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SUMMER****April 29, 2009**

## Yankees Slash the Price of Top Tickets

By [RICHARD SANDOMIR](#)

Twelve days after opening their new stadium, the [Yankees](#) on Tuesday bowed to the sour economy and the specter of empty seats by slashing in half some of their top-end, \$2,500-a-game prices.

Going further, the team also announced it will provide significant numbers of complimentary seats to existing season-ticket holders in premium sections, including some of the critical, and very visible, real estate behind home plate.

The team's price reductions and giveaways affect full-season ticket-holders in premium locations, but not those with partial plans. Those planning to buy premium seats for individual games will also get discounts that have not yet been detailed.

Over all, the new policy represents a dramatic retreat from the team's initial luxury-sales strategy for the new stadium, which was underlined in advertisements that crowed "Own the Greatness" and "Select the Greatest Seats in the World."

Last week, team officials said they would no longer discuss ticket prices or the many empty seats behind home plate and the two dugouts that were painfully visible at Yankee Stadium and on television during the team's first homestand from April 16-22.

The sight of those empty seats invited mockery from critics who said the Yankees had badly overreached. And the consternation it was causing for Yankee officials was made clear when [Randy Levine](#), the team's president, harshly criticized Don Garber, the commissioner of [Major League Soccer](#), after Garber mentioned that the sight of some of the best seats at the new stadium going unfilled was "unbelievable."

The team had first hinted at a change in ticket policy April 2 when Hal Steinbrenner, the team's managing general partner, said, "There's no doubt that a small amount of our tickets might be overpriced."

But back then, still two weeks before the home opener, [Steinbrenner](#) could not have anticipated the empty swaths of blue seats that were supposed to be filled with people willing to pay \$500, \$600, \$850, \$1,250 or \$2,500 a game for a premium seat.

Steinbrenner announced the new ticket policy in a statement issued Tuesday afternoon. Neither he nor Levine was available to comment on the new policy. Nor was Lonny Trost, the team's chief operating officer and the Yankee executive most identified with the initial ticket strategy. The new plan, which is only for the rest of the 2009 season, includes these features:

¶The full-season, front-row \$2,500 tickets behind the dugouts will be reduced to \$1,250, and those who have already purchased such tickets will get a refund or a credit. Still, at \$1,250, those tickets will remain roughly twice as expensive as the highest-priced seat at [Citi Field](#), the [Mets'](#) new home.

¶Tickets along the first- and third-base lines that cost \$1,000 a game will be cut to \$650. Refunds and credits will apply as well.

¶Fans who have purchased \$2,500 front-row season tickets behind and to the sides of home plate will not get a price cut. Instead, they will receive an equal number of front-row seats, for free, for the rest of the season, in what may be an attempt by the Yankees to fill up the empty spaces so visible on TV.

The Yankees' willingness to give away some of those top seats, along with waiter-served food, is a clear signal that while 85 percent of the 4,397 premium seats have been sold, the most expensive ones are moving much slower.

Alice McGillion, a team spokeswoman, would not say how many of the \$2,500 seats have been sold for the season. She said the giveaways are part of "a promotional strategy."

She also said the team's focus was on accommodating the fans who have paid \$325 and more for full-season ticket plans — and not other fans who have paid less but might have seen their ticket costs jump substantially from last season. "This was a very specific pricing plan, going off Hal's comments, to look at the premium pricing," she said.

But Assemblyman [Richard L. Brodsky](#), a frequent critic of the financing of the new stadium, criticized the new policy, saying: "The people who built Yankee Stadium with their tax money can no more afford \$1,200 a game than they can afford \$2,500."

The Yankees' plan also provides significant numbers of complimentary seats for various numbers of games to buyers of season tickets that cost from \$1,250 to \$500 a game. In addition, other season-ticket holders higher up behind home plate will see their ticket prices cut from \$750 to \$500 a game.

The team also said fans who buy three full-season plans for \$325 a game in field-level sections that run from dugout to dugout will get a fourth one free. Those who have already purchased tickets in those sections will get free ones to future games this season depending on how many they have bought.

The Yankees will not divulge the financial impact of the unsold seats and McGillion would not say how the refunds, credits and free premium tickets will affect team finances. The team has made clear in the past how much more financially beneficial the new stadium would be. In January, when the Yankees issued \$258.9 million in tax-exempt bonds, they estimated that ticket and suite revenue in the 2009 season would be \$331.5 million, based on attendance of 3 million.

But in August 2006, when it sold \$942.5 million in tax-exempt bonds, the team estimated \$253.2 million in anticipated 2009 revenue, based on 3.4 million attendance — indicating that in the time between the bond issues, the team increased the prices it would charge at the stadium.

In any case, the unsold seats represented a marketing, and image, problem for a team that had hiked

nonpremium seats prices by 76 percent for its new stadium.

“It was starting to hurt the overall brand,” said [Donny Deutsch](#), chairman of Deutsch Inc., an advertising agency, when asked about the original pricing strategy. “People start asking whether you care about the fans.”

A situation comparable to what confronted the Yankees occurred when Apple appeased alienated customers by dropping the price of its iPhones from \$599 to \$399; customers who had paid the higher price ultimately were offered \$100 coupons good for Apple merchandise.

For the most part, owners of luxury brands are reluctant to cut prices, since part of their mystique is the high price. Instead, they have given consumers optional extras, like leather seats, for free. Nonetheless, Yankee fans might not see the cut in ticket prices as anything but damage control.

Robert K. Passikoff, president of Brand Keys, a brand and research consultant, said, “It’s not about being good to our fans, it’s about, ‘Oh my God, we’ve priced the tickets too high.’ ”

*Ken Belson contributed reporting.*

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