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Research problem

This paper analyzes the 2006 World Baseball Classic (WBC) as a promotional strategy by Major League Baseball to further its global branding pursuits. According to Paul Archey, MLB’s senior vice president of international business operations, the purpose of the WBC was to “build a platform where the best players in the game could play on behalf of their countries and get baseball better global exposure.”

Several theoretical frameworks involving global management and marketing practices are utilized to analyze the WBC, with certain analyses considering the interaction of multiple frameworks, including sport event scope (Shani & Sandler, 1996), a four-step global brand strategy (Gillespie, Jeannet, & Hennessey, 2007), consumer evaluations of global brands, global consumer segments (Holt, Quelch, & Taylor, 2004), cultural production (Venkatesh & Meamber, 2006), and principles related to global media (Gershon, 2005).

This article would likely be useful to sport marketers, particularly those seeking to expand a property on an international/global scale, or by brand managers seeking to partner with a global sport property. Event managers with the same purposes may also find the article helpful.

Issues

Precise definitions for the term globalization vary considerably and include descriptive elements encompassing the integration of markets for goods, services, capital, technology, information, historical and political shifts, social and cultural processes, human mobility, and organizations. Regardless of their precise definitions, consensus exists among later expert writings on globalization, indicating that the phenomenon cannot be accurately characterized by singular definitions of the term and that these processes are each evolving concurrently, are frequently overlapping, and are often are reinforcing one other, thereby creating a simultaneously problematic and promising environment.

Like most American sport properties, MLB is no stranger to far-reaching global business initiatives in recent decades. Modern sport crosses international boundaries with increasing regularity due to the influx of worldwide talent, global television audiences, and greater access to licensed merchandise. Accordingly, globalization has become a top priority of all major U.S. sports properties as they seek growth outside American borders both to showcase their sports to international audience and to increase consumption of their own particular product(s). Other primary causes for the increased emphasis on globalization by American sport properties are the maturation of American sports markets and the relatively unsaturated nature of overseas sports markets, as well as technological advances and availability, which increase international accessibility.
Event Scope

Precise use of the terms global and international becomes paramount when determining the exact context of an event. Shani and Sandler (1996) offer a five-tiered classification system called “The Sports Event Pyramid” (see Figure 1) based on two criteria: width, or the geographic reach of the event; and depth, or the level of interest in the event, which may be great or low. Accordingly, the top tier of events includes ones with worldwide width coupled with great depth, which are classified as global events, e.g., the Olympic Games and FIFA World Cup. Second-tier events on the are classified as international events; these events may have: national width and great depth, e.g., the Union of European Football Associations (UEFA) Cup in soccer; or global width with low depth, e.g., the Wimbledon tennis tournament and the Tour de France bicycle race.

Brand Scope

Gillespie et al. (2007), contend that a global brand implements a marketing strategy that is standardized across all national markets yet adapts key elements of the marketing mix (e.g., product features, distribution, and promotion) to local tastes, while an international brand follows a general global strategy but does not maintain a strictly standardized marketing strategy or marketing mix across all national markets.

When considering Shani and Sandler’s (1996) Sports Event Pyramid and Gillespie et al.’s (2007) branding distinction together, MLB must contextualize the WBC as a global event with worldwide width and great depth, but because of the varying impact of the sport of baseball around the world, MLB must market itself as an international brand. Specific reasons why MLB must market itself with differentiated marketing strategies and marketing mixes are detailed in the following discussion about the WBC global branding strategy, consumer evaluations of global brands, and MLB’s consideration of cultural production.

Summary

Four Steps In Global Branding

Gillespie et al. (2007) advocate four steps in developing and administering a global brand: identifying consumer needs, communicating brand identity, tracking global brand identity, and determining the movement of branding decisions. These four steps can clearly be seen when examining MLB’s construct of the WBC.

In the initial step, a firm must identify recurring customer needs worldwide and determine how its brand can bring both functional and emotional benefits to these customers. Emotional benefits of the inaugural WBC were well documented by media accounts of the unbridled nationalism by fans attending WBC games. Such passion was also a critical measure of success for WBC sponsors, who in some cases had directly pinned the success of their marketing campaigns to the transference of the passion generated by the implosion of nationalism and the sport of baseball directly to their brands.

The second step proposed by Gillespie et al. (2007) is the establishment of a process to communicate the brand’s identity to consumers, channels, and the firm’s own employees. Concerning the WBC, MLB did this on both big-picture and small-picture levels. From a gestalt perspective, MLB officials and other experts clearly indicated that the purpose of the WBC was to build a bridge to audiences outside the United States, along with other exhibition initiatives, including an exhibition series in China and Opening Day games in Japan. Aside from these big-picture efforts to communicate brand identity, specific immediate steps were also taken to drive the MLB/WBC message, including collaboration with powerful media partners like ESPN.

The third step proposed by Gillespie et al. (2007) is the establishment of a method for tracking the success of the global identity of the brand and monitoring customers’ opinions. Fortunately for MLB, a multitude of both traditional and cutting-edge options are at its disposal, including traditional measures of television ratings and ticket sales, which were reported to be the primary focus of some MLB executives, and media traffic patterns created by new media.

The fourth and final step proposed by Gillespie et al. (2007) in developing and administering a global brand strategy is to determine the direction of the movement of branding decisions, which may be either of two directions: the top-down approach, in which a global management team determines the global brand strategy from which country-specific branding strategies are derived; or the bottom-up approach, in which country strategies emerge from shared experiences and best practices across common elements among subsidiaries. Though global
movement on the MLB brand is clearly a top-shelf priority of its upper-level management team, regarding this fourth step, MLB is apparently building unique, individualized, country-specific strategies that reflect a bottom-up approach in branding decisions. MLB international marketing and development personnel indicate that strategies and dynamics of selling the game must be customized not by continent and region but by country, a branding strategy at least 15 years old (King, 2006).

Consumer Evaluations of Global Brands

Based on a study of brand preferences and perceptions of consumers across the globe, Holt et al. (2004) offered a theoretical construct of three important dimensions of global brands (quality signal, global myth, and social responsibility) and categorized global consumer segments into four groups (global citizens, global dreamers, antiglobals, and global agnostics), both of which can clearly be illustrated by an examination of MLB’s efforts with the WBC.

Regarding the first dimension of quality signal, Holt et al. (2004) concluded that international consumers are impressed by brands’ quality, excitement, innovation, and global reach. MLB’s launch of an international tournament dually qualifies as a new/breakthrough initiative and a direct effort to drive international perception of the sport of baseball as a global one.

The second dimension of global brands is a brand’s capability to create a shared global identity that gives consumers a perceived cosmopolitan lifestyle, known as global myth, in which they share an imagined global identity with like-minded people, feel a sense of belonging to something bigger, and ascribe to desired qualities. A careful analysis of the 2006 WBC team/country profiles compiled by King (2006) reveals that MLB utilized global myth regarding the WBC to nations outside the U.S. with two distinct combinations of two variables: emphasis on competition and sources of sponsorships.

The third dimension associated with a global brand is its perceived level of social responsibility. Holt et al. (2004) indicate that consumers perceive global companies to wield considerable social influence and should directly address problems linked to their industries. In conjunction with the WBC, MLB did both. From the profits generated by the tournament, the WBC donated $1.2 million to Habitat for Humanity International (HHI) to aid victims of the hurricanes that struck the Gulf Coast region of the U.S. in 2005 and support the building of 16 homes. In another instance involving the WBC, MLB wielded its influence to address the problem of Cuban participation in its tournament. The U.S. State Department initially barred the Cuban team’s participation in the WBC, but MLB successfully negotiated a reversal of that policy in time for the Cuban team to participate.

Customer Segments

Holt et al.’s (2004) study also coined four major segments of consumers based upon how they relate to and evaluate global brands: global citizens, global dreamers, antiglobals, and global agnostics.

Global Citizens, which composed about 55% of Holt et al.’s (2004) respondents, are concerned about firms’ behavior regarding social issues and rely on companies’ global successes as a signal of quality and innovation. Relatively few of these consumers are found in the U.S. and United Kingdom, while relatively high numbers are found in Brazil, China, and Indonesia. MLB has taken a primary first step in positioning itself as a globally successful brand simply by staging the WBC as a platform for the best players to compete on behalf of their countries.

Global Dreamers, which constituted 23% of Holt et al.’s (2004) respondents, are consumers who see global brands as a source of quality products, readily accept the myths authored by brands, are less discerning about and more ardent in their admiration of transnational companies, and are not nearly as concerned with corporate response to social issues. With the WBC, MLB has authored a highly attractive connectivity device for this group of consumers as it promotes the tournament as a vibrant, forceful, irresistible combination of baseball and national flags.

Antiglobals, which number about 13% of respondents in Holt et al.’s (2004) study, try to avoid transnational companies’ products because they are skeptical that such companies can deliver higher quality goods to them. Their numbers are relatively high in the United Kingdom and China, and relatively low in Egypt and South Africa (Holt et al. 2004). Concerning MLB and the sport of baseball, this type of consumer may not necessarily be focused upon the quality level of goods; instead, their antiglobal mindsets may be more directed at the quality of baseball as a sport and its (lack of) relevance and appeal to them. Additionally, they may be less inclined to sample the game,
either as a participant or spectator. Such an approach may be more prevalent in countries with a weak baseball presence. Therefore, MLB must carefully design its promotional efforts to emphasize elements other than ones that are highly (even inherently) culturally relevant in other nations.

Global Agnostics, which comprised of 8% of Holt et al.’s (2004) respondents, are consumers who do not regard brands’ global nature as meriting special consideration and do not make purchases based on brands’ global attributes. These consumers are found in relatively greater numbers in the U.S. and South Africa and lesser in China, Japan, Indonesia, and Turkey (Holt et al. 2004).

**MLB’s Consideration of Cultural Production**

Venkatesh and Meamber (2006) proposed that marketing is the context and framework for cultural production as related to the marketing of aesthetics, specifically within the arts. When examined together with Holt et al.’s (2004) global brand consumer segments, their theory clearly has strong implication for MLB in its efforts to market itself globally.

From 31 sources in literature, Venkatesh and Meamber (2006) assimilated four distinct approaches to marketing and consumption of cultural production: the managerial orientation, in which marketing principles are applied to cultural product consumption; consumption orientation, which includes experiential, symbolic, and hedonic components; everyday life orientation, in which arts/aesthetic consumption occurs in everyday life situations; and cultural product orientation, in which cultural products provide insights into consumer culture. The progression of these perspectives is oriented in the premise that an aesthetic experience (i.e., the sport of baseball in the context of this paper) is based on sensory elements but is also highly symbolic, thus leading to a different consumer response when compared to more mundane objects (Venkatesh & Meamber, 2006).

When combined with Holt et al.’s (2004) global consumer segmentation, knowledge of Venkatesh and Meamber’s (2006) four perspectives on marketing and cultural production could allow MLB to better direct its WBC efforts in more precise, effective, efficient ways. Discounting the unlikely-to-be-converted global agnostics, MLB can effectively form appeals to the remaining three global consumer segments.

**Principles Related to Global Media**

In describing transnational media corporations, Gershon (2005) states that their principal commodity is information and entertainment. Gershon (2005) further states that these corporations have become salient features of the modern global economic landscape and actively promote the use of media and telecommunications software and hardware technology (e.g., broadcast and cable television, Internet, music and film, direct broadcast satellite, video games, recorded programming) on a worldwide basis. Increasingly, however, more brands have become at least part-time media companies by virtue of their marketing strategies, following the lead of sport properties, which are often given credit for pioneering this phenomenon of not only producing content, but creating communities and producing online tools.

With Major League Baseball Advanced Media (MLBAM), the company created to operate its digital assets, MLB is well positioned strategically to control and distribute its product on a global basis. Created in 2000 with a $2.7 million investment from each of MLB’s 30 clubs, MLBAM has helped define successful digital media propagation not only for MLB but other major sport properties with whom it contracts. MLBAM produced revenues of at least $380 million in 2007, up more than 60% from $236 in 2005, and has streamed over 12,000 live events since its inception in 2000, more than any other Web site in the world.

**Discussions/Implications**

Despite the current strengths of MLB and the success of the 2006 World Baseball Classic, much remains at stake for Major League Baseball as it perpetuates its efforts to build its brand globally. Though MLB has achieved several noteworthy breakthroughs, several international obstacles of considerable scope remain to be conquered.

**Noteworthy Breakthroughs**

MLB has finalized plans for its second staging of the WBC, scheduled for March 2009 in Tokyo, Japan; San Juan, Puerto Rico; Toronto, Canada; Mexico City, Mexico (cites for second-round, semifinals, and championship games are to be determined as of this writing) and featuring the same 16-team field as the inaugural 2006 WBC. Perhaps the most notable future alteration of the tournament includes its proposed field expansion to 24 teams for 2013.
that would include qualifying rounds as prefaces to primary competition and thereby potentially grow and enhance worldwide interest in the game.

Another success story spawned at least indirectly by the WBC yet unconnected to MLB is the Israel Baseball League (IBL), a six-team professional baseball league that began play June 24, 2007, and featured 120 players from nine countries including the U.S., Canada, Australia, Japan, Israel, and the Dominican Republic. The six teams completed a 45-game season and fielded 20 of its 120 players from Israel and, before beginning its 2008 season, announced that eight of its 2007 players had either been signed by or invited to tryouts with professional teams around the world.

Remaining International Obstacles

Many of the obstacles for the IBL within Israel will be common and/or similar to ones for MLB as it continues its push within certain countries and regions of the world; China is one such example. Conditions in China appear to be somewhat iconic for most countries on MLB’s radar, not to mention the importance of exposing the nation of 1.3 billion people to baseball.

Particular focus has been cast upon bolstering the Chinese national baseball team. In 2003, MLB signed a development contract with the Chinese Baseball Association (CBA) and offers several youth development programs in major Chinese cities. However, with baseball dropped from the 2012 Olympic Games and no guaranteed of its restoration to the sports rosters of future Games, almost no Chinese government support for its development past the 2008 Olympics is guaranteed, necessitating stronger supporting relationships with baseball entities such as MLB. Additionally, MLB must continue to find ways to develop the game beyond the national team level. In addition to revitalizing the culture of baseball in China, despite its efforts to boost the WBC, MLB must seek an effective partnership with the International Baseball Federation (IBAF), the global governing body of baseball whose universal presence exceeds that of MLB, despite a historically icy relationship between them.

A Springboard to the Future

This discussion of the WBC must conclude with the initial theoretical framework with which it began. MLB’s promotional efforts for the WBC must become rooted in a thorough understanding of Shani and Sandler’s (1996) Sports Event Pyramid and the characteristics of events that occupy each tier so that the WBC can ascend over time to a level appropriate for maximizing the tournament’s potential. Understanding how to extend the sport’s width in developing markets (e.g., China and European nations) will become paramount, while extending its depth will be the overriding factor in others (Pan American nations, Japan, Korea, and even in the U.S.).

The WBC also gives MLB an opportunity to further distinguish itself globally among its major American sport property peers. Though its championship is labeled as the World Series, that label is somewhat of a misnomer with the possible caveat that one MLB franchise is located in Canada; in fact, Shani and Sandler (1996) classify it as a national event, listed on the third of the five tiers on their Sports Events Pyramid. Accordingly, this championship event is quite less than likely to garner high levels of worldwide attention.

In addition to the finalized domestic and international media rights deals for the 2009 WBC tournament that were estimated to be worth $40 million-$50 million, MLB and MLBPA organized a series of aggressive promotional events for the 2009 WBC at its four North American WBC sites as the 2008 MLB season concluded. Coupled with its previously discussed apparent disinterest in Olympic baseball investments, these factors clearly signal that MLB has begun to realize the potential of the WBC as a promotional strategy for its global branding efforts.

In summary, this article underscores the importance of MLB’s efforts to establish itself as a viable international brand and cultivate markets around the world. To effectively do so, establishing the presence of the WBC as global sport event becomes imperative to MLB’s future success.