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I am submitting herewith a thesis written by Ji-Ho Kim entitled "The impact of Asian players on the revenue of their teams and Major League Baseball." I have examined the final paper copy of this thesis for form and content and recommendation that it be accepted in partial fulfillment of the requirements for the degree of Master of Science, with a major in Sport Studies.

Dennie Kelley, Major Professor

We have read this thesis
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Vice Chancellor and
Dean of Graduate Studies

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THE IMPACT OF ASIAN PLAYERS ON THE REVENUE OF THEIR TEAMS AND MAJOR LEAGUE BASEBALL

A Thesis
Presented for the
Master Of Science
Degree
The University Of Tennessee, Knoxville

Ji-Ho Kim

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Dedication

This thesis is dedicated to my parents,

Sung-Ki Kim and Boon-Ok Lim

Who love and support me unconditionally.

Without their encouragement and trust,

I and this thesis would not exist.

And to my two brothers and one sister,

Ji-Yun Kim, Hyung-Chul Kim, and Hee-Jung Kim

who willingly share all the memories, both good and bad, with me.

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Once again, I really appreciate all of people who helped me to complete this research.

Abstract

The purpose of this study is to examine the impact of Asian players, especially those from South Korea and Japan, on revenue changes of the Seattle Mariners, Los Angeles Dodgers and Major League Baseball (MLB).

To gather data, the directors of Asian baseball operations from the Seattle Mariners, LA Dodgers and MLB were contacted via e-mail and telephone. In addition, two journalists from the sports industry and two experts from the baseball industry were contacted via e-mail. Further, data showing MLB's and teams' revenue sources from Japan and South Korea were collected from several sports websites.

To investigate the impact of Asian players on their teams and on the MLB revenue change, this study focuses on answering the following three questions: a) Have there been any significant increases in the revenue of MLB, the Seattle Mariners and Los Angeles Dodgers after acquiring Asian players? b) What are the additional revenue sources that can be realized by acquiring Asian players? c) Have Asian players had a positive cost-benefit effect?

Descriptive analysis was used in interpreting the results of this study, and the results are shown by percentages, mean, tables, and figures. Further, comparison of collected secondary data shows the Seattle Mariners', the Los Angeles Dodgers' and MLB's revenue changes after obtaining Asian players.

The findings of the study show that obtaining Asian players was effective in increasing the two teams' and MLB's revenue. Additionally, revenue from Japan was the most significant factor in this revenue increase. This study provides an opportunity to

examine a new trend of the global sports industry and also can be a reference to MLB teams when they obtain Asian players.

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Chapter 1

Introduction

Professional athletes' salaries have increased in recent years, and the average salary of Major League Baseball (MLB) players is $2.6 million in 2005 (Associated Press). In addition, "Approximately 53 to 55 percent of MLB teams' revenue goes to players' compensation at the major league level" (Zimballist 2003, p.127). To pay for the high players' salaries and at the same time to make a profit, ticket prices have increased. In this respect, attracting sports fans in foreign countries may be an effective way to increase revenues. For example, according to Major League Baseball (MLB.com, 2005a), a record 29.2 percent of the players on Opening Day rosters - the 25- man active rosters and disabled lists were born outside the United States. That is up from 27.3 percent last year. The 242 players were from 15 foreign countries and the territories of Puerto Rico and the Virgin Islands. In the last decade, based on the data from espn.com (2005), the number of Asian players has increased. The Asian community in the United States has a growing population with above income average is in America, and is considered an important consumer base in the market (Embrey, 2004). Over 20 Asian players came to MLB during the last 10 years, and some of them are helping both their team revenue and standing significantly. Twenty-two of the 24 Asian players in the present MLB came from South Korea and Japan (espn.com, 2005). By obtaining the Asian players, the teams and MLB can expect new revenue sources through selling broadcasting rights and merchandizing products to South Korea and Japan and to Asians living in MLB cities. Indeed, the teams in cities with large Asian communities may effectively market to motivate Asian baseball fans to attend the games. However, despite a predicted positive

impact of Asian players on MLB and their franchise teams' revenue changes, there has not been any academic research on Asian players' economic impact on MLB teams. This study will be a tool to explore this new revenue source for MLB.

Statement of Purpose

The purpose of this study is to examine the impact of Asian Major League Baseball players on their teams' and MLB's revenue change. Since baseball is the most popular sport in South Korea and Japan, and the number of major leaguers from those countries has steadily increased, the study investigates how South Korean and Japanese players have affected their major league franchise revenue change. This study examines franchises in Los Angeles and Seattle, both of which are cities with large Asian communities. The Los Angeles (LA) Dodgers and Seattle Mariners had the largest number of Asian players from South Korea and Japan in MLB during the last decade. Some of these players have played a crucial role in the improvement of their teams' standings. To examine the impact of Asian players on their teams and on MLB, the following questions are explored.

1. Have there been any significant increases in the revenue of the LA Dodgers and Seattle Mariners teams after acquiring Asian players?
2. What are the revenue sources that can be realized by acquiring Asian players?
3. Have Asian players had a positive cost-benefit effect?

Definition of Terms

Major League Baseball

Major League Baseball (MLB) is the highest level of play in professional baseball in North America. More specifically, Major League Baseball (MLB) refers to the entity

that operates North America's two top leagues, the National Baseball League and the American Baseball League, by means of a joint organizational structure, which has existed between them since 1920 (Wikipedia.org, 2005a).

25-Man Roster

Each Major League Baseball team maintains both a 25-man roster and a 40-man roster of players, year-round. The 25-man roster is the list of eligible players who may play in a game.

(Wikipedia.org, 2005b)

Broadcast Rights Fees

A term that refers to the fees Major League Baseball receives for selling broadcasting rights for MLB games.

Licensing

The practice of MLB selling the rights to use MLB logos and authorizing manufacturers to produce their products with MLB logos.

Merchandising Products

Products, which have MLB logos, such as caps, bats, jerseys, and other products

Assumptions

This research began with an assumption that MLB teams, especially teams in cities with large Asian communities, can generate more revenue through acquiring Asian players. Due to the high populations of Korean and Japanese Americans in the western United States, such as in Los Angeles and Seattle, Asian-Americans are considered to be a significant consumer segment in the market. More revenue was expected from Japanese sources since Japan has a larger market than South Korea.

Significance of Study

The number of Asian players has been increasing in Major League Baseball in the last decade, especially those from South Korea and Japan. As a result of the increased number of Asian major league players, the MLB teams which have a large Asian community can expect to generate new, lucrative profits, such as selling broadcast rights fees and merchandise products to fans in those two countries. However, there has not been an in-depth study of the economic impact of Asian major leaguers on their franchise teams. Thus, investigating the impact of Asian players on teams' revenue change through this study will help MLB teams make decisions when they consider acquiring Asian players. Academically this study will be helpful in understanding the global sports market through analyzing a new trend in the MLB.

Chapter 2

Literature Review

The purpose of this study was to examine the impact of Asian players on their franchises' and Major League Baseball's revenue change. The literature review consists of four parts that includes: a) Major League Baseball revenue structure, b) revenue sharing system, c) Asian American demographical data, and d) the popularity of professional baseball leagues in Japan and South Korea.

Major League Baseball Teams' Revenue Structure

According to Conventions, Sports & Leisure International (2004):

> MLB franchises generally have three primary revenue sources: national and local media (broadcasting), revenues generated through the playing facilities and shared revenues. A large portion of a MLB franchise's revenue is generated through broadcasting, and while teams equally share in national broadcasting revenues (approximately $18.6 million per franchise per season under the current rights agreements), significant variances in the level of local broadcasting revenues among teams has resulted in large disparities in the total revenue generated by teams. MLB franchises derive local revenues through ticket sales, concessions and merchandise sales, parking fees, premium seating, advertising, naming rights and other such revenue streams, in addition to national revenues from sources such as national broadcast contracts, MLB properties, revenue sharing and other such sources (Conventions, Sports & Leisure International, 2004, p.21).

Major League Baseball Revenue Sharing System

According to Papas (2001), the MLB revenue-sharing formula requires each club to pay 20% of its total local receipts, net of stadium expenses, into a common pool. The local receipts consist of revenue from areas such as ticket sales, concessions and merchandise sales, parking fees, premium seating, and advertising, naming rights. Three-

quarters of the money in the pool is divided equally among all 30 clubs. The remaining 25% is shared only by clubs with below-average local revenues, distributed so that the lowest-revenue teams receive the most.

Asian Community in the U.S

According to Embrey (2004), even though the Asian-American population ballooned 72 percent from 1990 to 2000, the Asian-American market has not been considered as a serious marketing attention due to all the focus on the Hispanic customer.

Embrey stated that as a result of the increase in the Asian-Americans, there is now, based on the 2002 U.S. Census data, approximately 12.5million Asian-American consumers. While that's still a comparatively small market to set sights on, it's a powerful one in terms of household income and purchase power. The immigration of Asians to the United States is very different. The population that immigrated to the United States is more or less already very educated or in the process of completing their education or even moving on to getting their advanced degrees. This is a demographic that exhibits a lot of desirable consumer traits -- high household income, high educational attainment and high levels of entrepreneurship. (Embrey, 2004).

Additionally, according to Embrey based on the data in the 2000 U.S. Census, Asian-Americans are also one of the wealthiest groups in this country with a household income of $70,221 for Asian and Pacific Islanders. This figure is well above the average for the Caucasian population ($61,237) and total population ($57,045). This wealth increases the segment's purchasing power and makes the Asian-American demographic an attractive consumer for the retail industry (Embrey, 2004). Cheng, President of New York-Asia Link Consulting Group, is quoted in Embrey, (2004), as saying that Asian

Americans have one of the fastest-growing rates of buying power in the United States, second only to Hispanics. Cheng continued by explaining that the rate of buying power growth between 1990 and 2007 for the Asian-American population is predicted to be 79 percent, as opposed to the total national rate of 40 percent. By 2007, Asian-Americans are anticipated to have $455 billion in total buying power. Further, based on the information in Embrey's article (2004), population statistics support why teams in cities with an Asian community need to consider acquiring Asian players; the population is very concentrated in the United States, with more than 50 percent living in just three states -- California, New York and Hawaii. Coupled with that, nearly 60 percent of Asian-Americans are in the top metropolitan cities, including Los Angeles (18.8 percent), New York (15.2 percent), San Francisco (13.9 percent), Honolulu (6.9 percent) and Chicago (4.2 percent). Additionally, over the past 10 years, every U.S. state has seen a growth in its Asian population of at least 33 percent, with some states seeing as high as 200 percent growth. Even though the actual numbers of Asian-Americans spread throughout the country is small, the point is that Asians are still growing at an extremely fast rate (Embrey, 2004). Further, the Census Bureau estimates that the Asian-American population will grow to 37.6 million individuals by the year 2050, which will constitute approximately 9.3% of the nation's population.

According to Embrey (2004), the six largest Asian segments in the United States are Chinese (23 percent), Filipino (20 percent), Asian-Indian (16 percent), Vietnamese (10 percent), Korean (10 percent), Japanese (9 percent) and other (12 percent). The Chinese group has garnered the most interest in terms of Asian marketing, partly because it is the largest Asian subsegment in the country, and because it has one of the longest histories in the country.

Popularity and Background of Professional Baseball in South Korea and Japan

Baseball is the most popular professional sport in South Korea and Japan (Web-Japan, 2002). In the case of the South Korean professional baseball league, the league consists of 8 teams, and each team has 133 games in a season. The league began in 1982, with average attendance of 5,995 and the popularity gradually increased until 1995, with average attendance of 10,727 per game (Korea Baseball Organization). After 1995, attendance began to decrease and resulted in an average attendance of 4,383 per game in 2004 (Korea Baseball Organization). However, still baseball has the biggest fan base compared to other sports in Korea. Japanese professional baseball has about 60 more years of history, launched in 1936. Japanese professional baseball consists of two leagues with each league comprised of 6 teams. Each team has 140 games in a season. The 2004 season average attendance per game was approximately 13,909 (Dion, 2004). Additionally, players' average salaries for the 2005 season (except foreign players' salary) in the Korean league were approximately $62,000, and Japanese professional baseball league players had an average salary of $341,500 (Seoul News Paper 2005).

According to a survey in Japan 2002, Japanese professional baseball was the most popular sport in Japan, for the eighth year in row. Additionally, seven baseball players were ranked as the most popular athletes in Japan and four of them played in the MLB (Web-Japan, 2002).

Chapter 3

Methodology

The purpose of this study was to examine the impact of Asian major league baseball players on their teams' and Major League Baseball's revenue change. Chapter three has the following sections: a) MLB revenue change from Japan and South Korea, b) The LA Dodgers and Seattle Mariners revenue change from Japan/South Korea, c) Japanese and South Korea players' productivity based on their salaries.

Collection of Data

MLB Revenue Change from Japan/South Korea:

To gather data, the directors of Asian baseball operations from MLB were contacted via e-mail and telephone. In addition, two journalists from the sports industry and two experts from the baseball industry were contacted via e-mail. Information on the following topics were requested:

- Total MLB revenue including revenue from domestic and foreign countries
- Broadcasting Rights fees
- Merchandising
- Licensing
- Sponsorship from Asian companies

Further, data were gathered from several sports websites, business journals and the baseball business books.

The LA Dodgers and the Seattle Mariners Revenue Changes from Japan/South Korea:

Data regarding revenue of the LA Dodgers from 1994 to 2004 and Seattle Mariners from 1999 to 2004 were requested. To gather data, the directors of Asian

baseball operations from the LA Dodgers and Seattle Mariners were contacted via e-mail and telephone. In addition, two journalists from the sports industry and two experts of the baseball industry were contacted via e-mail. The data request e-mails asked the following information:

- Merchandising
- Sponsorship from Asian companies

Cost-Benefit Effect of Asian Players:

Asian players' salaries in the Seattle Mariners and LA Dodgers were analyzed to determine their productivity. To show their productivity, Asian players' salaries were compared to players' average salaries both on the same teams and from MLB. Asian players' salaries with the LA Dodgers and Seattle Mariners, as well as average MLB salaries were collected from usatoday.com and baseball-reference.com.

Data Analysis

In order to show the Asian players' impact of teams' and MLB's revenue change, descriptive analysis was used. The results of the study were indicated by the frequency of scores, percentages, tables, figures and mean. Comparison of secondary data regarding teams' and MLB' revenue from Japan and South Korea in season by season was used to cover the research questions. And, to examine the cost-benefit effect of Asian players, this study compared Asian players' salaries with MLB players' average salaries.

Limitations

This study only focuses on revenue change of the Los Angeles Dodgers and the Seattle Mariners after obtaining Asian players because those two teams represent the largest Asian communities in America. Both of these two teams have successful Asian

players. Thus, the research may not be applicable to the impact of Asian players on teams' revenue changes that are located in cities with smaller Asian communities.

As many previous studies (Kamara. R, 2002) show, teams standings in the last season are the most crucial element to attract spectators to attend games, however, this study will not deal with how Asian players affect the increase in attendance since many variables are expected to clearly explain the increase or decrease in attendance. Although this research may not validate how Asian players affected attendance, we may assume if Asian players performances are above average of other major league players, the Asian players helped increase attendance numbers.

Since teams and MLB financial data are confidential, this study was not able to show the exact amount of revenue changes of teams and Major League Baseball.

Chapter 4

Results

The purpose of this study is to examine the impact of Asian players on their teams' and Major League Baseball's revenue change. To gather the data, the directors of Asian baseball operations from MLB, the LA Dodgers and Seattle Mariners were contacted via e-mail and telephone. In addition, two journalists of the sports industry and two experts of the baseball industry were contacted via e-mail. Results consisted of data from several sports business journals, books, and sports websites, such as Sports Business Journal, ESPN.com, MLB.com, business of baseball.com, and baseball reference.com. The data were used to explain the impact of Asian players on teams/ major league baseball's revenue change, and players' cost-benefit effect based on their salaries.

Research Question One

Have there been any significant increases in the revenue of the Seattle Mariners/LA Dodgers and the MLB after acquiring Asian players?

Research Question Two

What are the revenue sources that can be realized by acquiring Asian players?

To answer the above two questions, the number of Asian players, teams' and MLB's revenue from foreign countries were gathered. The number of Asian players and MLB's revenue from their countries has increased since Major League Baseball International (MLBI) launched in 1987.

<u>The number of Asian players from South Korean and Japan:</u>

The number of Asian players from South Korea/Japan, teams and MLB revenue data were collected for the last decade. For the last decade, the number of Asian players has

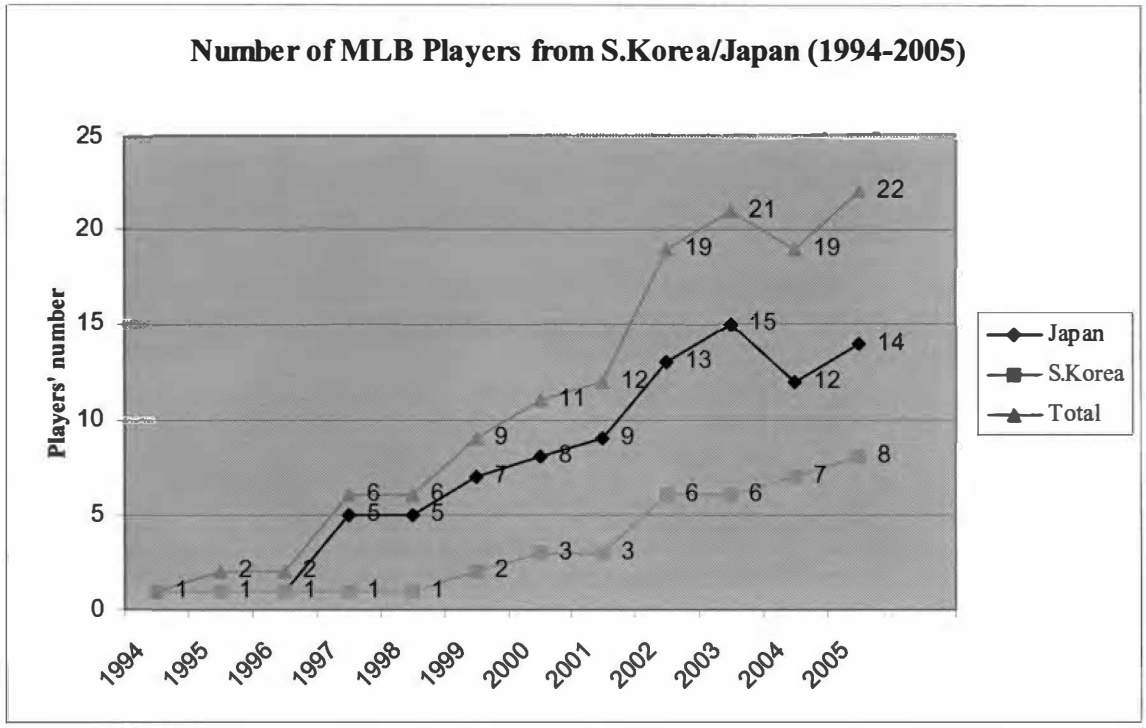


Figure1. Number of MLB Players from South Korea/Japan
Source: Based on data from ESPN.com

increased, after Chan Ho Park, a South Korean player, arrived in MLB in the 1994 season, the number of Asian players reached 25, and 22 of them are from South Korea or Japan in the 2005 MLB season as shown in Figure 1. Additionally, several prospective young Asian players are in the major league baseball farm system.

MLB revenue from Japan/South Korea from 1997 to 2005 season:

MLB revenue from foreign countries has increased since Major League Baseball International (MLBI) launched in 1987. Major League Baseball International increased its revenue from foreign countries 1000 percent from 1987 to 2003 season. The following Figure 2 shows MLB's total revenue from foreign countries from 1989 to 2003.

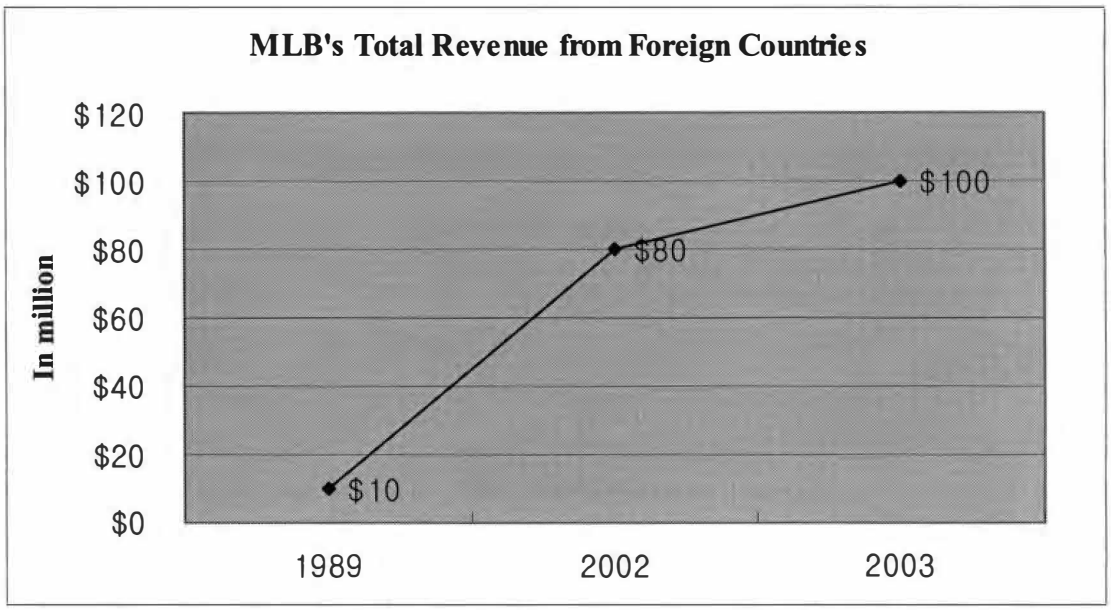


Figure2. MLB's Total Revenue from Foreign Countries
Source: Based on data from Rovell (2002) and Sports Business International (2004)

MLB Broadcasting Rights Fees from Japan and South Korea (BRFs):

The largest portion of revenue resources of MLB revenue from Japan/S.Korea is broadcasting rights fees (BRFs), and this revenue is equally distributed to each of the 30 MLB teams. Japan and South Korea's BRFs have soared in the last 10 years as shown in Figure 3 and 4. The BRFs from Japan have increased 300 percent and 4000 percent from South Korea in this 10-year period. The total amount of BRFs from 1997 to 2005 seasons was approximately $215 million. The MLB has agreements regarding BRFs with broadcasting companies in these two countries that MLB and Dentsu (Japanese advertising company) agreed to terms on a five- year (2004-2008), $275 million deal for the rights to broadcast games in Japan, and in case of the agreement between the MLB and South Korean Broadcasting company, X-Sports, they agreed to terms on a four-year (2005-2008), $48 million deal for the rights to broadcast games in South Korea.

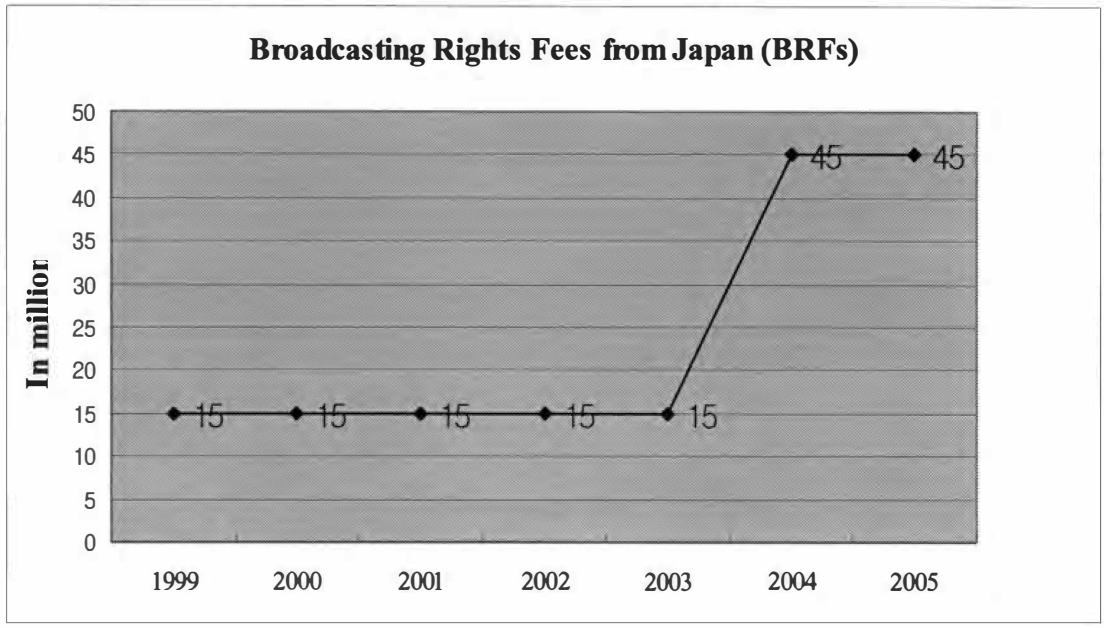


Figure 3. Major League Baseball BRFs from Japan
Source: Based on data from *Sports Business Journal* (2004)

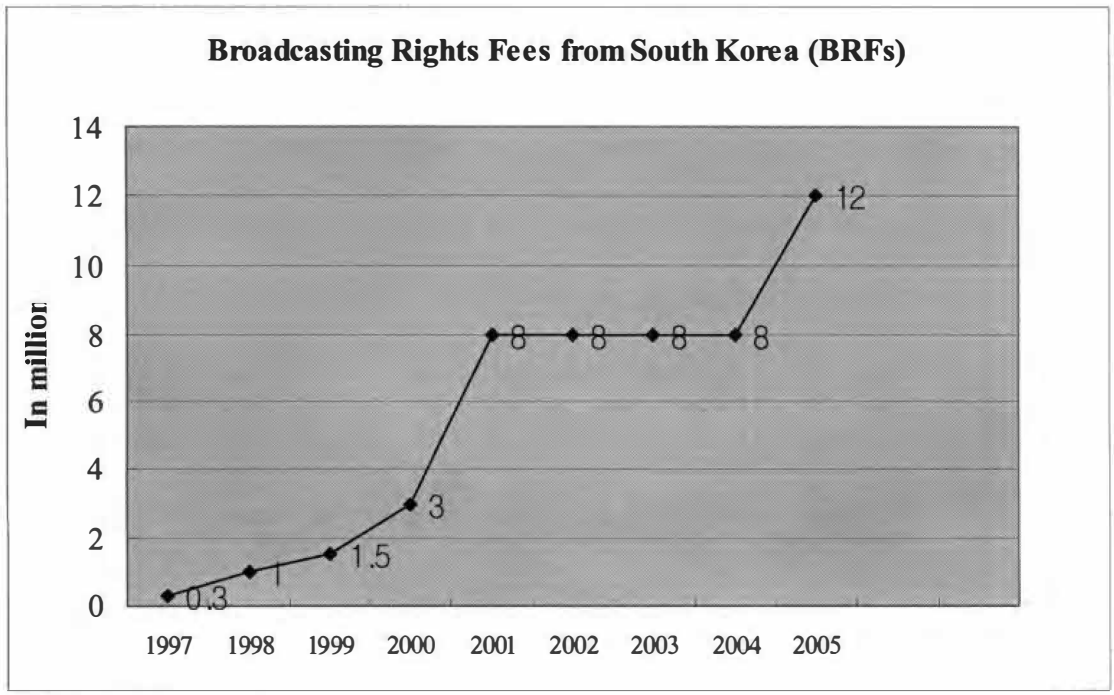


Figure 4. Major League Baseball BRFs from South Korea
Source: Based on data from Yun-Hap News (2005)

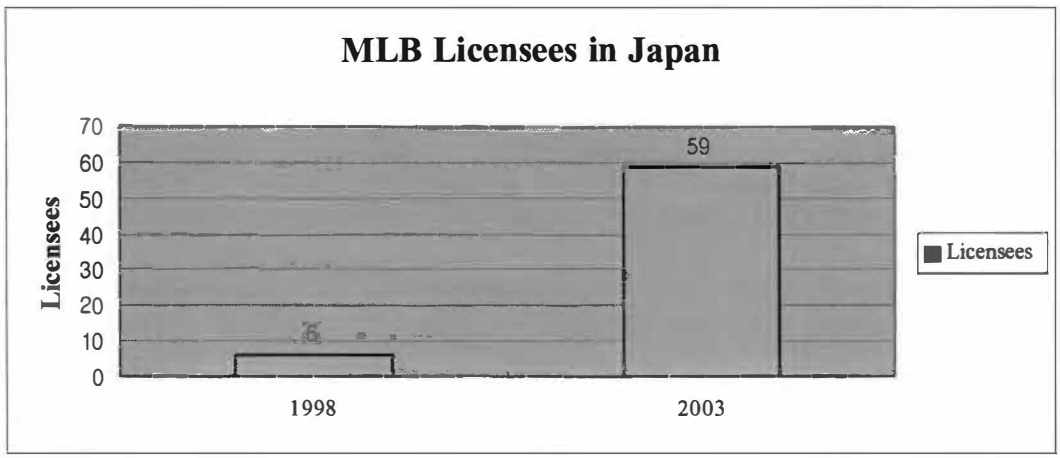


Figure 5. MLB Licensees in Japan
Source: Based on data from Hong (2005)

MLB Sponsorship and Licensing from Japan/South Korea Companies:

After some of the biggest baseball stars in Japan, such as Ichiro Suzuki and Hideki Matsui, came to the MLB, the number of sponsorships and licensees has increased as shown in Figure 5. It is not possible to determine a cause and effect relationship, but the evidence indicates a positive relationship. In 2003, MLB had 18 sponsors and 55 licensees in Japan. MLB earned $60 million in revenue from Japan, and it was more than all revenue from other countries in the world (*Sport Business Journal*, 2004). MLB reached its first agreement regarding sponsorship with a South Korean company, the Oriental Brewery, in the 2004 season. In the case of MLB licensing in South Korea, only one company, F&F, was found as MLB's apparel licensee in Korea from1997 to 2004 (mlb.com, 2005b).

The Seattle Mariners Revenue from Japan/South Korea:

Sponsorship with Japanese companies:

The Seattle Mariners had 21 sponsorships with Japanese companies from 2001 to

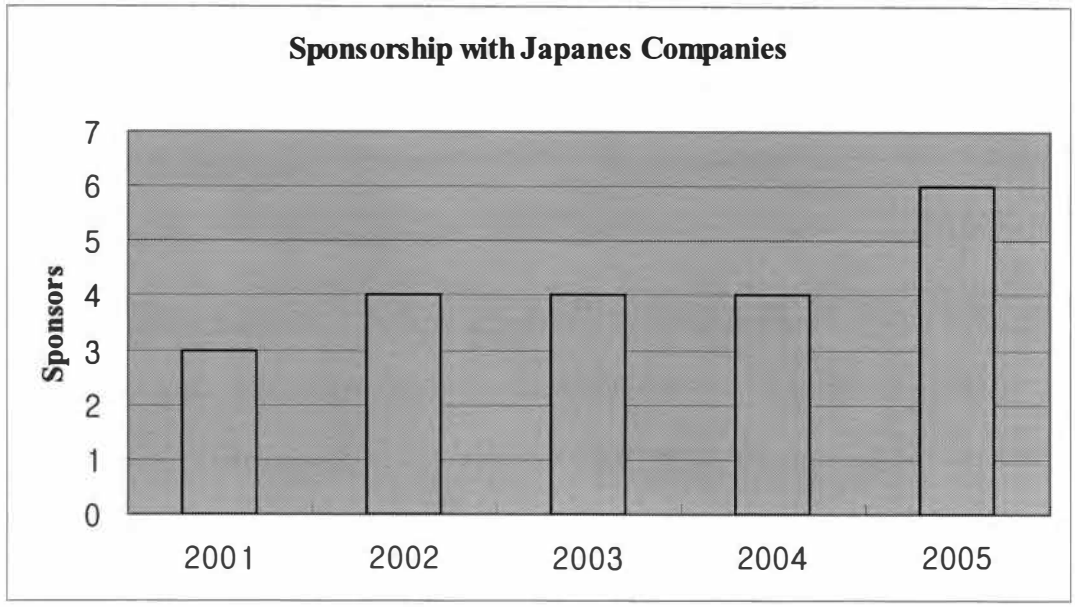


Figure 6. Sponsorship with Japanese Companies
Source: Based on data from MLB.com, Sports Business Research Network (2005) and Rovell (2002)

2005 season as shown in Figure 6. The financial agreements were not released for publication.

The Los Angeles Dodger Revenue from Japan/South Korea:

Sponsorship data from any Japanese/South Korean companies were not available for the 1997 to 2005 season.

Additional revenue resource, which is realized by obtaining Asian players:

When Chan Ho Park, a Korean pitcher, played as a starter, the LA Dodgers had an additional attendance of 5,000 per game during the 1997 to 2001 seasons. The expenditure per person in the stadium during these seasons was approximately $15-$20. Thus, it is estimated that the LA Dodgers generated an additional $80,000-$100,000 per game and $900,000-$1.5 million per year through Chan Ho Park's starting (Lee, 2002)

MLB's Exposure in South Korea and Japan after obtaining Asian players:

According to Rovell (2002), TV rating for MLB games has increased in South

Korea and Japan. The 2001 World Series was watched by more than 100 million people in 224 countries and territories around the world. Korea and Japan viewers made up by 301 percent from the 2000 World Series. That's despite the fact that Kim was the years ago, baseball fans in Japan once could watch 50 major-league games over the course of a season. Now, with 11 Japanese players on the rosters of seven major-league teams, Japanese viewers can catch about 350 games a season. With three Japanese players on their roster this season, all 81 of the Mariners' home games are broadcast on high definition television in Japan.

Research Question Three

Have Asian players had a positive cost-benefit effect?

A Positive Cost-Benefit Effect of Asian Players

The average salary of MLB players has increased over 400 percent from 1990 to 2005 season as shown in Figure 7, and the average salary of MLB players has reached $2.6 million (Associated Press, 2005).

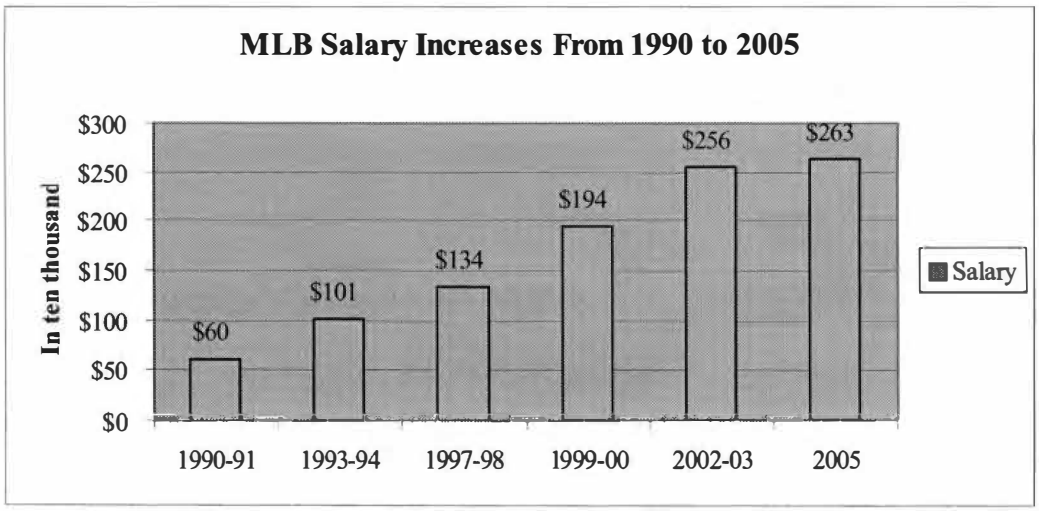


Figure 7. Major League Baseball Salary Increases from 1990 to 2005
Source: Based on data from Associated Press, Howard, D.R. and Crompton, J.L. (2004) League salary increases from 1990-91 to 2002-03. Financing sport (2nd ed.) p.40

Table 1. The Seattle Mariners' Payroll for Japanese Players (2000-2005)

	Ichiro Suzuki	Kazuhiro Sasaki	Shigetoshi Hasegawa	Average Players' Salaries
2000		$4,000,000		$1,480,000
2001	$5,670,000	$4,670,000	$1,500,000	$1,930,000
2002	$3,700,000	$5,070,000	$1,500,000	$3,330,000
2003	$4,670,000	$8,000,000	$1,800,000	$3,150,000
2004	$6,500,000		$2,750,000	$2,660,000
2005	$12,500,000		$3,230,000	$800,000
Total	$33,030,000	$21,740,000	$13,940,000	

Source: Based on data from USATODAY.com (2005a)

Asian players' salaries were investigated to examine the cost-benefit of Asian players based on their salaries. Only full time Asian players' salaries in the Seattle Mariners and LA Dodgers were investigated to show their cost-benefit. The Seattle Mariners had three Japanese players during the last 6 seasons and now have two players. The Los Angeles Dodgers had two Korean players from 1995 to 2005 season and now have one player. The most popular Korean pitcher, Chan Ho Park played for the LA Dodgers as a full time player from 1997 to 2001. In the case of the Seattle Mariners, Ichiro Suzuki, who can represent Japanese baseball was paid $6.6million annually for five years. The LA Dodgers paid Chan Ho Park a $3.4 million average salary for 5years. Both players were paid above average MLB salary and performed a crucial role in their teams. Ichiro Suzuki has performed very successfully since he came in the MLB. He was an All-Star in each of his seasons in the MLB and the 2001 American League MVP. Chan-Ho Park also played well for the LA Dodgers from 1997 to 2001 seasons. He averaged 15 wins per season with the LA Dodgers and was an All-Star in the 2001 season. Table 1 and 2 show the Seattle Mariners' and LA Dodgers' payroll for Japanese and South Korean players.

Table2. The LA Dodgers Payroll for Japanese/South Korean Players (1995-2005)

Year	Chan Ho Park	Hee Seop Choi	Hideo Nomo	Kazuhisa Ishii	Average Players' Salaries
1995			$2,109,000		$287,500
1996			$600,000		$512,500
1997	$270,000		$900,000		$535,000
1998	$700,000		$2,800,000		$650,000
1999	$2,300,000				$1,050,000
2000	$3,850,000				$1,400,000
2001	$9,900,000				$1,725,000
2002			$4,500,000	$900,000	$1,950,000
2003			$7,750,000	$2,575,000	$2,605,834
2004			$9,000,000	$2,975,000	$1,500,000
2005		$351,500			$650,000
Total	$17,020,000	$351,500	$27,659,000	$6,450,000	

Source: Based on data from USATODAY.com (2005b)

Chapter 5

Summary, Conclusions and Recommendations

Summary

The purpose of this study is to examine the impact of Asian Major League Baseball players on their teams' revenue increase. The study examined the impact of Asian players on the Major League Baseball and their teams' revenue change through investigating revenue resources from South Korea/Japan, such as broadcasting rights fees, licensing, merchandising, and sponsorship with Asian companies. This study will be helpful to understand the new trend of the global sports industry, especially in baseball. The study may be used as a reference point for MLB teams when decisions are made regarding obtaining Asian players.

This study answered the following two questions:

1. Have there been any significant increases in the revenue of these two teams after acquiring Asian players?

2. What are the revenue sources that can be realized by acquiring Asian players?

3. Have Asian players had a positive cost-benefit effect?

To gather data, the directors of Asian baseball operations from MLB, the LA Dodgers and Seattle Mariners were contacted via e-mail and telephone. In addition, two journalists from the sports industry and two experts from the baseball industry were contacted via e-mail. However, this study was able to be completed with data from several baseball business websites, sports business websites, and texts that contains specific information related to the topic. Descriptive analysis was used to show the results of the study by frequency of scores, percentages, and mean.

Conclusions

It was evident that Asian players are effective in increasing team and MLB revenue. After the 1996 season, the number of Asian players has increased. There were two Asian players in the 1996 season, and this number has increased to 22 in the 2005 season. At the same time, there were significant increases in MLB revenue from Japan/South Korea (Rovell 2002). The main revenue resources of teams and the MLB from Japan and South Korea were broadcasting rights fees, sponsorship and licensing. The biggest portion of revenue from theses two countries was from broadcasting rights fees. The broadcasting rights fees in Japan and South Korea have increased 300 percent and 4000 percent from the 1997 season to the 2005 season, and the MLB is expected to earn over $204 million through broadcasting rights fees for the 2006 through 2009 seasons from Japan/South Korea. In case of sponsorship with Japanese and South Korean companies, only MLB and the Seattle Mariners had agreements with Japanese companies, and the number of sponsorship has increased with the increasing number of Japanese players.

Even though this study cannot specifically represent the impact of Asian players on their teams and MLB revenue change, overall, this study was able to show the significant impact of Asian players on their teams and major league baseball's revenue increase through the Seattle Mariners, Los Angeles Dodgers, and MLB revenue from Japan and South Korea. In the case of revenue resource broadcasting rights fees, Licensing, Merchandising and sponsorship between the MLBI and Japan/South Korea is distributed to all MLB teams. However, teams' sponsorship revenues are not shared with other teams, thus obtaining Asian star players means that the team can generate additional

revenue compared to teams, which do not have Asian players. Additionally, as the LA Dodgers' increasing attendance shows when Chan-Ho Park was scheduled to pitch, the team can expect more attendance, and it means additional local revenue, which is not available to teams without Asian players. In the case of Asian players' cost-benefit effect, they were very effective in increasing the revenue of both their team and MLB, and Japanese players were more effective in increasing revenue. Over 75% of MLBI revenue was from Japan and South Korea, and 65% of MLBI revenue in 2004 season was from Japan. The revenue from Japan and South Korea has exactly grown with the increasing number of Asian players during the last decade. However there were some differences between Japanese and South Korean players. All of Japanese players came to the MLB with successful professional career in Japan, but only one Korean player had professional experience in South Korea. For instance, Ichiro Suzuki, who plays for the Seattle Mariners was a profile player in Japan, and his debut in the MLB ignited the popularity of the MLB in Japan.

Since these teams' policies do not allow sharing of their specific revenue resources, it was impossible to gather specific data to validate these two teams' exact revenue, such as sponsorship and merchandising from South Korea/Japan.

Based on the findings of this study, it is recommended by the author that a) Teams and MLB need to consider marketing to other Asian countries to increase their revenue, such as China and Taiwan. Further obtaining Asian players can be effective way to attract Asian fans in both Asia and U.S., and b) Teams need to recognize the additional revenue resource from Asian players, and also should consider how to keep MLB popularity in Asia.

Recommendations for Future Study

The results of this study form the basis for the following recommendations:

1. Asian major league baseball players are huge stars in their countries, thus after they moved to MLB, many Korean/Japanese baseball fans and media pay attention to their respective players in MLB. In this respect, it will be necessary to study the impact of Asian players on their countries' professional baseball leagues' popularity and teams' revenue change.

2. Future studies need to investigate the impact of Asian players on teams in cities without large Asian communities in America

3. It is important to study how a large Asian community size is a minimum size to generate certain additional revenue through obtaining Asian players.

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Appendices

Appendix A

Data Request E-mail

September 27, 2005

Dear Director:

Hello, I am a graduate student in the University of Tennessee Sport Management program, and for my thesis, I am examining the impact of Asian players on their teams' revenue. I am contacting you to gather data concerning revenue resources (1994 to 2004) from South Korea and Japan. Specifically, I am asking you for data about areas, such as broadcasting rights, merchandising, licensing, and sponsorship. Further, if you have other information about additional revenue resources from these two countries, please share that as well. Your assistance is the most important part to complete this study, and I appreciate your help.

The purpose of this study is to examine the impact of Asian players on their teams' and MLB's revenue change. If you would like, I can provide you with much more information about this study.

To summarizing, I am asking for the following information from 1994 to 2004:

Total MLB revenue including revenue from domestic and foreign countries
Broadcasting Rights fees
Merchandising
Licensing
Sponsorship from Asian companies
Other revenue source from Japan/Korea

* My research due is by Oct 31, thus if you can provide the data by Oct 10, it will be very helpful to complete the research.

Many thanks are owed to you for your assistance in this study. I know that you have a busy schedule, but I feel the result of this study can also be beneficial to MLB. After I complete my research, I will be glad to share my findings with MLB.
Thank you again for your help.

P.S: I have attached detailed information about this study.

Sincerely,

JIHO KIM

Appendix-B

The Seattle Mariners' Attendance from 1999 to 2005

Year	League	Record	Finish	Stadium	Attendance	Attend/G
2005	AL West	69-93	4	Safeco Field (ballparks.com)	2,725,459	33,648
2004	AL West	63-99	4	Safeco Field (ballparks.com)	2,940,731	35,863
2003	AL West	93-69	2	Safeco Field (ballparks.com)	3,268,509	40,352
2002	AL West	93-69	3	Safeco Field (ballparks.com)	3,542,938	43,740
2001	AL West	116-46	DIV,1	Safeco Field (ballparks.com)	3,507,326	43,300
2000	AL West	91-71	WC,2	Safeco Field (ballparks.com)	2,914,624	35,983
1999	AL West	79-83	3	Kingdome / Safeco Field	2,916,346	36,004
1998	AL West	76-85	3	Kingdome (ballparks.com)	2,651,511	32,735

Source: based on baseball-reference.com (2005a)

Appendix-C

The Los Angeles Dodgers' Attendance from 1995 to 2005

Year	League	Record	Finish	Stadium	Attendance	Attend/G
2005	NL West	71-91	4	Dodger Stadium (ballparks.com)	3,603,646	44,489
2004	NL West	93-69	**DIV**,1	Dodger Stadium (ballparks.com)	3,488,283	43,065
2003	NL West	85-77	2	Dodger Stadium (ballparks.com)	3,138,626	38,748
2002	NL West	92-70	3	Dodger Stadium (ballparks.com)	3,131,255	38,657
2001	NL West	86-76	3	Dodger Stadium (ballparks.com)	3,017,143	37,249
2000	NL West	86-76	2	Dodger Stadium (ballparks.com)	2,880,242	35,559
1999	NL West	77-85	3	Dodger Stadium (ballparks.com)	3,095,346	38,214
1998	NL West	83-79	3	Dodger Stadium (ballparks.com)	3,089,222	38,139
1997	NL West	88-74	2	Dodger Stadium (ballparks.com)	3,319,504	40,982
1996	NL West	90-72	**WC**,2	Dodger Stadium (ballparks.com)	3,188,454	39,364
1995	NL West	78-66	**DIV**,1	Dodger Stadium (ballparks.com)	2,766,251	38,420

Source: based on data from baseball-reference.com (2005b)

Vita

Ji-Ho Kim was born in Busan, South Korea, on October 31, 1977. He graduated from Dong-Rae High School in 1996, having played on the high school's baseball team for three years. He went on to attend Kyung-Sung University in Busan and received two scholarships for academic performance. After serving in the Korean military for two years, Kim returned to Kyung-Sung University, and graduated in 2003 with a Bachelor of Science in physical education. In the fall of 2004, he began working on his Master's degree at the University of Tennessee, Knoxville, in the Sport Management program. He also worked as an intern for the 2005 Knoxville Open golf tournament, and was a member of Partners in Sports.

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