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DAVE ROCHLIN

## Oakland Athletics: Reinventing the Fan Experience and Business Model

*“Holy Toledo!”*

—BILL KING, A’S HALL OF FAME ANNOUNCER, 1981-2005

As the sun set behind the Oakland-Alameda County Coliseum (**Exhibit 1**) on a Saturday evening in July 2018, the Oakland Athletics played host to their cross-bay major league baseball (MLB) rivals, the San Francisco Giants. It was an interleague game in front of 56,320 fans, the largest crowd ever to witness a baseball game at that particular sporting venue.<sup>1</sup>

For the A’s—the team’s nickname—the 2018 season had turned out to be sort of a surprise, as the combination of power hitting, solid pitching, and relentless determination had kept the team in contention for a wild card playoff spot deep into the season, right behind the defending 2017 World Champions, the Houston Astros. The A’s had emerged as one of the top teams in the American League, confounding the preseason prognosticators and experts who had predicted a subpar and rebuilding year for the team that had finished dead-last in the West Division the prior season. In doing so, the A’s used a formula that had repeatedly worked well for the team throughout its first 50 years in Oakland: Draft and develop young players, give the best of these home-grown players the opportunity to play in the big leagues, and mold them together into a championship-caliber unit.<sup>2</sup> A recent example was third baseman Matt Chapman, who was selected in the 2014 draft and emerged as one of the team’s stars in his second year in the “big leagues.” Almost always the underdog, this formula had seen the Oakland A’s win four World Championships, six American League pennants, and 16 divisional titles in five decades, allowing them to stay competitive with the more elite MLB teams, such as the New York Yankees, the Boston Red Sox, and even the Giants. The larger payrolls of these more elite teams allowed them

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<sup>1</sup> Henry Schulman, “Climbing to new heights in Oakland,” *San Francisco Chronicle*, July 22, 2018, page B1.

<sup>2</sup> Oakland Athletics, “*50 Years of Oakland A’s Baseball*,” Skybox Press, 2018, page 18.

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Lecturer Dave Rochlin prepared this case, with assistance from Case Writer Dickson L. Louie of the ClearLake Group, as the basis for class discussion rather than to illustrate either effective or ineffective handling of an administrative situation.

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to pursue a contrasting “superstar” team-building formula, by acquiring established star players through trades or free agency as well as to develop and retain homegrown players (see end supplement for more about the history of the A’s in Oakland).

Chris Giles (Haas MBA ’10), the Athletics’ chief operating officer, sat in the Coliseum and took in the fans’ energy. While the annual Bay Bridge Series between the neighboring A’s and Giants filled the seats, crowds of this size were a rare occurrence in Oakland. As he surveyed the packed house, Giles wondered what more could be done to enhance the A’s fan experience now and in the future. In particular, the team intended to build a new ballpark in Oakland, which offered a rare opportunity to rethink how to attract, retain, and delight visitors for years to come—as well as how to change the A’s underlying revenue model—as the interests of the public shifted.

While just 16 miles separated the two teams’ stadiums, their current situations could not be further apart: Forbes magazine listed the Giants stadium as the best in baseball, and valued the franchise at \$2.85 billion—4<sup>th</sup> highest among the 30 teams in MLB. The A’s were valued at \$1.02 billion—in 26<sup>th</sup> place (**Exhibit 2**). The Oakland Coliseum—a bowl-shaped concrete structure that first opened in 1968—was rated 29<sup>th</sup> among the 30 stadiums. It was the sole remaining “multi-purpose stadium”—a construction style popularized in the 1960s for dual use in both professional baseball and football—but optimized for neither. (see **Exhibit 3** for additional A’s and Giants financial metrics)

Building a winning A’s team on the field was the domain of Billy Beane, the executive vice president of baseball operations whose revolutionary way of evaluating, acquiring, and trading players by using “sabermetrics and baseball analytics” was made famous in Michael Lewis’ 2003 book, “Moneyball”—later made into a 2011 movie starring Brad Pitt. Giles had responsibilities for the team’s business-side operations, which included ticketing, marketing, merchandising, and the building of a new ballpark.

Based upon an internal study conducted by the A’s on recently opened ballparks, the new stadium, being considered at two possible locations in Oakland, could increase the team’s home attendance to an estimated annual average of approximately 2.4 million over its first 10 years. The new stadium would be privately built, have a seating capacity of 35,000, and an estimated cost of \$650 million. The total economic impact to the community could be measured in two ways during its first 10 years: \$1.544 billion for day-of-game spending and \$742 million in the operating costs of the new stadium.<sup>3</sup> The new ballpark would be built by 2023 at the latest.

“The Coliseum has a very rich history and it is a really powerful environment to the people that have all those great memories there,” Giles would note in a later interview, “but as it lacks a lot of the amenities that other ballparks have. We want to not only match those sorts of things, but really think about the ballpark experience of the future and pioneer that experience. It’s a potential game changer.”<sup>4</sup>

Adding to the A’s urgency was that, under the new collective bargaining agreement, the franchise faced the loss of revenue sharing after the 2019 season, due to the removal of an exemption from being classified as a major market team. This exemption was worth roughly \$35 million per year in revenue transfer from other MLB teams.

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<sup>3</sup>“The Economic Impact of a New Stadium in Oakland,” Oakland A’s, press release 2017, <http://oakland.athletics.mlb.com/oak/ballpark/economic-impacts/>

<sup>4</sup> David Taub, “Clovis Native Giles Reinventing Baseball with the A’s,” *Fresno Bee*, September 27, 2017.

## Rooted in Oakland

A significant development in Oakland was the imminent loss of the city's other professional sports teams—all of who share the same stadium complex. The Warriors (NBA-Basketball) announced a new San Francisco arena for the 2019 season, and the Raiders (NFL-Football) announced a move to Las Vegas in 2020. In 2017, the Warriors drew 800 thousand fans (19 thousand/game), and the Raiders drew 458 thousand (57 thousand/game). While overlap between seasons is minimal, the A's will be the only remaining Oakland professional sports team, which will—in theory—create additional attention and marketing opportunities.

However, the proximity of the Giants meant that the A's must come up with a formula and unique selling proposition that pulls in fans, since they are not the only baseball option in the region. According to market surveys, within the San Francisco-Oakland DMA, A's attendees and fans are most prominent in the East Bay counties of Alameda and Contra Costa,<sup>5</sup> but even in these counties, a New York Times/Facebook study identified Giants fans as at least equally prevalent.<sup>6</sup>

The Giants claim that “Winning never hurts. It makes our jobs easier, but building a brand and building a fan base is so much more than what happens on the field.”<sup>7</sup> Three key factors they identify are:

- **AT&T Park:** The venue offers views to San Francisco Bay, and amenities for both casual and die-hard fans, including a restaurant and organic garden below the scoreboard in center field, kid zones, and access to the San Francisco waterfront.
- **Interactive/Social Media efforts:** This includes, for example, @Café, a social media hub behind center field, and a virtual reality experience where fans can spend a day at Giants spring training.
- **Long term roster stability and high-profile players:** The team is able to invest in building players as brands, and then effectively use them for promotions and to attract fans.

“Casual fans or people who aren't even fans want to come out to the ballpark because of the hype and the experience,” said Danny Dann, Giants vice president of marketing and advertising. “We've been able to turn those casual fans into avid fans.”<sup>8</sup>

In contrast, there are many vocal critics of Oakland's past approach. In 2016 the sports website Deadspin declared, “The Athletics are currently a nightmare all around: Their stadium is garbage and ownership can't figure out how to find a location for a new one, and the team keeps sending away its good players and refusing to sign high-priced free agents, leaving fans with no one to get attached to and frustrated by watching their former guys in the playoffs. All of this adds up to a lack of fan interest that is reflected in the Athletics' home attendance averaging 18,784 per game in 2016.”<sup>9</sup>

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<sup>5</sup> Scarborough Research, 2018.

<sup>6</sup> [https://www.nytimes.com/interactive/2014/04/24/upshot/facebook-baseball-map.html?\\_r=0#4,30.223,-111.847](https://www.nytimes.com/interactive/2014/04/24/upshot/facebook-baseball-map.html?_r=0#4,30.223,-111.847)

<sup>7</sup> Christine Birkner, “Why the San Francisco Giants Are Baseball's Marketing MVPs,” *Adweek*, <http://www.adweek.com/brand-marketing/why-san-francisco-giants-are-baseball-s-marketing-mvps-172141/>

<sup>8</sup> *Ibid.*

<sup>9</sup> Lindsey Adler, “MLB Will No Longer Allow the Oakland A's to Pretend to be A Small-Market Team,” *Deadspin* (<https://deadspin.com/mlb-will-no-longer-allow-the-oakland-as-to-pretend-to-b-1789565005>)

Prior to joining the A's executive team in 2017, Giles had been with the National Football League's (NFL) San Francisco 49ers. While at the 49ers, Giles had responsibility for the strategy group and developing the fan experience at its new Levi's Stadium in Santa Clara, California, resulting in the 49ers going from 31<sup>st</sup> place to 11<sup>th</sup> place among NFL teams.<sup>10</sup> As Giles pondered the future, he wondered what a new Oakland Athletics fan experience might be like at the new ballpark.

Many of the newer baseball stadiums (Such as the Giants facility) tend to have slightly less capacity (40 thousand or so) and are "retro styled"—serving as an homage to baseball's past, but with better views and more amenities. However, the trend may be shifting away from this retro design towards more modern facilities, such as the Atlanta Braves' new SunTrust Park. According to Braves President Derek Schiller, "We all collectively decided that it was important to redefine the experience of going to a Braves baseball game. It has to include more than just the time where you hand your ticket to go in through the gate."<sup>11</sup>

Given the rapid pace of change, anticipating what to design will be both challenging and necessary. As just one example, consider parking lots: They use a tremendous amount of real estate—difficult to acquire for downtown locations—but can produce significant revenues. Fans also expect parking options and complain when they are unavailable, but in a future with Uber, Lyft, and even self-driving vehicles, will attendees be willing to pay high prices for parking and deal with the hassles? Also imagine how different ticketing and security might look. Will entering the facility be different? Will a smart stadium know what seats are available for fan upgrade or can be resold in real time?

Further questions included what new pricing strategies should be employed to help maximize team revenue and attendance, and what type of events should be held in and around baseball games to attract casual baseball fans to the new ballpark?

As Giles thought about these questions, he wondered how he could best map what this new customer experience and revenue model might be like, and how to share this information with the team's other executives.

## Baseball economics

**Revenue and Payroll.** Across its 30 franchises, MLB had total revenue of nearly \$10 billion annually in 2017,<sup>12</sup> but revenue varies widely between teams. For example, the New York Yankees and Los Angeles Dodgers had estimated 2017 revenue of \$619 million and \$522 million, respectively, while the A's, Rays, and Miami Marlins—despite the opening of the new Marlins Park ballpark in 2012— had estimated revenue of \$210 million, \$219 million, and \$219 million respectively.

Key components of revenue for a typical team include ticket sales, television rights, sponsorships, and concessions/merchandising. But the mix and totals vary significantly by team, with the top teams earning as much 5 to 10 times as much on luxury boxes, concessions, and sponsorship,

<sup>10</sup> NFL Voice of the Fan survey and Chris Giles Linked-In page <https://www.linkedin.com/in/christophergiles/>

<sup>11</sup> <http://www.baseballamerica.com/business/beyond-gates-atlanta-braves-new-ballpark-modern-touches-surrounds-suntrust-park-makes-stand/>

<sup>12</sup> Maury Brown, "MLB Set Record for Revenues In 2017, Increasing More than \$500 Million Since 2015," *Forbes*, November 22, 2017.

which drives the revenue disparity (**Exhibit 4**). The A's were near the bottom of the league in many of the key categories.

MLB payrolls are a key expense item—roughly 50 percent of revenue due to the MLB players' labor agreement—and also varies significantly by team. The San Francisco Giants and Boston Red Sox at the top on Opening Day 2018, with \$221 million and \$206 million, respectively, compared to the Oakland A's and the Tampa Bay Rays at the bottom, with \$62 million and \$70 million, respectively.<sup>13</sup>

The payroll spending often correlates with a team's market size and revenue base. Having a large payroll, though, was no guarantee of on-field success, especially if there are many long-term contracts with veterans who can be susceptible to injuries or decreased productivity as they aged. Recent studies have shown that payroll accounts for only 20 percent of a team's success. "Young talent, not deep pockets, is the ultimate trump card in the MLB of today and tomorrow," noted Martin Kielenbard in his study, "Can't Buy Much Love: Why Money is not Baseball's Most Valuable Currency."<sup>14</sup>

"[Prior to 2011], teams didn't value young players, other than as chips or assets to get the players they needed," noted Billy Beane. "Now, even the large market teams with great resources, everyone values their young players. You have large market teams valuing young players, exactly the same as Tampa Bay, Kansas City or any small market team."<sup>15</sup>

**Decreasing popularity of MLB.** A larger issue impacting all of MLB has been the gradual drop in fan interest as measured by ticket sales and television ratings over the past 10 years. For example, the total and average attendance at an MLB game has dropped from 79.5 million and 32,696 in 2007 to 69.7 million and 28,659 in 2018.<sup>16</sup>

The decline in interest among younger fans has been a particularly acute issue in baseball. *Adweek* reports that MLB has the oldest median TV audience at 56 years, compared to 49 for NFL viewers and 41 for NBA fans. A BSG study found that "Millennials tend to experience and view the sport quite differently than Gen X and boomers—half find the game too slow and boring, and more would rather watch football or basketball games than baseball. Moreover, by a 2:1 ratio, millennials say football is "America's game"—a much bigger discrepancy between the characterization of the two sports than observed with other age groups. Millennials like baseball, but may view it as more their father's or grandfather's sport than one that belongs to their generation."<sup>17</sup> There are also many other options available for entertainment and socializing.

## **Human Centered Design and the A's: Rethinking the Audience, Offering, Value Proposition, and Business Model**

During its 50 years in Oakland, the A's total season home attendance has varied from a low of 306,763 in 1979, during the post-world championship years of the early 1970s, to the all-time high of 2,900,219 in 1990 during the championship Bash Brothers era.<sup>18</sup> (**Exhibit 5**)

<sup>13</sup> ESPN.com, MLB Team 2014 Salaries

<sup>14</sup> Marrinson, Ross, "What's the Big Idea?" *ESPN The Magazine*, March 1, 2014.

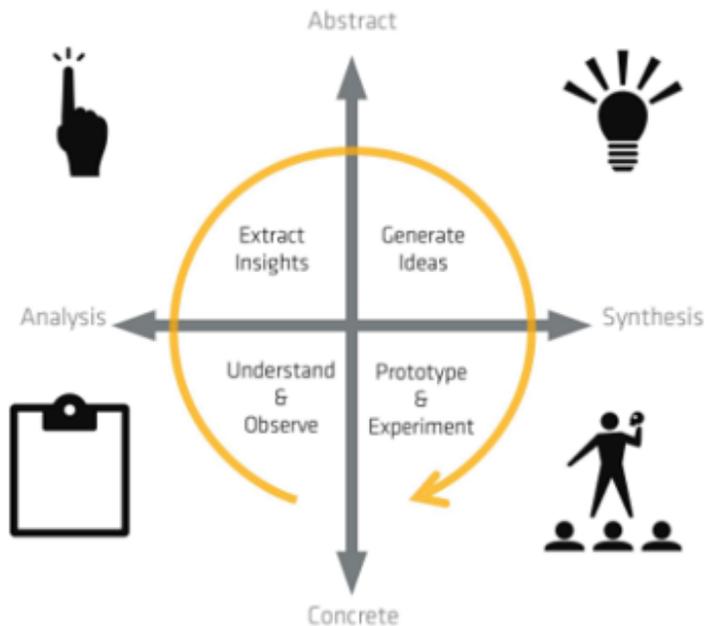
<sup>15</sup> Verducci, Tim, "Game's shifting strategies leave Beane, sage of Moneyball, behind," *Sports Illustrated*, Aug 2011.

<sup>16</sup> Baseballreference.com, <https://www.baseball-reference.com/leagues/MLB/misc.shtml>

<sup>17</sup> <https://www.sportsbusinessdaily.com/Journal/Issues/2017/06/05/Opinion/BaseballFuture.aspx>

<sup>18</sup> BaseballReference.com

While having a competitive team helps drive fan attendance, the A's also wondered what else they might be able to do to bring more fans out to the games at the new ballpark—they knew that driving fans in involved more than just the on-field experience. They were also aware that after the new park was built, it would be much more difficult to innovate due to physical space constraints and site design decisions. So to better understand how to target fans seeking a different experience at each home game, the team took a Human Centered Design approach, which involved four steps:<sup>19</sup>



- **Observation and Understanding:** Understand the needs of the targeted fan segments through observations, research, and ethnographic interviews.
- **Developing Insights:** Frame the problem through surfacing key insights.
- **Ideation:** Generate a wide range of alternatives for consideration and development.
- **Prototypes and Experimentation:** Rapidly test and improve on these ideas.

Giles was particularly interested in what the initial phases revealed about the need to provide younger audiences with a different experience:

“One of the biggest eye-opening pieces of research that we did was just looking at the difference segmented by age of what people look for in an event. The average age of our season ticket members is almost 58 years old. They want to sit as close to home plate as possible. They take a lot of pride in the ownership value or the perceived ownership of a given seat location. Their thinking is “these are our seats.” They mean a lot to them. Their neighborhoods mean a lot to them. In other words, the people who also own the seats around them, and who they see every game, they’re very much baseball-focused fans.

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<sup>19</sup> UC Berkeley-Haas Model

It is not that all the people over 40 consume baseball that way and all the people below 40 consume it a completely different way, but we are seeing that a shift is taking place.

One younger consumer insight out of our research is “I don’t want the same experience every time.” “Hey, you get the same seat every time, it’s yours” had traditionally been a key selling point, but the whole notion that you’d even try to sell them the same experience over and over again is significantly less appealing to certain population segments.

Another key insight is that a lot of the value they derive from the experience is more of a social value. In other words, “I want to go there, I want to see other folks, I want to be seen, I want to mingle, I want to really get to know the people who I’m coming with.” And when you sit in a traditional seating environment, the grids of seats, you are somewhat constrained to talking to people on either side of you. They don’t want to have to pick the two people they want to spend the whole experience with. They also want a significant enhancement and the flexibility of whatever product they buy.

It’s not that they hate the seated experience, because they want that as a part of their experience and they want a game where maybe they’re going with their dad or one other person and they do want to sit in a seat for the entire game and have that experience, but they don’t want to do that every time.”

In terms of stadium design, this could have significant impact on space, experience, and fan offerings. Giles notes that giving these targeted fans new experiences might also mean adopting new pricing strategies and creating value in new ways:

“The core of the product is no longer the 81-game strip of tickets...the strip of tickets now becomes kind of the secondary component, and the core product is access to all 81 games. So rather than saying “I’m going to sell you 81 tickets and that’s going to be your season ticket,” I may say “I’m going to sell you 20 tickets along with access to 81 games.” So in other words what you’re really buying is a true membership like you would get at a gym or a country club and for 20 of those games you have an ownable seat experience that you have access to, but for the other 61 home games we’re going to take 25 percent of the ballpark and rather than building seats build all of these flexible areas. And when I say flexible areas, I’m thinking things like bars, terraces, bleacher type seating, high top tables that you can sit around or stand around.”

Using the Oakland Coliseum as a test site for the enhanced fan experience for a new ballpark during the 2018 season, the A’s built “The Treehouse,” a redwood terrace in left field that included a bar, lounge, TV sets, and a D.J. on Friday nights, where up to 1,000 fans could socialize and casually watch the game from a set of decks and terraces<sup>20</sup>. To access “The Treehouse,” fans needed to purchase the “Treehouse Pass” at a monthly cost of \$30 or a season cost of \$150. Other ticket holders were able to visit the area, and pass holders could upgrade to visit other parts of the ballpark.

The A’s business staff has many customer facing roles—in sales, service, and game day operations—and Giles encouraged the entire organization to get involved in observation, insight

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<sup>20</sup> “Oakland Athletics Construct the Treehouse to Engage Fanbase,” National Sports Forum, June 20, 2018, <https://sports-forum.com/oakland-athletics-the-treehouse/>

generation, and ideation. The staff used their customer exposure and knowledge to develop a set of typical and emerging fan personas and use cases, and then developed a variety of possible concepts to meet their needs. Over the summer, the A's planned to prioritize and test some of these ideas, from mobile in-park workspaces and on-demand client-worthy seating options, to more family-friendly untethered stadium spaces and activities.

However the boldest concept under discussion—based on the customer insight work and the early success of the treehouse experiment—was the move to a membership model, which would replace season ticket packages with an “Access Pass” program, granting members with general admission access to every home game, and a tiered number of allotted reserved-seat games. Other membership benefits would include discounts on concessions, merchandise, and parking. Traditional models assign a fixed seat location to every purchaser which creates a fixed capacity, leaving only the levers of price and utilization to grow revenue. Access-based products create a softer cap, allowing the team to sell a significantly higher volume of memberships. Flexible space also allows for more people per square foot than seats. Unlike many other ballclubs with revenue and a business model to protect, the A's were in an easy position to think innovatively, experiment freely, and re-design what the baseball experience and business model of the future might be.

## Epilogue

As Giles thought about how new experiences, use-based customer segmentation, and pricing strategy might build home attendance, the A's staged a comeback win in its game with the Giants. Having blown a 3-2 lead in the top of the ninth inning, the A's then had three back-to-back-to-back hits in the 11<sup>th</sup> inning to win the game.

“The A's are the perfect team that represents the East Bay,” noted the singer Billie Joe Armstrong in the A's 50<sup>th</sup> anniversary book, “scrappy and working class to the core, and, most importantly, always “Rooted in Oakland.”<sup>21</sup> Giles now wondered how the A's could make the most of that relationship going forward—and continue to the path of the franchise's innovative style both on-and-off the field—in further enhancing the fan experience.

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<sup>21</sup> Oakland Athletics, “50 Years of Oakland A's Baseball,” Skybox Press, 2018, page 156

## Case Discussion Questions

1. What key factors are driving the A's desire to innovate? What does the future economic situation look like for the A's?
2. What might be some sources of competitive differentiation and customer value for the A's?
3. The experiments run by the A's are based on a few powerful key insights on shifts in consumer preference. How would you use design thinking tools to continue to develop insights and test new fan experiences and business models– and in particular the move from seat-based season ticket sales to a membership model? How would you align this user-centered approach with your answers to question #2 above?
4. How might the A's build flexibility and agility into their new space to accommodate future changes in customer tastes, interests, and demographics?
5. What steps might the A's take to ensure they don't "overcorrect" for the millennial preference/experience?.

**Exhibit 1** Oakland Coliseum



*Source: Oakland Athletics.*

**Exhibit 2** MLB team valuations and market rank, 2018

Rank	MLB Team	Value (\$Billions)	Market Rank
1	New York Yankees	4.000	1
2	Los Angeles Dodgers	3.000	2
3	Chicago Cubs	2.900	3
4	San Francisco Giants	2.850	6
5	Boston Red Sox	2.800	9
6	New York Mets	2.100	1
7	St. Louis Cardinals	1.900	21
8	Los Angeles Angels	1.800	2
9	Philadelphia Phillies	1.700	4
10	Washington Nationals	1.675	7
11	Houston Astros	1.650	8
12	Atlanta Braves	1.625	10
13	Texas Rangers	1.600	5
14	Chicago White Sox	1.500	3
15	Seattle Mariners	1.450	14
16	Toronto Blue Jays	1.350	-
17	San Diego Padres	1.270	28
18	Pittsburgh Pirates	1.260	23
19	Detroit Tigers	1.225	13
20	Arizona Diamondbacks	1.210	12
21	Baltimore Orioles	1.200	26
22	Minnesota Twins	1.150	15
23	Colorado Rockies	1.100	17
24	Cleveland Indians	1.045	19
25	Milwaukee Braves	1.030	35
26	Oakland Athletics	1.020	6
27	Kansas City Royals	1.015	33
28	Cincinnati Reds	1.010	36
29	Miami Marlins	1.000	16
30	Tampa Bay Rays	0.900	11

Sources: *Forbes* and published reports.

**Exhibit 3** Key financial metrics: Oakland A's versus San Francisco Giants

	<u>A's</u>	<u>MLB Average</u>	<u>Giants</u>
Attendance (2018 average)	19,427 (27 <sup>th</sup> )	28,659	38,965 (4 <sup>th</sup> )
Player Payroll	\$74.9 million	\$138 million	\$207 million
Revenue	\$210 million	\$315 million	\$445 million
Operating Income	\$15 million	\$29 million	\$84 million

Sources: Forbes, ESPN.

**Exhibit 4** MLB Revenue: Top five and bottom five - ballpark, local TV and radio revenue (2018)

1. NY Yankees	\$712 MM
2. LA Dodgers	\$517 MM
3. Boston Red Sox	\$484 MM
4. SF Giants	\$420 MM
5. Chicago Cubs	\$410 MM
26. Cincinnati Reds	\$137MM
27. KC Royals	\$126 MM
28. Oakland A's	\$112 MM
29. Tampa Bay Rays	\$100 MM
30. Miami Marlins	\$ 72 MM

*Source: Forbes "Baseball Team Values 2019: Yankees Lead League at \$4.6 Billion", April 10, 2019.*

**Exhibit 5** Oakland A's attendance, season record, and finish (1968-2017)

Year	Average A's Home Game	A's Season Attendance	Average MLB Team Season Attendance	W	L	Finish
1968	10,276	837,466	1,131,789	82	80	6th AL
1969	9,608	778,232	1,011,227	88	74	2nd AL West
1970	9,609	778,355	1,007,095	89	73	2nd AL West
1971	11,366	914,993	989,047	101	60	1st AL West
1972	11,888	921,323	953,211	93	62	World Champions
1973	12,355	1,000,763	1,118,467	94	68	World Champions
1974	10,441	845,693	1,087,275	90	72	World Champions
1975	12,278	1,075,518	1,988,119	98	64	1st AL West
1976	9,697	780,593	1,221,484	87	74	2nd AL West
1977	6,157	495,599	1,402,825	63	98	7th AL West
1978	6,506	526,999	1,466,426	69	93	6th AL West
1979	3,787	306,763	1,597,999	54	108	7th AL West
1980	10,398	842,259	1,563,575	83	79	2nd AL West
1981	23,928	1,304,052	1,004,713	64	45	1st/2nd AL West*
1982	21,426	1,735,489	1,648,604	68	94	5th AL West
1983	15,987	1,294,941	1,713,647	74	88	4th AL West
1984	16,707	1,353,281	1,711,531	77	85	4th AL West
1985	16,477	1,334,599	1,752,302	77	85	5th AL West
1986	16,230	1,314,646	1,798,052	76	86	4th AL West
1987	20,727	1,678,921	1,948,382	81	81	3rd AL West
1988	28,239	2,287,335	2,035,688	104	59	AL Champions
1989	32,929	2,667,225	2,132,090	99	63	World Champions
1990	35,805	2,900,217	2,165,590	103	59	AL Champions
1991	35,500	2,713,493	2,294,113	84	78	4th AL West
1992	30,792	2,194,160	2,268,524	96	66	1st AL West
1993	25,124	2,035,025	2,380,955	68	94	7th AL West
1994	21,802	1,242,692	1,728,728	51	63	2nd AL West*
1995	16,310	1,174,310	1,811,356	67	77	4th AL West
1996	14,178	1,148,380	2,122,721	78	84	3rd AL West
1997	15,608	1,264,218	2,234,523	65	97	4th AL West
1998	15,214	1,232,343	2,298,169	74	88	4th AL West
1999	17,712	1,434,632	2,286,874	87	75	2nd AL West
2000	19,922	1,728,885	2,262,557	91	70	1st AL West
2001	26,339	2,133,477	2,346,071	102	60	2nd AL West**
2002	26,788	2,169,811	2,207,891	103	59	1st AL West
2003	27,365	2,216,596	2,191,745	96	66	1st AL West
2004	27,179	2,291,516	2,340,422	91	71	2nd AL West
2005	26,040	2,109,298	2,360,452	88	74	2nd AL West
2006	24,402	1,976,625	2,458,741	93	69	1st AL West
2007	23,726	1,921,844	2,527,968	76	86	3rd AL West
2008	19,986	1,578,922	2,484,966	76	86	3rd AL West
2009	17,392	1,408,783	2,305,178	75	87	4th AL West
2010	17,511	1,418,391	2,289,427	81	81	2nd AL West
2011	18,232	1,476,791	2,333,812	74	88	3rd AL West
2012	20,728	1,679,013	2,384,555	94	68	1st AL West
2013	22,337	1,809,302	2,306,065	96	66	1st AL West
2014	24,736	2,003,628	2,299,409	88	74	2nd AL West**
2015	21,829	1,766,175	2,323,798	68	94	5th AL West
2016	18,784	1,521,506	2,336,365	69	93	5th AL West
2017	18,446	1,475,721	2,290,907	75	87	5th AL West

Sources: *Baseball Almanac* and published reports.

\* shortened strike season

\*\* wild card playoff spot

## Case Supplement

### History of the Oakland A's—Five Decades of Baseball Innovators

The Oakland Athletics franchise began as the Philadelphia Athletics in 1901. Dominant in the early decades of the 20<sup>th</sup> century, the A's won nine American League pennants and five World Championships in Philadelphia, all under Connie Mack, who led the team throughout its first 50 years, either as a manager or an owner. After several years of poor attendance, losing seasons, and the emergence of its cross-town rival, the Philadelphia Phillies, as a baseball powerhouse in the 1950s, the A's then moved in 1954 to Kansas City, where they remained until the end of the 1967 season.

**Charlie O. Finley and the First Championship Era of the 1970s.** After obtaining majority interest of the A's in 1960, owner Charlie O. Finley, an innovative businessman who made his fortune in the insurance business by being among the first to underwrite medical professionals, moved the team to Oakland, California, for the 1968 season, after 13 unproductive seasons in Kansas City. Finley was not a typical baseball team owner—he was his own general manager, actively involved in player acquisition, development, and trades. On the field, Finley expanded the A's farm system<sup>22</sup>—benefitting from the introduction of the MLB draft in 1965 that allowed the A's pick new and unsigned baseball talent first after to several last place finishes<sup>23</sup>— and established a solid nucleus of young players—Reggie Jackson, Sal Bando, Catfish Hunter, John “Blue Odom”, Bert Campaneris, and Vida Blue—that would eventually propel the A's to three straight World Championships—a rare accomplishment that was only achieved by the New York Yankees twice before—in 1972, 1973 and 1974, defeating the favorite Cincinnati Reds, the New York Mets, and the Los Angeles Dodgers, respectively. Off the field, Finley advocated the use of a “designated hitter” for the pitcher, the use of an orange-colored baseball, and the three-ball walk to enliven the game (only the designated hitter was approved in 1974, albeit only for the American League).

Peter Coulombe, a retired advertising executive who had followed the A's throughout its 50 years in Oakland and having gone to his first home game at the Coliseum in May 1968 against the Chicago White Sox, recalled the A's first World Championship during his high school years:

[The A's] were always the underdog and I remember [the 1972 championship season]. The A's were, unlike a lot of teams, players with long hair and mustaches, who didn't have the same kind of dress code when they traveled. And they were seen as this sort of slovenly disrespected bunch of West Coast hippies for lack of a better term. And then you had Cincinnati, they were the Big Red Machine and they were straight as arrows, they wore a sport coat and a tie they traveled, and their hair had to be cut a certain way and no mustaches.

Finley was always the showman, seeking to build the A's brand among its new fans in innovative ways. Finley introduced Mustache Day and Hot Pants Day, where fans wearing either, could get in for free. Ball girls, who chased foul balls and offered milk and cookies to umpires between innings, appeared at each game. Harvey, the pop-up mechanical rabbit who supplied umpires with new baseballs near home plate, and Charlie O, his namesake mule, became the team's unofficial

<sup>22</sup> “Farm System” refers to a team's minor league system, where a players are developed, before they are brought to the major leagues.

<sup>23</sup> Oakland Athletics, “50 Years of Oakland A's Baseball,” Skybox Press, 2018, pages 24 and 25

mascots. Finley also made the Oakland A's uniforms—kelly green and gold—more colorful as a way to differentiate the A's from the drab uniforms of other franchises. Debbie Fields, one of the first A's ball girls who later became better known as the founder of Mrs. Fields' chocolate chip cookies, recalled: "Charlie also taught me an important lesson: Innovation never rests! Night games, the designated hitter, DayGlo uniforms, Hot Pants Day—Charlie was never afraid to buck tradition."<sup>24</sup>

**The Billy Ball Era of the Early 1980's.** With the emergence of free agency in MLB in 1974, the A's championship teams were broken up by the mid-Seventies as key players were either traded or signed with other teams once their contracts expired. In August 1980, Finley sold the A's to Walter A. Haas Sr., whose family owned Levi Strauss & Company, the iconic San Francisco jean-maker. Earlier Finley had begun to rebuild the A's—after three consecutive last place finishes between 1977 and 1979—stockpiling it with new talent such as Rickey Henderson, Mike Norris, and Mitchell Page, and then hired former Yankee's manager, Billy Martin, in February 1980 to lead the team. "Billy Ball" was the renaissance of the A's baseball—the franchise winning another division title in 1980—as championship teams would emerge at the start and the end of that decade. Cynthia Rubio, a long-time season ticket holder who had followed the team since middle school when the A's moved to Oakland, observed:

"The thing is, after the three-time championship team was fully broken up in '76, it was only until 1980 before Finley put another competitive team on the field. And by '81 they were back in the playoffs with that team that started the season with an 11 win streak. I really love that the A's have had so much success with teams put together on a shoestring. They have bad years, but they are never out of the hunt for long."

Former *Oakland Tribune* sports columnist Dave Newhouse added:

"The Oakland Athletics have been baseball's creativity zone since the franchise's relocation from Kansas City in 1968. From the Mustache Gang in the early 1970's to the Bash Brothers in the late 1980's to Moneyball in this century, the A's have altered the baseball landscape. But the team's most original approach was Billy Martin's "Billy Ball" concept in the early 1980's, emulating Martin's pugnacious, unpredictable, I'll-show-you-how personality. He was always that way as a player, and his demeanor didn't change one iota as a manager."<sup>25</sup>

**The Bash Brothers Era of the Late 1980's.** By the late 1980s, with the Haas family firmly in control of the A's, Sandy Alderson as the general manager, and Tony LaRussa as the manager, the franchise emerged as a powerhouse, winning three consecutive American League pennants from 1988 to 1990, a World Championship during 1989, and achieving two 100+ win seasons. Built on power and pitching, the team included a mix of both home-grown players—Jose Canseco, Mark McGuire and Terry Steinbach—and acquired veterans—Dave Stewart, Bob Welch, and Dennis Eckersley. Ricky Henderson was reacquired during 1989 championship season that also saw the franchise's highest home attendance ever of 40,000. On the field, Eckersley, under LaRussa's guidance, redefined the role of a relief pitcher—pitching only in the last inning of a close game to shut down the opposition—by recording 349 of his 390 Hall of Fame career saves as a member of the A's.

<sup>24</sup> Oakland Athletics, "50 Years of Oakland A's Baseball," Skybox Press, 2018, page 42.

<sup>25</sup> Oakland Athletics, "50 Years of Oakland A's Baseball," Skybox Press, 2018, page 80.

**The “Big Three” Era of the Early 2000’s and Emergence of Moneyball.** After the Haas family sold the A’s to Stephen Schott and Ken Hoffman, real estate developers, in 1995, the A’s were forced to find innovative ways to win again, having fewer resources for player development and veteran acquisitions. It was the advent of “Moneyball” approach to evaluate the players for both on-field effectiveness and front-office efficiency. General Manager Billy Beane, who had previously worked under Alderson in the A’s front office, noted:

“Looking back more than 20 years, the way we operated changed dramatically when the team was sold after the 1995 season. Seemingly overnight, we shifted from a team that relied on expensive free agents and a veteran roster to one with an emphasis on scouting and player development, and the young players that came along with that. It wasn’t an easy change for the organization; in fact, it was a bit like landing a jet on a runway and immediately trying to put it in reverse.”<sup>26</sup>

With this approach, the A’s continued to win during the early 2000’s with the Big Three pitching staff of Barry Zito, Mike Mulder and Tim Hudson, that was supported by the likes of Jason Giambi, Miguel Tejada and Eric Chavez. The A’s made four consecutive playoff appearances between 2000 and 2003, winning three American League titles along the way, but losing each time in the fifth and deciding game of the American League Divisional Series. During the 2002 season, the A’s had a 20 game winning streak, then the longest ever in the American League<sup>27</sup>.

**The Present Era.** The A’s were sold in 2005 to John J. Fisher, whose parents were the co-founders of the Gap. During this era, the As continued to remain competitive in an increasingly competitive baseball landscape, winning divisional titles in 2006, 2012 and 2013 and making the playoffs as a wild card team in 2014.

Long-time A’s team photographer Michael Zagaris summarized common elements of all the teams in Oakland:

“Many of the great Oakland teams had the same moxie, whether it be the dynasty A’s teams of the early ’70s, the Billy Ball-era gang, Tony LaRussa’s bunch from 1987 to 1992, or the Big Three Giambi/Tejada/Chavez teams of the early 2000’s. They all scrapped, fought, partied, brawled, ran the streets and won. The A’s teams that I’ve known, loved and shot all have featured players known as much for their color and character as for their ability.”<sup>28</sup>

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<sup>26</sup> Oakland Athletics, “50 Years of Oakland A’s Baseball,” Skybox Press, 2018, page 20.

<sup>27</sup> Broken by the Cleveland Indians in 2017.

<sup>28</sup> Oakland Athletics, “50 Years of Oakland A’s Baseball,” Skybox Press, 2018, page 132.