

Next, the Galaxy must deliver relevant messages to each segment. Leppanen explains that the Galaxy “want to make sure that we’re delivering an authentic message, but speak[ing] to them with what they want to be spoken about.” One way they accomplish this is through direct marketing, which consists of email messages and direct-mail literature. These messages are complemented with traditional media advertising, outdoor advertising, and digital advertising. The traditional media include radio, TV, and print. The outdoor advertising includes billboards and bus wraps. The digital platforms, which have a total of 1.3 million Galaxy fan users, include Facebook, Twitter, YouTube, Google+, Instagram, Pinterest, Flickr, and Foursquare. Digital is a very important part of the mix because “we can get really granular and sophisticated in who we’re targeting and how we speak to them,” explains Leppanen.

The Galaxy also use personal selling as part of their marketing program. A team of 25 people makes personal phone calls to help sell single-game tickets, family packs, group tickets, and season tickets. There are also two teams of brand ambassadors called the Star Squad and the Galaxy Street Team who are involved in about 500 events in the community each year. Lori Nevares, a marketing coordinator at Galaxy and former Street Team member, explains that “We got to go out and do all kinds of promotional events for different communities and see the fans and how much they were devoted to the Galaxy.” A skills team called the Galaxy Futboleros provides high-energy performances throughout the community as well. Finally, Cozmo makes many appearances to deliver the Galaxy soccer message to current and potential fans.

One of the final steps in the ticket sales process is setting the price. According to Heather Pease, director of ticketing, “Every year we conduct a very in-depth analysis of our ticket sales. We go seat-by-seat, row-by-row, and category-by-category to see how many people have purchased seats and at what price.” The analysis also includes a comparison of ticket prices at other sports teams in the area. Pease then uses the

information to create a price and a package for every possible type of fan, ranging from Champions Lounge members, to season ticket holders, to groups or families, to single-game fans. She also offers discounted tickets for students and children.

There are a lot of marketing activities taking place at the Galaxy. In fact, Casey Leppanen says, “My role here at the Galaxy is to integrate all the pieces of our marketing department.” The integration is paying off, as attendance at LA Galaxy games is well above the league average. In addition, the team currently has 8,500 season ticket holders and plans to reach 12,500 in three years!

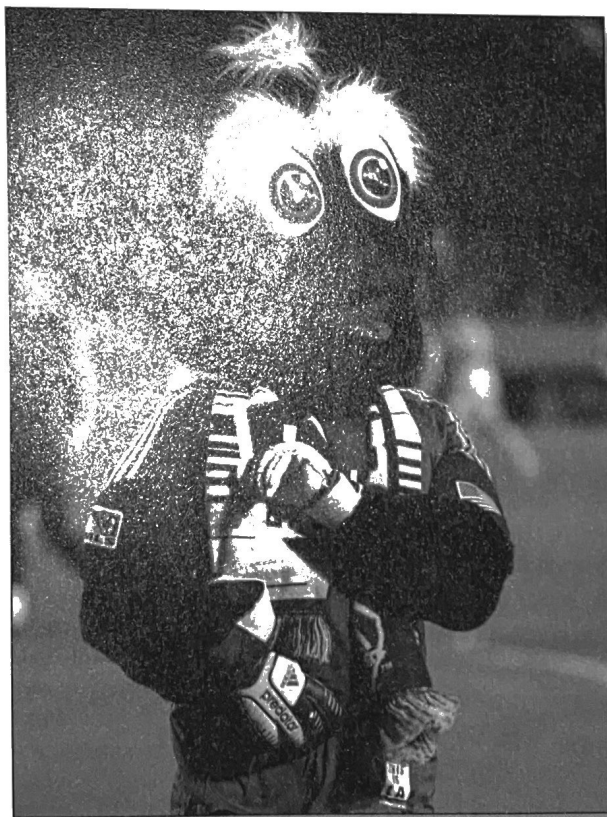
THE BUSINESS OF SOCCER

While ticket sales represent a substantial source of revenue for the Galaxy, there are several other important elements of the soccer “business”—broadcast rights, sponsorships, and merchandise—that the team must

manage. Early in the league’s history, MLS had to pay television and cable networks to broadcast its games. As the number of viewers increased, however, the league was able to attract coverage from ESPN, ABC, NBC, and Fox. The Galaxy recently began a 10-year, \$55 million deal with the Time Warner Cable Sports network. Currently, all games have television and radio coverage in English and Spanish, and there is play-by-play coverage and webchat on LAGalaxy.com.

Sponsorships are also essential to the financial success of MLS and the Galaxy. Pepsi is the official soft drink and Aquafina is the official water of MLS. Similarly, Herbalife is the official nutrition company of the LA Galaxy. In addition, Herbal-

ife recently announced a 10-year agreement to be the official jersey sponsor of the Galaxy. Herbalife pays \$4 million annually to sponsor the team and place its logo on the front of the team jerseys. Other team sponsors include Chevrolet, Nestlé, Alaska Airlines, Shasta, and Buffalo Wild Wings. The sponsors participate in many of the team’s contests, promotions, and events to support the team and to gain exposure to customers with similar values and interests.



© Carrie Jesenovec/Icon SM/Corbis