, however, some leagues previously based in American metropolitan areas ultimately folded because their clubs had financial problems, inferior owners, coaches, managers and players, and apathetic fans and/or simply underachieved for periods while playing rivals in their division or conference.

Purpose and Scope

From researching such sport-specific sources as books, journals, newspapers, and websites and studying demographic, economic, and financial data and other information, *American League Franchises* highlights and analyzes 15 teams' historical regular-season and postseason performances and provides a recent financial profile of them while being competitive, popular, and profitable or unprofitable enterprises. Certainly this is an important, newsworthy, and unique topic for various audiences because it includes existing big-league baseball franchises and reveals how effectively each of them competed and also operated, survived, and prospered from a business perspective.

Literature Review

Since the 1950s, several books focused on the history and commercialization of professional baseball and specifically MLB's growth, maturity, and prosperity. This section summarizes the contents of four titles because they include or refer to one or more concepts, subjects, and themes discussed in *American League Franchises*. For other references on professional baseball franchises and/or MLB and its regular seasons and postseasons, Bibliography contains research to investigate in articles, books, dissertations and theses, Internet sources, and media guides.

The Business of Major League Baseball (1989) rigorously analyzes modern baseball from an economic perspective. Based on several reforms and numerous events in the sport from the mid-1970s to the late 1980s, the author wrote about the industry and improvements in modeling racial discrimination in professional baseball and such things as salary arbitration, tax sheltering, and other decisions of team owners whether individuals or groups, and also about the profitability of teams, importance and impact of television on generating revenues, and understanding disputes between free agents, who represent players, and MLB franchise owners. The volume, in fact, updates some findings reported in *Government and the Sports Business: Studies in the Regulation of Economic Activity* (1974).

A scholarly and well-researched book, *Pay Dirt* (1992) reveals and evaluates in part the market for and value of professional sports franchises, emergence and success of leagues in different sports, and the financial returns and economic risks of investing in professional teams. It has a 150-page technical and data supplement, an extensive bibliography of publications, and a detailed index of names. In short, *Pay Dirt* exposes the complex and entrepreneurial aspects of team sports and also merges factual and entertaining anecdotes with economic laws, models, and principles.

To focus on the sport from the 1950s to the early 2000s, *Baseball, Inc.: The National Pastime as Big Business* (2006) examines the commercial elements of organized baseball and emphasizes its dual role as both a competitive sport and profitable business. Twenty-five essays cover such areas as business and finance,

human resources, international relations, management and leadership, and sports marketing. By discussing topics like free agency, skills of international players, optimum pricing strategies, revenue sharing, sport consumer markets, and player unionization, the author introduces readers to important business issues and specific challenges for professional baseball officials, leagues, and their teams.

Major League Baseball Expansions and Relocations (2009) identifies and analyzes two interesting but extraordinary and strategic phenomena that transformed the sport. First is the expansion of franchises in the AL from 1961 to 1998 and NL since 1878. Second is the extent to which teams in these leagues moved from their home site in a sports market to another nearby or distant in order to survive, win more games, and/or improve their financial status. In the book, historical demographic statistics, economic data, and baseball-specific information are applied to measure and interpret the short- and long-run consequences of these leagues' expansions and teams' relocations.

Book Overview

After the front matter, which consists of Foreword, Acknowledgments, Abbreviations, and Introduction, *American League Franchises* includes the chapters followed by Appendix and then Bibliography and Index. As such, the following describes the organization of these chapters and also facts about their contents.

While Foreword, Acknowledgments, and Abbreviations are self-explanatory, each chapter discusses an AL franchise. Organized into two major sections—Team Performances and Franchise Business—the former includes subsections Franchise Timeline and Team Highlights, while the latter section consists of Team Financials and Other Business.

More specifically, the chapters denote when, where, and how effective these MLB teams performed and their financial status and significance as members of an elite professional baseball league. Readers learn, for example, which of them won World Series, pennants, and division titles while owned by various individuals or groups and led by different managers and players. The contents also explain why some teams have succeeded more than others based on such things as attendances at games in their ballparks and their market size, economic value, and types and amounts of revenue.

Within chapters, franchises are compared to current rivals in their division like Boston Red Sox and New York Yankees in the AL East Division, Chicago White Sox and Detroit Tigers in the Central Division, and Oakland Athletics and Seattle Mariners in the West Division. Furthermore, teams whose nickname had most recently changed are included in the analysis but not those who formally existed at prior locations. For example, there is a chapter on the Los Angeles Angels of Anaheim but not the Kansas City Athletics. In other words the book answers questions about the history, productivity, and prosperity of baseball's least, average, and most prominent teams during their regular seasons and postseasons.

American League Franchises was written and published for current and prospective owners and executives of MLB franchises and potential investors in these organizations; the MLB commissioner and his staff; practitioners and scholars who research the sports industry; college and university professors who teach undergraduate and graduate students majoring in sports administration, business, economics, management, and/or history; and baseball fans especially of AL teams.

Acknowledgments

While organizing, writing, and editing the manuscript of this book during early-to-mid-2015, several people provided information for it and helped me in different ways. Most important to my work, Pfeiffer University's library director and assistant professor of library science Lara Little located documents online and collected hundreds of articles about Major League Baseball and its franchises from *Businessweek*, *Forbes*, *Fortune*, *SportsBusiness Journal*, and *Wall Street Journal* and then promptly forwarded them to my email account. I appreciate Lara's professionalism and her willingness to spend time and obtain numerous readings for me on baseball business, economics and finance, and other topics in the sport. Truly, Lara is a superstar librarian for the university's administration, faculty, and especially the school's undergraduate and graduate students.

A University of Michigan professor of sport management and co-director of the school's Center for Sport Management, Rodney D. Fort informed me on how to analyze the historical performances and business success of franchises in baseball's American and National Leagues. He suggested researching, for example, such issues as variations in teams' attendances at their home and away games, extent of support from sports fans and media in the local area, behavior and decisions of franchise owners, minor and major characteristics of cities that host teams, professional sports leagues' rules and policies, and evaluating managers and ballplayers during different periods of their careers. The coauthor of *Pay Dirt*, Professor Fort provides sports business data on professional teams at <https://sites.google.com/site/rodswebpages/codes>.

For sharing their knowledge of amateur and professional baseball and the sport's history with me, special thanks to Gary Stone of Winthrop University, Lee Van Scyoc of University of Wisconsin-Oshkosh, and Laddie Sula of Loras College who retired from the school a few years ago. As lifelong baseball fans, their favorite big-league teams from speaking with them are, respectively, the Atlanta Braves, San Francisco Giants, and Chicago Cubs.

After I experienced technical problems with my computer, my fiancée and best friend Maureen Fogle allowed me to use her computer to write a manuscript for this book. Despite my habit of putting books and files on the floor in our office and also needing time to print copies of chapters many times, she understood how important this project was for me to complete and then submit to the publisher before the due date. Thanks to Maureen for her cooperation and patience particularly since my retirement from Pfeiffer University in 2007.

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Abbreviations

A's	Athletics
AA	American Association
AFL	Arena Football League
AL	American League
ALCS	American League Championship Series
ALDS	American League Division Series
BA	Batting average
BRS	Boston Red Sox
CBS	Columbia Broadcasting System
CEO	Chief Executive Officer
CIBC	Canadian Imperial Bank of Commerce
CL	Continental League
D.C.	District of Columbia
EGL	Eagle USA Airfreight
ERA	Earned run average
ESPN	Entertainment Sports Programming Network
FL	Federal League
GG	Gold Glove
HRs	Home runs
HSA	Houston Sports Association
KC	Kansas City
LLC	Limited Liability Corporation
MASN	Mid-Atlantic Sports Network
MLB	Major League Baseball
MVP	Most valuable player
NA	National Association
NAPBBP	National Association of Professional Base Ball Players
NBA	National Basketball Association
NBC	National Broadcasting Corporation

NC	North Carolina
NFL	National Football League
NHL	National Hockey League
NL	National League
NY	New York
NYC	New York City
NY Yankees	New York Yankees
PCL	Pacific Coast League
PL	Players League
RBI	Runs batted in
RCI	Rogers Communications Inc.
RSN	Regional Sports Network
SFLI	Sports Fan Loyalty Index
SJM	Stadium Journey Magazine
SS	Silver Slugger
U.S.	United States
WL	Western League
YES	Yankee Entertainment Sports Network
YMCA	Young Men's Christian Association