Exploring Factors that Lead to People Watching Professional Soccer on Television

Alan D. Smith, Department of Management and Marketing, Robert Morris University, Pittsburgh, PA, USA
Steve R. Clinton, Department of Marketing, Robert Morris University, Pittsburgh, PA, USA

ABSTRACT

The purpose of this study is to examine and determine factors that lead to increased television ratings for soccer in the U.S. The study primarily focuses on fantasy soccer participation, involvement in soccer, presence of a local professional team, and social media interaction. After providing a brief history of soccer television ratings in the U.S., a conceptual model based on these factors is developed and explained. The factors of this conceptual model are tested through statistical analysis. Based on these results, the model provides recommendations and conclusions for soccer decision makers to increase television ratings in the future, which ultimately will drive and increase the bottom line of all parties involved.

KEYWORDS

Business Strategy, Major League Soccer, Student Athletes

INTRODUCTION

Growth of Soccer in the U.S.

There is little doubt that when Major League Soccer (MLS) played its initial 1996 season, it could not expect in the short-term to compete with the advertising budget and player-related expenses with its big business professional football. As the 2014 World Cup games played on, many spectators hope for a strong competitive showing of the young U.S. soccer team. During this time, the Internet was taking a foothold in the general public and allowed an avenue or communication channel for sport organizations to directly create relationships and influence the hearts and minds of its potential fan base. The MLS handles the initial contracts for individual players to help owners take on a lesser financial burden that had crippled previous attempts at professional sport organizations such as the North American Soccer League (NASL) and the USA Football League. These organizations mainly failed due to excessive expenditures in the largest markets (Zimmerman, Clavio, & Lim, 2011).

In general, soccer in the U.S. has had an interesting history, but not since the golden days of the NASL has soccer ever been reaching a level that it is at today in the U.S. (“It has been a good year …” 2011). Although soccer’s relevance in the American sports landscape is not something completely new, soccer’s relevant presence in the American television production and broadcasting has been rapidly approaching new territory. The market is a vast one, with an ever-growing domestic league in MLS, an increase in viewing of foreign leagues such as the English Premier League, and rapidly increasing ratings in both the World Cup 2014 in Brazil) and other major soccer tournaments. Researchers have always tried to pinpoint what exactly fuels television ratings and how they can increase ratings, but soccer in the U.S. has not been covered very much by research, likely due to MLS’s infancy and only the recent surge in television ratings. This study explores a few areas, from fantasy sports to
involvement in sports, which may or may not contribute to increased television ratings in the soccer market. By understanding these aspects, decision makers can increase their e-commerce approaches or target specific viewers to increase television ratings in the U.S. Increasing television ratings can generate many forms of increased revenues including online streaming and advertisement revenue.

When discussing television ratings, it is probably best to first take a look at where MLS has come in such a short time. MLS, the U.S.’ top flight domestic league, is a vital sign of how soccer has grown in the past 20+ years, but most importantly in the past decade. MLS, an infant in the American sports scene and in the global soccer market at just seventeen years of age, is currently rounding out its largest expansion in history. Within a six-year span from 2007-2012, MLS grew over 50% from 12 teams to 19 teams. This period of expansion is shown in Table 1. Expansion in recent years has been well executed into popular markets and helped improve everything league-wide from global exposure to a bigger salary cap to superb attendance figures. With MLS’s young age and the recent upswing overall of soccer in the U.S., very little research has been done on why Americans are now tuning into soccer at a higher rate than ever before. With the domestic league now spanning so many large cities and the increased availability for Americans to watch foreign soccer, research on how and why television ratings increase for soccer is vital to decision makers in the global marketplace.

MLS has a niche market in the U.S. with per-game attendance figures surpassing both the National Hockey League (NHL) and the National Basketball Association (NBA). These two leagues are generally referred to as the arena leagues because they are played indoors with smaller capacity stadiums. None of these three leagues (e.g.; MLS, NBA, or NHL) play in venues nearly as big as Major League Baseball (MLB) or the National Football League (NFL). With proper expansion, MLS broke above the arena leagues and sits nicely in the middle of the pack in per-game attendance. Most recent per-game season attendance figures are listed in Table 2. Although these numbers are great for soccer in the U.S., it is important to note that MLS teams do not play as many games as any other U.S. major sport league, except for the NFL.

However, revenues and salaries are not near the other major sports in the U.S. television ratings, including streaming video online for revenue, could help increase both of these aspects for the league and other leagues and competitions. But, as mentioned, MLS is just one piece of a much larger picture in the global soccer market. Unlike other professional sports in the U.S., viewers can choose to watch one of many leagues around the world along with numerous other competitions throughout the year. While those leagues and tournaments will compete against one another for television ratings, this research paper just focuses on soccer as a sport and combines all of the leagues/competitions into a single group. This research looks to fill a specific void in examining a set of characteristics and determining if these items have any effect on whether or not a person decides to watch soccer on television. If the decision makers of soccer programming can pinpoint these characteristics, they may be able to focus their broadcasts better or increase ratings in the long-term through better preparation of a few topics including various e-commerce opportunities.

Table 1. Expansion 2007-12 in MLS

<table>
<thead>
<tr>
<th>Year</th>
<th>Expansion Team(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>Toronto FC</td>
</tr>
<tr>
<td>2008</td>
<td>San Jose Earthquakes</td>
</tr>
<tr>
<td>2009</td>
<td>Seattle Sounders FC</td>
</tr>
<tr>
<td>2010</td>
<td>Philadelphia Union</td>
</tr>
<tr>
<td>2011</td>
<td>Portland Timbers, Vancouver Whitecaps</td>
</tr>
<tr>
<td>2012</td>
<td>Montreal Impact</td>
</tr>
</tbody>
</table>
The TradeCard Financial Supply Chain Solution
[www.igi-global.com/article/tradecard-financial-supply-chain-solution/1509?camid=4v1a](www.igi-global.com/article/tradecard-financial-supply-chain-solution/1509?camid=4v1a)

Planning for the Web Sites of Hostels in Melbourne, Australia
[www.igi-global.com/article/planning-web-sites-hostels-melbourne/1506?camid=4v1a](www.igi-global.com/article/planning-web-sites-hostels-melbourne/1506?camid=4v1a)