As the premier brand in all of sports, the Yankees franchise has earned the right to make sponsors pay for the privilege of being associated with its name.

This is becoming even truer when you consider that CAA Sports , an agency that provides athlete representation and manages corporate marketing initiatives for its clients, was chosen to find corporate sponsorships for the new Yankee Stadium and proposes to sell one deal that is estimated at $20 M , as reported by the *Sports Business Journal* .

CAA is selling the package and using it as a cornerstone for marketing efforts of its sports division. The package includes a variety of sign and marketing inventory in and around the Yankees new home, but does not include naming rights to Yankee Stadium. That means that the Yankees and CAA Sports are attempting to sell one of the biggest facility sponsorship packages ever without what's usually considered the most valuable piece of sponsorship inventory. That's exactly what makes it so intriguing to the rest of the sports industry.

"As the uber-brand for baseball, and sports generally, the Yankees are the only American franchise that could do this, with the possible exception of the [Dallas] Cowboys," said Phoenix-based naming-rights consultant Rob Yowell, who's had a hand in the deals that put Honda's brand on the home of the Anaheim Ducks and Oracle's name on the Golden State Warriors' home arena. "But I would put any price tag, even the asking price, in quotes on this, because you are dealing with a proposition that truly has never been done before."

Several packages for possible sponsors are reportedly available, with many display options.

Among the biggest signage opportunities offered in the comprehensive financial services package are large signs on the highways around the stadium; prominent exposure on Gate 4, the stadium's main entrance; several fixed signs on top of the stadium, affording an aerial view; a large sign atop the right-field scoreboard; even bigger signage on the back of the scoreboard, facing a new subway stop; signs on interior gates leading to the field; fixed and LED signs inside the stadium and the stadium bowl; permanent dugout branding; scoreboard vignettes; behind-the-plate signage and a logo on all Yankees tickets.

The Yankees are clearly not the first to do this, but the figures involved are without precedent in Major League Baseball.

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In a previous article published on The Biz of Baseball , Kurt Hunzeker, founder of Sparts Marketing, talked about other stadiums using this strategy to add money to their operations:

When the Boston Red Sox created a limited supply of advertising space on the Green Monster, Under Armour grabbed one of the two available slots to promote its brand to a captive audience all season long. Once the Cubs made Wrigley available, Under Armour seized the opportunity to tie-in its brand with one of sports' fabled franchises (and promote the recently-signed, company endorser, Alfonso Soriano).

It makes sense that the relatively-new performance apparel company, founded in 1996, partnered with two of baseball's historic franchises and placed its brand on the walls of sports' two oldest existing venues. This brand association translates equally well for both sides of the partnership – Under Armour adds "tradition" and "timeless" to its name, and the Cubs and Red Sox gain "fresh" and "innovative" tags to their brand.)

The Cubs-Under Armour partnership is a clear win-win for both sides.

Since Wrigley's outfield area is clutter-free, Under Armour has complete control of a high-visibility, viable advertising vehicle positioned in front of sold-out, captive crowds all season long. This does not even take into consideration the millions of fans tuning into nationally-televised broadcasts on WGN).

The Cubs add a significant revenue stream that was not on the books last year. Couple this with Wrigley's outfield bleacher expansion and new LED displays added throughout the ballpark, and the Cubs are inching closer to leveling the "business operations playing field."

He also added:

I am of the mindset that all teams regardless of sport MUST find new revenue sources both inside and outside their home arena, ballpark and stadium. Similar to any other business whose value grows with adding new consumers, maximizing its available inventory and managing its expenses, sports properties need to utilize everything at its disposal, even if it means acknowledging that tradition and "what worked in the past" has no place in today's sports business culture.

It is no wonder baseball is awash in cash like never before in the history of the sport ($6.075 billion in revenue in 2007). With more people into the stadiums, sponsors are interested in developing any possible idea and throwing more money on these initiatives than ever before for their products to be noticed by the crowds.

What is striking, however, is how ticket prices keep climbing even though teams are making more money and fans are bombarded with more advertisements. After a 6.3% increase in 2005, 5.4% in 2006 and 2.5% in 2007, will the Arte Moreno way of doing things come back in fashion?

In 2002, the franchise ranked 16th in attendance in major league baseball by welcoming 2,305,547 fans and won the World Series. Shortly after he bought the Angels in 2003, Moreno cut ticket and beer prices AND started signing costly, but productive, free agents. The results were decisive: the team ranked 5th in attendance in 2003 with 3,061,094 fans coming to Angels Stadium, a 32.8% increase in one year. In 2004, they recorded a 10.3% surge. Since then, the ballpark has been at least 92.2% full each year, with other price cut coming in the form of $6 baseball caps, something the team uses as advertising inside and outside the stadium.

What Moreno did should have been a lesson for smaller market teams looking to improve their fortunes while thinking outside the box. That more of these small market teams don't experience and try new ways of luring fans and families to their stadium (or copy Arte Moreno's modus operandi) is unbelievable.

Something fascinating in all this is the Boston Red Sox situation; they have been stuck with jamming over 36,000 fans in a stadium that can host anymore, so for them to rise prices every year is a need and very much justifiable, although the 'Fenway experience' ranked number one in the majors in cost for a family of four ($313.83), almost double the MLB average and an increase of 9% over 2006.

For the Yankees, who have 'only' filled Yankee Stadium to 91.8% of its capacity in 2007 (7th in the majors), wouldn't it make more sense to freeze or slightly cut ticket prices and ask for more money out of their sponsorship deals, like the news today indicates? It seems the answer is no.

Their inability to field a good ballclub at a reasonable price is actually driving prices higher for their fans. We could argue that these visitors of Yankee Stadium are victims of the baseball operations department complete ineptitude in fielding an affordable roster.

I found the following passage in a Newsday article (on higher ticket prices for the two new stadiums scheduled to open in New York) while doing research for this piece and I thought it was telling of the way the average fans is slowly being squeezed out of the equation when it comes to affordable tickets to see a game of baseball in newer stadiums, which are supposed to bring in their fair share of corporate sponsorship revenues:

One problem is the number of cheap seats often shrinks in newer, smaller stadiums such as Citi and New Yankee. This will be especially noticeable at Citi, where the whopping 20,000 upper-deck seats at Shea will be a distant memory.

The new Yankee Stadium will be larger by about 9,000 seats than Citi, and Trost promised 39,000 seats for $100 or less, 24,000 at $45 or less, 16,000 at $25 or less and 5,000 bleacher seats at $12. (bolding is mine)

Why make the stadiums smaller in the first place?

Because the last few thousand seats are the most expensive to build, but they produce the least revenue. It also is because a perception of scarcity leads fans to buy early and often, for fear of being shut out. The teams like that very much.

Catering to richer, more demanding fans goes beyond selling them good seats and jumbo shrimp. In some cases, it extends to variable pricing.

After reading Yankees Chief Operating Officer Lonn Trost's comment a week ago, it all made sense to me what the priority was when building the new stadium: "We tried to reflect a five-star hotel and put a ballfield in the middle".

That they would try to attract businessmen is understandable, but at the same time, it seems the balance should be coming back in favor of the average fan when sponsorships are supposed to bring in that much money.

In the 2007 Team Marketing Report, which analyzes the cost of the fan experience at ballparks across the major leagues, the Angels ranked 27th for the cost of a family of four at the ballpark ($136.63), well-below the MLB average of $176.24. That season, the Angels ranked 7th in the majors with their $111,038,577 M payroll and finished 1st in the AL West with 94 wins.

It would stand to reason that by cutting prices ever so slightly, the fans would respond positively; take their turn through the turnstiles and make up for the price cut. With that info in hand, teams could potentially lobby for more expensive sponsorship deals and collect even more revenue, with more fans in the stands and a more affordable price to their tickets, bringing the sport back where it belongs; to the masses.

In a 2004 Los Angeles Times article about the Angels owner, I found the best way to finish this piece:

As he challenges the Dodgers of this generation, his model resembles the Dodgers of the previous one, under the ownership of Walter O'Malley and then his son Peter. The O'Malleys reliably delivered a competitive team, a clean ballpark and a family atmosphere, all at affordable prices.

Says Andy Dolich, a longtime baseball marketing executive and current president of business operations for the NBA's Memphis Grizzlies: "Moreno is almost O'Malley with a different pedigree: We care, we want to make it better, we're all about the fans, and we're going to try to give you a positive environment aside from the electric light show and fake boulders.

"I don't think the equation is that much more complicated. The fan understands that the ownership really cares about the team."

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