

Source: Own study based on [1, 2, 3, 4, 5]

The purpose of enterprise activity is production and the offer to the market of such goods on which there is a demand and which brings in to the businessman the income. Implementation of business activity at effective level is possible only in the presence of a certain public situation — the enterprise environment which is understood, first of all, as the market, market system of the relations, and also a personal liberty of the businessman, i.e. his personal independence, allowing to make such enterprise decision which, from his point of view, will be the most effective, effective and the most profitable.

Income plays very important role in life of each person as they are a source of satisfaction of numerous needs of people. Level and quality of life also depend on the population income.

Despite a variety of sources of the income nevertheless the main components of the monetary income of the population are compensation, the income from business activity and property, and also social transfers

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ECONOMIC REGULATION SYSTEM IN MAJOR LEAGUE BASEBALL AS THE MOST STABLE IN PROFESSIONAL SPORTS

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The article is devoted to the economic model of MLB. The article considers the issues of income in the League, operating income and profit for all clubs and the league in general, the salaries of the players, the collective agreement and the luxury tax in Major League baseball.

Baseball League in the United States was the first organization that developed a set of rules regulating economic transactions. Subsequent organization of American football, hockey, basketball, European football and other sports just adapted the rules of baseball League in accordance with their specific situation. Cartel rules in each of these sports changed with time under the influence of competition with other leagues, the emergence of unions of players, changes in legislation concerning leagues, judicial proceedings and fraud cases among cartel members.

MLB is one of the major professional sports leagues in the USA and Canada. It consists of 30 teams – 29 from the USA, 1 from Canada. Together with the International Federation of Baseball MLG organizes the World Baseball Classic. With an average attendance of 30,352 people per game, MLB is one of the five sports leagues around the world with the highest average attendance after the NFL, the Bundes League, the Australian football League and the Premier League [4].

There also were changes in response to technological innovations inside leagues, such as the system of fan clubs invented by Brunch Rica and legal way to reduce the tax from the property of teams worked out by Bill Vick, or in response to innovations from outside, such as the emergence of radio and pay-TV. Davis presented the evolution of the rules of baseball League as a response to these factors [3].

Following the example of organized baseball, all professional sports leagues introduced restrictions in the markets of resources and product, including providing teams with monopoly rights to represent League games within specified geographical areas and the adoption of the rules of distribution of fees and income from television and radio broadcasts. Also there are rules regulating the entry of new teams into the League and the sale of the existing teams or transfer of a team to another geographic area.

Especially important are the restrictions of mobility of players in the contract in paragraph stipulating the right of "retention and transition" of players. Special reservations cancelled this paragraph for veterans and introduced special rules of recruitment controlling and monitoring the rights of new players. For over a century the paragraph stipulating a right of retention was formulated in baseball so that a player, signing the first contract with the team, had to play for this team for all the rest of his playing career, or until the contract was sold (in this case, he was obliged to play for the team, which bought the contract) [3].

Until the mid-1980s, MLB was considered a model of sports business in the USA. Its huge popularity in the country, the exclusion from the antitrust laws, a busy calendar of games – 162 matches in the season, large stadiums contributed to it.

Financial condition of baseball clubs has always been the most stable in the world of professional sports of the United States, which was confirmed by the data about high attendance of matches of MLB. Taking into account that MLB teams have 162 games a season, and relatively big capacity of baseball stadiums, attendance is one of the important indicators of the economy of baseball. The League is taking active efforts to improve attendance which results in the steady tendency of its growth.

However, with average attendance of 26,6 thousand people per game stadiums were filled only 50% of their capacity. Not by accident the contract of a well-known in the country baseballer R. Jackson with the team «Oakland Athletics» ensured for him the payment from 15 to 30% from each ticket sold after the attendance of the stadium exceeded 1,6 million viewers [1, p. 126].

In the late 90s practically all the teams of MLB had attendance of more than 1 million viewers a season.

Like other Leagues of professional sports, MLB implements the program of preliminary sale of tickets in the form of a season ticket. The share of these tickets in different teams ranges from 10 to 40%. According to this indicator, MBL is much inferior to the NBA and NHL. However, it should be noted that the capacity of the stadiums of MLB is 2-4 times higher than the palaces of sport, in which basketball and hockey players compete. Therefore the number of season tickets being sold in these leagues in absolute figures is almost the same.

The price of season tickets to the games of MLB teams has wide fluctuations and depends on the comfort of the place and city where the team plays. Prices of one-time tickets also have wide fluctuations caused by the same factors.

Since 1989 the so-called sponsorship programme aimed at attracting spectators to the stadium in League is in action. Eight largest corporations in America, including Coca-Cola, IBM, Chevrolet and others transferred 1 million dollars to MLB, having received 10 thousand seats at baseball stadiums in the country, which they use at their discretion. As in other team professional sports, managers of firms and corporations add expenses on purchase of season tickets, rent of boxes at the stadiums and the sponsored programme to the article «business meetings» i.e. that is done at the expense of the budgets of these companies.

With an average ticket price of approximately 9,50 dollars in 1989 income from ticket sales was approximately 525 million dollars. The revenues of the teams ranged from 10 to 25 million dollars. In 1994, the income from ticket sales reached 750 million dollars and ranged from 12,7 to 48,9 million dollars. Average ticket price increased to 10,65 dollars.

Revenues from television until the 80s did not exceed 20% of the budgets of the teams, and most of the matches were broadcasted only by national TV companies. In 1983, MLB signed a six-year agreement with NBC and ABC on 1,15 billion dollars, which gave each team of the League guaranteed income to the amount of 7 million dollars a year [1, p. 127].

In 1988 MLB signed a new four-year contract for 1989 to 1993 with CBS to the amount of 1,06 billion dollars, according to which the League annually received 375 million dollars, or 14,4 million dollars per team. According to "Financial world", revenues of teams from television fluctuated in 1994 from 11 to 54 million. At the same time clubs have the right to conclude agreements with other broadcasters, in particular with cable ones, to broadcast the Olympic Games, which are not included in TV-contract with CBS and ESPN. Thus, in 1989 the team "New York Yankees" signed 12-year contract with the cable television station "Madison square garden" of 500 million dollars and, since 1990, has been receiving the average of more than 40 million dollars a year. If you sum up the income of this team from the ticket sales (attendance of about 2,6 million people) and from television, they amounted in 1999 to about 90 million dollars.

The question of income from local and regional television is now a serious concern among heads of teams, which are located on a small TV market. According to the representative of "Pittsburgh Pirates" D. Danforta, if one team in the League has 3,5 million from the local television and the other 50 million dollars, then there will be no competition in the League without solving the problem of the even distribution of these revenues between all teams in the League. However, only the financial crisis may force owners to take this step.

Significant source of revenue for baseball teams is revenues from concessions of stadiums. For example, at the stadium of the team "Cincinnati Reds" in the middle of the season they sell beer to the amount of about 4,5 million, of which 1,5 million go to the budget of the team. At the same time the prohibition of beer sales at the stadium of the team "San Francisco Giants" by the local authorities reduced the income of this team by almost 1 million dollars.

Economics

In recent decades, commercial licensing activity of the League and teams has intensified. Before 1987 this activity was carried out by teams. Then the Commissioner of the League P. Ueberrot decided to monopolize the licensing activity, guaranteeing the owners of all the clubs to increase their income significantly. In 1990 it brought the League 70 million dollars, which were distributed between the teams.

If we summarize all income items of baseball teams, including commercial licensing and advertising activity, in the middle of 90s the League earned more than 1,6 billion dollars a year, or more than 60 million dollars on average per team. In 1999, the income of the League already amounted to 2,5 billion dollars [1, p. 128].

In the 90s the income from stadiums has sharply increased. Many teams rent stadiums. However, the agreement states that income from the sale of boxes goes in the budget for the teams, so many teams in together with the owners of the stadiums started their reconstruction building new boxes. Their rent is from 30 to 200 thousand dollars per season. Some stadiums have several dozens of such boxes. For example, at the stadium "Ball Park" in Arlington, where "Texas Rangers" play, there are 122 such boxes. Not accidentally we observe such a large variation in income from stadiums from 3,9 million in Pittsburgh to 22 million dollars in Chicago.

The main item of expenditure part of the budget as in other leagues is the players' salary. Here is a five-year contract of B. Bonnilla signed in 1991 worth 29 million dollars. When signing he received compensation or the so-called bonus at the rate of about 1.5 million dollars and the salary was the following: 1992 – 5,5 million; 1993 – 5,6 million; 1994 – 5,7 million; 1995 – 4,7 million and 1996 – 4,5 million dollars. In addition, the contract stipulated additional fees: 100 dollars thousand for the title of "Most valuable player of the League", 1 million dollars for the title of "Most valuable player".

In 1992, the average salary of a baseball player for the first time exceeded 1 million dollars, but it varies greatly in teams. In 1994 the largest sum allotted for the salary was in team "New York Yankees" – 53,2 million and "Atlanta Braves" – 49,4 million, while the smallest – in "San Diego Padres" – 15,4 million dollars. Variations of an average salary constituted 650 thousand dollars in team "San Diego" up to 1,8 million dollars in team "New York Yankees" with an average salary of 1,2 million dollars a year in MBL in 1994.

The owners of the teams believe that they overpay to the players and this may lead to the ruin of their clubs. In J. Scully's judgment, a signal of distress is a situation when the share of salaries of players in MLB teams is more than 35% of the total revenues. We cannot agree with this conclusion. In 1996, according to the Association of players in the League, average wage was 55% of total revenues of the teams, and the destabilization of the baseball market did not happen [1, p. 128].

In 1998, the average salary of baseball players in MLB was 1,45 million dollars a year, and annual payroll team the "New York Yankees" – 63,2 million dollars, with three players of team "Chicago White Juice" and G. Sheffield from "Florida Marlin" received 10 million dollars.

Along with basic salary within contract many baseball players receive various awards: for the title of most valuable player of the League, for his inclusion in the team of the "stars", for the records of the League etc.

Great importance in the issue the growth of wage has baseball players' right to go to arbitration. According to many studies, providing players with the rights of arbitration has played a great role in the growth of wages in MLB.

The wage level of the trainers as in other leagues is significantly lower than of the players. In the aforementioned team "New York Yankees" the sum spent on the coaching team of 6 people in the early 90s was 1,3 million dollars a year, including the salary of the chief coach Lou Pinnelli in the amount of 400 thousand dollars. And although in the late 90s compared to the early 90s the salary of trainers increased 1,4 – 1,8 times, it is still several times lower than the salary of players.

Among other expenses are the following: administrative, transport, payment for rent of the stadium, purchase of equipment and forms, pension Fund, health care, insurance of baseball players, maintenance of the farm-club in minor League and others.

One of the major items of expenditure are the administrative costs that tend to increase directly in proportion to the growth in total revenues. In the mid-70s, they were about 14% of the total expenditures, and at the end of 90s increased to 25%.

As in ice hockey, some teams of MLB have their farm-clubs in the lower baseball leagues, which requires significant expenses for their maintenance. For example, in the late 90s MLB teams with farm-clubs beared the following expenses: purchase of baseballs (1200-1500 pieces per year), bits (300 to 310 pieces), and a per diem allowance for meals in the amount of 15 dollars to 18 players during guest games, and also the costs of their accommodation. In total, these costs were 1,5-2,5 million dollars a year.

And although these lower leagues remain the principal reserve of new staff of MLB teams, the last, spend more money on payment to scouts, who search for talents. So, in the late 90s teams of MLB contained on average 35 scouts in a team, not counting the Central scout Bureau, which also has employees in Canada, Puerto Rico, Mexico and other countries [1, p. 129].

In MLB there is luxury tax and income distribution. Once, in the second half of the nineties owners of teams suddenly got afraid of property stratification. To solve the problem authoritative committee was convened. The experts came to interesting conclusions.

It turned out that since time immemorial the main income of baseball organizations has been coming from their local sources: from ticket sales, merchandise and local cable companies that broadcast the matches to the region. It is fundamentally different from the policies of the NFL, for example, where the main funds come from the national TV.

If a club has a large market, as New York, Chicago or Los Angeles revenue will be considerable.

To solve the property issue, the committee proposed to share the profits (there could be no question about introducing a ceiling of salaries for the players, as they remembered the strike of 1994). So clubs which earned more money should pull their resources to support those who remained with their own or even suffered losses [2].

The new collective agreement fixed this practice. In 2003 there appeared another tool to help the poor – luxury tax. It was to be paid by clubs which spend more than a certain sum on salaries. The League began with 117 million, then the number after which tax is levied only increased and today, it is approximately 178 million dollars.

But gradually from the total mass there began to stand out the so-called voluntary outsiders that did not set the goal to get into the playoffs even in the foreseeable future. These clubs are "Pittsburgh Pirates", "Florida Marlins", "Kansas City Royals", "Washington Neyshenels", "Baltimore Oriels". You could continue the list, but these most prominent representatives of the new class are not going to invest money in improving their game, they only rely on handouts from the wealthy.

It is much more profitable to have a salary sheet of about 40-60 million, and as much, if not more, to gain from total capital, and not to sell a single ticket. Although in the contract it is written that the money obtained from division of aggregate income should to be spent on «improvement of the performances on the field», no one does it because of too vague wording.

The economic model of MLB does not encourage clubs of small markets. It is impossible to build something like "San Antonio Spurs" or "Pittsburgh Penguins" – dynasty, if there is no couple of hundred million for salaries. Of course there are uncommon examples as "Tampa Bay Raise" in 2008. The team also does not pay their players fabulous sums, but it managed to get into the World Series [2].

Problems in the League are not only from above but also from below, and no half measures here will help. The way-out is very simple: the ceiling and necessarily floor of wages, but it can be extremely difficult. Trade Union of players will not agree to restrictions.

Speaking about the economy of MLB, it should be noted that the main competition of the League is to the so-called "World series" tournament, in which the teams-winners of the National and American leagues participate. The title of the strongest team of the League is played out in a series of 7 games. In popularity in the USA they are second only to the Super cup in football, although income from them is even more. Thus, the revenues from ticket sales are more than 10 million dollars. Of interest is the system of distribution of income from ticket sales for the games of World Series: 60% of the income from ticket sales for the first four games go to the pension Fund of players, remaining 40% are divided between MLB and the two teams playing. Income from ticket sales for the last three games is divided only between the League and the two teams. Players of the winning team receive more than 150 thousand dollars [1, p. 129].

Despite the huge profits some owners of MLB teams continue to claim that they are suffering losses. However, experts refute these statements. According to economists, in the late 90s most of the teams had profit ranging from 10 million to 25 million dollars a year.

The League would not have taken a decision to increase the number of teams to 30 if both teams suffered losses, and the owners of two new teams paid admission fee of 95 million dollars (for comparison, in 1961 such contribution for new teams was only 2,1 million dollars), i.e. if a new team today wants to play in the League it needs at least 140 million dollars in its first season. Another argument against unprofitability of teams is the growth of their cost. If in the mid-80s the leading baseball clubs were estimated at 60-70 million dollars, in the late 90s – 150-600 million dollars. Many owners of teams believe that the team reasonable to keep a team for 10-15 years and then sell it. Considering that the cost of teams is raising sharply, this operation brings the owners big profits [1, p. 129].

Summing up the results of economic activity of MLB, it can be stated that the baseball business in the United States continues to strengthen its position. Due to large capacity of baseball stadiums the main source of income in many clubs continues to be selling tickets for the games. In the 80-90s the incomes of the clubs and the League have increased significantly due to profitable contracts with TV. However, further significant increase in the income from this source is problematic; therefore, the leaders of the League and the clubs are making efforts to intensify the licensing, advertising and sponsoring activities.

A main item of expenses as in other leagues is wages of the players. The expenses on this item in MLB make up more than 50% of total income.

According to experts, the marketing activity of almost all clubs of MLB prospers. Not accidentally the cost of the leading baseball clubs is now approaching 800 million – 1 billion dollars.

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METHODOLOGICAL BASIS OF COMPETITOR MONITORING

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The article is devoted to the monitoring competitors in marketing It is a topical issue of modern Belarusian companies. Monitoring competitors results are used for development of marketing plan, formulation of marketing strategy, management decisions in the company marketing.

The author notes the necessity of monitoring competitors and gives the analysis of literature devoted to this subject. The article represents the approaches to the definition of the competitive analysis and the essence of the concept of monitoring the competition. In this research the algorithm for the monitoring and evaluation of competitors are proposed, the types of competitors according to the elements of the marketing competition are defined. Marketing scenarios of counter rivals according to the type of competitor are also proposed.

Nowadays it is very difficult to find a company that doesn't focus on competitors when planning marketing activities. The monitoring of competitors is the basis for developing and implementing competitive strategy of any business entity, regardless of its size, location, management concept, goals and objectives of the activities. The main factors determining the importance of the organization of effective competitor monitoring in marketing of modern enterprises are: the high level of uncertainty of competitors' activities, a significant factor dynamics of the competitive environment of enterprises, limited financial, material and human resources allocated to monitoring activities, large scale of unfair competition and the need to integrate this factor in marketing activities. These facts form the scientific and practical interest in the problem of analysis and assessment of the impact of the competitive environment on the marketing activities of enterprises.

Some aspects of the organization of competitor monitoring in the marketing of the company are observed in the works of G. Bagiev, A. Gavrilov, B. Gerasimova, V. Zinchenko, D. Lehmann, E. Mazilkina, G. Panichkina, Yu. Panov, E. V. Terehova. D. Aaker, I. Ansoff, G. Assel, P. Dixon, P. Doyle, E. Dihtl, P. Druker, Kotler, Jean-Zh. Lamben, M. Porter, D. Tis, F. Hayek are the foreign researchers in the development and implementation of marketing strategies in a competitive environment.

In spite of the variety of theoretical and applied works on marketing and competition the issues of organizational support of the competitor monitoring, definition of the types of competitors according to the status of their marketing, the use of the scenario approach to counter competitors are still poorly studied.

The aim of the research is to develop methodological and practical recommendations on the organization of monitoring marketing activities of competitors, identification of the types of competitors according to the state of the elements of the marketing mix and formation of marketing scenarios of countering of competitors.

There are different approaches to understanding and implementation of competitive analysis. Lots of definitions of the term competitive analysis are offered in the research works, for example: "Diagnostics of competitive environment" (G. Bagiev, E. Bogdanova), "the analysis of competitor activities" (G. Azojev, Kotler, P. Romanenko), "competitor analysis" (M. Porter, D. Lehmann, R. Wenger), "monitoring of the competitive environment" (A. Berezkina M. Maksimova, E. Terehova) [1, 2, 3, 4]. The analysis of the literature allowed identifying some approaches to the determination of the term competitive analysis:

1. Competitive analysis as a marketing research area. Many researchers pay define competitive analysis as one of the marketing research areas conducted by the company (Kotler, E. Golubkov, T. Maslova, S. Bojuk, L. Kovalik and etc.) in order to get the necessary information. S. Romanenko determines competitive analysis as a type of marketing research based on the formation of database information about competing products and firms. That gives the opportunity to understand why competitors act this way and develop their own strategy of market behavior.