

TOMS: Why MLB is Thriving.... and Dying

Written by Pete Toms

Monday, 10 February 2014 15:02



Earlier this winter I listened to a sports radio segment where 2 Toronto sports pundits attempted to explain the seemingly counter - intuitive news that MLB annual revenues have climbed to upwards of \$8 billion.

On the one hand, they noted, steadily diminishing national TV ratings (including ASG and WS), reveal that baseball is clearly less popular. And hasn't the NFL, long ago, and by a wide margin, supplanted MLB as the dominant pro sports league? And wasn't it, after all, inevitable? Isn't baseball anachronistic? From a slower, analogue, monolithic popular culture?

On the other hand, they understood why MLB revenues have skyrocketed. The biggest factor being the enormous increase in TV \$\$ from both national, and especially, local deals. Plus, attendance is stable, at near-record levels. And yes, almost ironically, slow, staid MLB has better exploited the internet than any of the other so-called Big 4.

They're right, on both counts. Yes, baseball is dying. And the evidence is not found in the diminished national TV ratings (TV ratings are down for all programming except the NFL) but in who, and who isn't, watching. Old guys, not young guys, like baseball. [Jonathan Mahler](#) was amongst those who reported this fall that the median age of the 2012 WS TV viewer was 53.4. Perhaps more telling is the steady, long-term decline in the number of kids playing baseball.

But it is precisely because MLB fans are old that business is booming. The huge boost in MLB TV \$\$ comes from us old guys who subscribe to Pay TV. We are footing the bill for the recent spate of MLB mega deals with local RSNs. We aren't the cord-cutting, digital natives who have never paid for content. They believe that paying \$100/month to watch video is stupid. Earlier in the year [Joe Flint](#) reported that, "*By 2015, almost half of all television viewing will be done by folks over the age of 50* ...". The migration of local MLB broadcasts from free over-the-air TV to Pay TV was inevitable. Why? Because MLB fans can afford Pay TV. We are baby boomers, the most affluent generation in history. And baseball fans are the most affluent of sports fans. We complain about our cable bills, we're old, so we're allowed. But we'll still pay for the nightly, pleasant, familiar, tribal, ritualistic pleasures of

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watching our team on our big TVs, in our comfortable basements. It feels good.

While there is debate about the future prospects for the Pay TV industry, under pressure from OTT, potentially one, or some of, Google, Apple and Aereo, and politicians and regulators sabre-rattling over channel bundling.... in the present, it's still thriving. And as long as MLB continues to aggregate large TV audiences of purchasers of financial services, luxury autos and ED remedies , there'll be plenty of money in it for them.

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