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Marketing of Professional Soccer in the United States

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Introduction

Near the end of 1993, World Cup USA’s CEO Alan I. Rothenberg fulfilled a long-term promise from USA Soccer to the Fédération Internationale de Football Association (FIFA) by announcing the formation of Major League Soccer (MLS) and unveiling the league logo (Abnos, 2015). In 1994, shortly after the World Cup in the U.S., ESPN and ABC announced the first television rights deal for a new professional soccer league in the U.S. that had no players, coaches, or even a single team in place. This league was named Major League Soccer (MLS), and the first seven teams were placed in Boston, Columbus, Los Angeles, New Jersey, New York (Long Island), San Jose, and Washington D.C. The first regular season game was played in 1996 between D.C. United and the San Jose Clash with a crowd of almost 32,000 fans, and the league has been expanding rapidly ever since. A pivotal point in the history of the league occurred in 1999 when the Columbus Crew opened up the first soccer specific stadium for professional soccer in the U.S. Another major milestone occurred in 2006 when the Red Bull company purchased an existing MLS team and renamed the team the Red Bulls, thus creating the first corporate named team in major American professional sports (Sports Business Journal, 2015).

As the league has continued to grow, several teams have been added as well as soccer specific stadiums, and player salaries have increased dramatically. This includes the 2007 contract signed by David Beckham for approximately 6.5 million US dollars per year that is still the largest contract in the history of the league and prompted the league to enact the Designated Player Rule, also nicknamed the “Beckham Rule” (Sports Business Journal, 2015). While the 2013 salary cap for the MLS was 2.95 million US dollars, several teams exceeded this figure due to factors such as the single entity structure of the league. More specifically, unlike many other major professional sports leagues throughout the world, the MLS player contracts and the ownership of all teams is controlled by the league. Team owners in the MLS only own the rights to operate the franchise, but do have some rights to negotiate with players in terms of salary distribution. This includes the Designated Player salary, which will be discussed in more detail later in the chapter and has perhaps the most profound impact on the salary distribution of teams (Coates, Frick, & Jewell, 2014). While the single entity structure only allows team owners minimal rights to negotiate player salaries, this structure allows for significant freedom when it comes to marketing, sales, and
service. One of the biggest aspects that the owners can control is the facility their team plays in, and there is a current push for more soccer-friendly stadiums for MLS teams.

Since 1999, the MLS has built 12 soccer-specific stadiums with several more already in the planning phase, and this is a key aspect to the development of the league because the league is still heavily reliant on ticket sales revenue and fans are looking for a unique in-game experience. For instance, a recent national survey indicated that 54% of American football fans preferred attending MLS games over National Football League (NFL) games. The respondents cited the in-venue atmosphere and that camaraderie among fans at MLS games was superior to NFL games (King, 2014). This is interesting because the NFL has long been viewed as the most successful major professional sports league in the U.S., and these survey results potentially indicate that the MLS is becoming one of the most popular U.S. professional sports leagues primarily due to the one of a kind match day experiences for fans. Similar to the NFL and other major professional sports leagues in the U.S., the MLS is going above and beyond by offering top-level soccer in new venues and is focusing on creating new rivalries among MLS teams and capitalizing on existing city rivalries. Not surprisingly, many of the recently added or potential MLS teams are in NFL cities like Atlanta, Los Angeles, Minneapolis-St. Paul, and Miami (Davis, 2016). This chapter will further explore the successful marketing practices of the MLS while examining some of the distinct structural features of the MLS such as the Designated Player Rule and salary cap. The chapter includes interviews of MLS marketing executives and provides recommendations of sales and marketing tactics for soccer professionals and sport marketing students.

**Attendance**

The MLS finished the 2015 season with a 12.7% net positive gain in attendance, bringing the average attendance for an MLS game past 21,000 for the first time in the history of the league. This major milestone represents the first time the MLS has been able to rival the attendance figures for other major sports leagues in the U.S. like the National Basketball Association (NBA) or the National Hockey Association (NHL). It is also important to mention that one MLS team, the Seattle Sounders, is averaging over 44,000 fans per game, and this figure is similar to English Premier League (EPL) teams like Manchester City. The future of the MLS looks bright, and some league professionals believe that within the next few years average attendance at MLS games will surpass 20,000 fans per game (MLS, 2015; Thomas, 2014a). Table 3.1 further illustrates the continued importance of ticket sales and revenue for the continued success of the MLS.

The MLS primarily depends on gate or ticket sales as the main source of revenue, and while this dependence is expected to decrease from 31% of total revenue in 2008 to 28% of total revenue in 2018, it appears that ticket sales will remain the main source of revenue for years to come (Broughton, 2014). With that being said, the major area of growth for the MLS is television broadcast rights, and this revenue stream has increased significantly, with 32% more viewers on ESPN platforms in 2016 (Stephenson, 2016). Understanding the factors that drive attendance to MLS games is important due to the heavy dependence on ticket sales revenue by the league and the success of the league in growing attendance and increasing ticket sales. While the MLS may not be the same caliber of play as major European soccer leagues, the attendance and television viewership growth has been dynamic. Additionally, the combination of new media rights and newly built soccer specific stadiums has increased the average value of an MLS team to 157 million US dollars in 2015 (Barrabi, 2016). Consequently, there may be several sales and marketing strategies employed by the MLS that can be helpful for all soccer professionals.
### Table 3.1 2015 MLS Attendance

<table>
<thead>
<tr>
<th>Team</th>
<th>Average Per Game (Change from 2014)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chicago Fire</td>
<td>16,003 (–0.5%)</td>
</tr>
<tr>
<td>Colorado Rapids</td>
<td>15,657 (+3.8%)</td>
</tr>
<tr>
<td>Columbus Crew</td>
<td>16,985 (+0.6%)</td>
</tr>
<tr>
<td>D.C. United</td>
<td>16,244 (–4.6%)</td>
</tr>
<tr>
<td>FC Dallas</td>
<td>16,013 (–4.7%)</td>
</tr>
<tr>
<td>Houston Dynamo</td>
<td>20,658 (+2.7%)</td>
</tr>
<tr>
<td>LA Galaxy</td>
<td>23,451 (+10.3%)</td>
</tr>
<tr>
<td>Montreal Impact</td>
<td>17,750 (+1.9%)</td>
</tr>
<tr>
<td>New England Revolution</td>
<td>19,627 (+17.7%)</td>
</tr>
<tr>
<td>New York City FC</td>
<td>29,016 (N/A)</td>
</tr>
<tr>
<td>New York Red Bulls</td>
<td>19,657 (+1.2%)</td>
</tr>
<tr>
<td>Orlando City</td>
<td>32,847 (N/A)</td>
</tr>
<tr>
<td>Philadelphia Union</td>
<td>17,451 (–1.0%)</td>
</tr>
<tr>
<td>Portland Timbers</td>
<td>21,142 (+1.6%)</td>
</tr>
<tr>
<td>Real Salt Lake</td>
<td>20,160 (–0.9%)</td>
</tr>
<tr>
<td>San Jose Earthquake</td>
<td>20,979 (+40.3%)</td>
</tr>
<tr>
<td>Seattle Sounders</td>
<td>44,247 (+1.2%)</td>
</tr>
<tr>
<td>Sporting KC</td>
<td>19,687 (–1.6%)</td>
</tr>
<tr>
<td>Toronto FC</td>
<td>23,451 (+6.2%)</td>
</tr>
<tr>
<td>Vancouver Whitecaps FC</td>
<td>20,507 (+0.5%)</td>
</tr>
<tr>
<td>League</td>
<td>21,574 (+12.7%)</td>
</tr>
</tbody>
</table>

*Source: (MLS, 2015; Thomas, 2014a).*

### MLS Expansion and Growth

The MLS started with 10 initial teams in 1996, and by 2016, the league had doubled in size. There are now 20 teams, with additional expansion scheduled in the near future. Furthermore, there will be 24 teams by 2020. This tremendous growth in the number of MLS teams has paralleled the growth in attendance, television ratings, and franchise value. The newest MLS teams are Atlanta United FC, Los Angeles FC, Minnesota United FC, and Miami (name yet to be determined), and these teams are expected to be added between now and 2020. Sacramento and St. Louis are currently mentioned as the top candidate cities for an MLS team in the near future, with several other cities showing interest in hosting a team (Davis, 2016). To say the growth of the MLS has been prolific would be an understatement, and the MLS has experienced tremendous growth during the first 20 years of its existence. As noted in Table 3.2, the MLS is now the 7th largest soccer league in the world in terms of average attendance per game, and if attendance keeps increasing at the current pace, the MLS could be one of the top five soccer leagues in terms of attendance within the next few years (MLS, 2015). The following sections outline the three major reasons for the initial growth of the MLS over the past 20 years.
Issue one: Beckham Effect

In 2007, it was announced that the MLS was signing one of the most well-known international soccer players, and during this time David Beckham was signed by the LA Galaxy. This was the start of a significant growth period in the MLS, and this momentum has continued years after Beckham retired. For example, attendance grew by over 3,000 fans per game during the Beckham era, and teams also started to build soccer specific stadiums during this time period. Researchers have also noted that David Beckham generated more than twice his annual salary in unique ticket sales for the LA Galaxy and their opponents during the Beckham era. Beckham had such a profound impact on the MLS that the league has continued to grow faster than any other major sports league in the U.S., and the number of teams in the MLS has increased from 12 in 2007 to 20 in 2015 (Lamport-Stokes, 2015; Lawson, Sheehan, & Stephenson, 2008).

This profound effect that Beckham had on the MLS and U.S. soccer has been termed the “Beckham Effect,” and as Beckham is scheduled to start a new MLS team in Miami in the near future (as a majority owner), fans interest and support continues to grow. Before Beckham the MLS was growing, but it was more of a slow growth, and the league was focused more on survival than aggressive expansion. During the Beckham era, fans attended games that he played in at a 55% higher rate than when he did not play, and the MLS saw its first fully sold out games, with nearly 30,000 fans in attendance. This prolific increase in attendance as well as the talk show

<table>
<thead>
<tr>
<th>Team</th>
<th>Average Per Game</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bundesliga (GER)</td>
<td>43,177</td>
</tr>
<tr>
<td>Premier League (ENG)</td>
<td>36,487</td>
</tr>
<tr>
<td>La Liga (ESP)</td>
<td>28,773</td>
</tr>
<tr>
<td>Liga MX Apertura (MEX)</td>
<td>24,625</td>
</tr>
<tr>
<td>Serie A (ITA)</td>
<td>23,893</td>
</tr>
<tr>
<td>Chinese Super League (CHN)</td>
<td>22,580</td>
</tr>
<tr>
<td>Major League Soccer</td>
<td>21,574</td>
</tr>
<tr>
<td>Primera A Division 2014–2015 (ARG)</td>
<td>21,374</td>
</tr>
<tr>
<td>Ligue 1 (FRA)</td>
<td>20,904</td>
</tr>
<tr>
<td>2.Bundesliga (GER2)</td>
<td>19,147</td>
</tr>
<tr>
<td>Eredivisie (NED)</td>
<td>18,398</td>
</tr>
<tr>
<td>Série A (BRA)</td>
<td>17,300</td>
</tr>
<tr>
<td>Championship (ENG2)</td>
<td>17,118</td>
</tr>
<tr>
<td>J-League (JPN)</td>
<td>16,891</td>
</tr>
<tr>
<td>A-League 2014–15 (AUS)</td>
<td>12,513</td>
</tr>
<tr>
<td>Premier Liga (RUS)</td>
<td>12,459</td>
</tr>
<tr>
<td>Primeira Liga (POR)</td>
<td>12,005</td>
</tr>
<tr>
<td>Allsvenskan (SWE)</td>
<td>9,845</td>
</tr>
<tr>
<td>Premier League (SCO)</td>
<td>9,904</td>
</tr>
<tr>
<td>Super Lig (TUR)</td>
<td>9,206</td>
</tr>
</tbody>
</table>

Source: (MLS, 2015).

Table 3.2 Highest average attendance (by league)
appearances and the American pop culture icon status of David Beckham forever changed fan perceptions of the value of the MLS product, and the current aggressive expansion and growth is due at least in part to the “Beckham Effect” (Davis, 2016; Lamport-Stokes, 2015; Lawson, Sheehan, & Stephenson, 2008).

**Issue two: foreign partnerships**

While David Beckham, who formerly played for Manchester United, Real Madrid, and the LA Galaxy, was possibly the first major successful international partnership or venture for the MLS, this is an area where the MLS has been focusing much of their resources recently. The Beckham signing set the groundwork for the MLS to partner with international leagues and teams, since his signing demonstrated the league was serious about signing the best talent possible and improving the quality of play in future seasons. The MLS recently announced a partnership from 2015–2018 with Fox Sports Africa to broadcast live MLS games in Sub-Saharan Africa. This deal is a direct result of the significant growth in the number of key African MLS players, such as Didier Drogba from the Ivory Coast, and shows the commitment of the MLS to create additional foreign partnerships and increase international viewership (Davis, 2016; Lamport-Stokes, 2015; Lawson, Sheehan, & Stephenson, 2008; MLS Soccer Staff, 2015). In addition to the recent African broadcast partnership, the MLS has announced additional long term media partnerships to broadcast their games in Latin and South America, Africa, Asia, Europe, and the Middle East. The eventual goal is for the MLS to be broadcast around the world, and the MLS hopes to move beyond television partnerships in the near future and establish specific relationships with international soccer franchises such as Bayern Munich (Thomas, 2015).

**Issue three: soccer-specific stadiums**

As the MLS has continued to grow both domestically and internationally, there has been a demand to improve the quality of the product by making sure games are played in soccer-specific stadiums and players are paid more and more each year until the pay is similar to high-level European professional soccer. New soccer specific stadiums have been a key aspect of the MLS securing international television deals and demonstrating that the league offers a quality product. Since the Premier League has been broadcast on NBC Sports Network in the U.S., viewership of the eight MLS games broadcast on NBC has increased by 60%. It is important that discerning fans who are comparing and contrasting major European professional soccer with the MLS view the MLS as a viable alternative and a competitive league with quality facilities. Populous Sports, which is a major sport architecture firm that has been responsible for the design of several new, soccer specific MLS stadiums, has designed many of the MLS stadiums in the same manner as famous European soccer facilities such as Parc Olympique Lyonnais (Miller, 2016).

The Columbus Crew were the first MLS team to build a soccer specific stadium in 1999, and this was kind of an anomaly until 2010 when several other teams such as Los Angeles, Dallas, Chicago, etc. decided to build soccer specific stadiums. This first wave of new, soccer specific stadiums were designed to limit costs, and they did not have many high-tech features. As the MLS continued to grow and sign major television broadcast deals, the stadiums become more and more important, and teams like Portland and Kansas City recently built soccer specific stadiums with many of the same features of major European professional soccer teams (Newcomb, 2015).
Research has shown that the newly created soccer specific stadiums can have a significant effect on initial attendance, and this is known as the “Novelty or Honeymoon Effect.” In addition to this initial attendance increase, some of the features of these new stadiums are necessary and expected to improve the fan experience. For instance, fans used to attending major sports events in the U.S. expect high-quality scoreboards with high-definition display and high quality audio. Also, fans expect a variety of food and craft beer options when attending professional sports events in the U.S., as this has become the norm. The newest MLS teams such as Minnesota United continue to add features to their facilities. The MLS plans to offer all of their games in high-tech, soccer-specific stadiums in the near future (Love, Kavazis, Morse, & Mayer, 2013; Newcomb, 2015). Overall, the MLS has experienced significant growth in everything from attendance to viewership and even the addition of new teams/soccer-specific stadiums, and the MLS is an excellent case study for sport marketers interested in learning about how a fairly new league has been able to grow and become competitive within a short period of time. The next section of this chapter further outlines the unique structure of the MLS, and the final section of this chapter includes interviews of MLS sales and marketing professionals so that readers may gain insight into how the MLS has effectively grown the league.

**MLS salary cap rules**

**Issue one: league structure**

The MLS is currently the only major professional sports league in the U.S. to operate under a single entity structure. This means the league has primary ownership of all teams and controls all player contracts. MLS team owners own the rights to the business operations of the team. In other words, the MLS owners primarily focus on marketing and sales because these are the aspects of the organization that they can directly oversee (Coates, Frick, & Jewell, 2014). Consequently, it is important to understand the league structure of the MLS because this is not only very unique in the landscape of major American professional sports, but it is also very different than the private ownership structure of most of the major European professional soccer leagues like the Bundesliga or the Premier League. The MLS is a closed league structure and does not have a promotion or relegation system similar to European professional soccer. The single-entity structure of the MLS also has a direct and major influence on player salaries through the use of a league mandated and controlled salary cap (Parrish, 2013).

In the context of U.S. sport, the MLS is unusual, and the single entity structure is more similar to the initial setup of the National League (which gave birth to the MLB) than any of the current major professional sports leagues. Free agency does not currently exist in the MLS, and while salaries have increased in recent years, there is not an open labor market, and technically all MLS players are employed by the same employer under this system. This system was challenged in the Fraser vs. MLS antitrust lawsuit in 1996, but the MLS ultimately prevailed in this case in 2002 and remains a single entity. During this case, eight MLS players sued the league, arguing that the single entity structure created a monopoly, and they wanted a free agency system. The MLS successfully argued that a free agency system would destroy the profitability of the league, and while the league has investors, the team owners are more like operators than majority owners we would see in major U.S. professional sports. The success of the MLS in this legal battle has helped the league to maintain its original structure, and the salary cap system for the MLS is significantly different than any other major professional sport in the U.S., as outlined in the next subsection (Arangue Jr., 2015).
Similar to most other major professional sports leagues in the U.S., the MLS operates under a salary cap structure. The salary cap structure of the MLS is considered to be similar to a “soft” cap system, similar to the NBA but significantly different than the NHL or the NFL. This means that while there is a salary cap in place for MLS teams set by the league, there are certain exceptions to the salary cap and ways that teams can pay players above and beyond the cap. Both the NHL and the NFL have what are considered “hard” salary caps, or caps with less exceptions and methods of paying players beyond the cap (Coates, Frick, & Jewell, 2014).

The MLS salary cap system is very different than the Union of European Football Associations (UEFA) Financial Fair Play rules, which are much more similar to the Major League Baseball (MLB) luxury tax regulations. The UEFA Financial Fair Play rules essentially penalize soccer clubs for falling below a salary floor or spending too much money on player wages and losing specified amounts of revenue over the course of a season (Thompson, 2015). The MLB luxury tax system does not have a salary floor and “taxes” or penalizes teams financially that spend beyond a specific threshold. The collected “taxes” are redistributed to smaller market teams that in theory can use the money to become more competitive in the future. However, this is rarely the case, and there is typically a major disparity in performance of MLB teams based on team spending (Coates, Frick, & Jewell, 2014). The MLS “soft” cap system is a combination of a salary cap with major exceptions such as the Designated Player rule and small luxury tax similar to MLB. This luxury tax in MLS is outlined in Table 3.3 below, and the next section of this chapter will further explain the Designated Player rule in the MLS.

Table 3.3  History of the Designated Player rule

<table>
<thead>
<tr>
<th>Year</th>
<th>Salary Cap</th>
<th>Cost of First DP</th>
<th>Cost of Second DP</th>
<th>Cost of Third DP</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>US$1.9 mill</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>2006</td>
<td>US$2.0 mill</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>2007</td>
<td>US$2.1 mill</td>
<td>US$400,000</td>
<td>US$325,000</td>
<td>N/A</td>
</tr>
<tr>
<td>2008</td>
<td>US$2.3 mill</td>
<td>US$400,000</td>
<td>US$325,000</td>
<td>N/A</td>
</tr>
<tr>
<td>2009</td>
<td>US$2.3 mill</td>
<td>US$415,000</td>
<td>US$335,000</td>
<td>N/A</td>
</tr>
<tr>
<td>2010</td>
<td>US$2.6 mill</td>
<td>US$350,000</td>
<td>US$350,000</td>
<td>US$335,000 + $250,000 tax</td>
</tr>
<tr>
<td>2011</td>
<td>US$2.7 mill</td>
<td>US$350,000</td>
<td>US$350,000</td>
<td>US$335,000 + $250,000 tax</td>
</tr>
<tr>
<td>2012</td>
<td>US$2.8 mill</td>
<td>US$350,000</td>
<td>US$350,000</td>
<td>US$350,000 + $250,000 tax</td>
</tr>
<tr>
<td>2013</td>
<td>US$2.9 mill</td>
<td>US$368,750</td>
<td>US$368,750</td>
<td>US$368,750 + $250,000 tax</td>
</tr>
<tr>
<td>2014</td>
<td>US$3.1 mill</td>
<td>US$387,500</td>
<td>US$387,500</td>
<td>US$387,500 + $250,000 tax</td>
</tr>
</tbody>
</table>

Note: DP = designated player; mill = million; NA = not available.
Sources: (Coates, Frick, & Jewell, 2014; Mayers, 2014; Tannenwald, 2015).
Issue three: Designated Player rule

In 2007, the MLS instituted the Designated Player (DP) rule that allowed teams to sign one highly marketable player without having that player’s salary count against the salary cap. The DP rule was initially enacted to allow the Los Angeles Galaxy to sign David Beckham, and subsequently the DP rule has often been informally referred to as the “Beckham Rule.” While the DP or “Beckham” rule was originally designed to allow teams to sign one superstar player without going over the salary cap, the rule has been amended several times over the years, and currently teams may have up to three designated players (Parrish, 2013). The financial information related to the DP rule is outlined in Table 3.3, and a few studies have outlined the effectiveness of increasing MLS attendance with designated players (Lawson, Sheehan, & Stephenson, 2008; Parrish, 2013).

Scholars and practitioners have noticed that the Designated Player rule tends to favor large market teams with more financial resources. The DP rule is similar to NBA salary cap exceptions like the “Larry Bird Exception” that allow NBA teams the ability to sign a star veteran player to a higher salary than competing teams before the player becomes an unrestricted free agent. The DP rule favors larger-market teams with more financial resources because this is the one major area of player salaries that can be controlled by team owners. In other words, teams with wealthy owners or higher revenues can purchase the maximum designated players, while other teams that are not as successful financially or located in a smaller market with a smaller stadium may not be able to afford all three designated players. The DP rule is unique in U.S. professional sports and is important to understand because it significantly influences the marketability and success of teams. For instance, while David Beckham played for the Los Angeles Galaxy, the team accounted for 20% of all league revenue (Coates, Frick, & Jewell, 2014).

MLS strategic plan

The unique structure and ambitious expansion plans have significantly impacted the MLS strategic plan, and the main aspects of this plan are discussed below. First, the MLS has a strong focus on marketing to millennials. Currently, 65% of the MLS audience is between the age of 18 and 34, and the MLS plans to not only increase viewership among millennials, but to also target multicultural millennials. To date the MLS has been very successful in gaining younger viewers, and the seven major corporate sponsors of the MLS have seen significant increases in sales during the MLS season among younger customers. The MLS plans to improve online streaming and increase social media presence in order to continue to reach millennial fans, and they currently have the youngest average fan base of any major professional sports league in the U.S. (Heitner, 2015).

Second, the MLS plans to expand the number of teams, soccer specific stadiums, and broadcast markets significantly in the next 4 years. The expansion into new U.S. markets will open up additional domestic television markets and hopefully increase viewership. Additionally, the MLS has been focusing on international viewership by expanding into specific broadcast markets based on the origin of the key players in the league. Overall, digital viewership in the MLS has increased by triple digits the past few years. The MLS is one of the first leagues to fully embrace online streaming as a viable broadcast method, and more games have been available live online every season (Heitner, 2015).

Finally, the MLS is extremely focused on data acquisition and fan engagement, and this is evident by their recent partnership with SAS. The recent partnership with SAS has started with the LA Galaxy, and the plan is for all MLS teams to be using SAS Visual Analytics and SAS Visual Statistics in the near future to mine the data they collect from fans during the purchase process.
and market to them effectively and improve their fan experience. For instance, this software can help teams like the LA Galaxy pick which promotion to offer a specific fan to achieve the best possible chance for purchase or satisfaction. The teams will also be able to predict potential revenues per game and for the season very accurately with this software (SAS, 2015). Overall, the MLS is very innovative in its approach to sales and marketing. This is further investigated in the next section with interviews of MLS sales and marketing professionals.

**MLS marketing executive interviews**

The following section presents information from interviews of key MLS marketing and sales executives. This section is written from the perspective that the MLS is a very innovative league with tremendous growth in a short period of time and unique and successful sales and marketing strategies. Consequently, the following interviews were conducted from the point of view that European professional soccer offers fans the best product in terms of quality of play, and the MLS is an excellent case study of how to market and sell an emerging soccer product. Some of these strategies may be applicable to all soccer marketing and sales professionals and sport marketing students.

**Interview one: Mike Ernst, senior vice president of ticket sales, service, marketing, and club operations for the Chicago Fire**

**What is your background?**

I completed a Bachelor of Arts degree in Marketing and Communication from St. Ambrose University. Shortly after graduating college, I worked for a phone company in the collections department, and this is when I realized very quickly that this was not what I wanted to do for the rest of my life. So, I enrolled in graduate school at the University of Iowa and completed a Master of Arts degree in Sport Management. At this point in my life, I had heard that the best way to break into the sports industry was through the sales department, and I applied for a sales position with the Seattle SuperSonics NBA team. I was hired in an entry level inside sales account executive position with the Seattle SuperSonics, and I worked for the team for approximately 2.5 years. After the team moved to Oklahoma City I accepted a position with the Chicago Fire, and during the past 6 years, I have worked my way from inside sales to Vice President of Ticket Sales.

**What are the major marketing and sales tactics used by the Chicago Fire and the MLS? How do these practices compare and contrast with European Soccer Leagues?**

The three key market segments we target at the Chicago Fire include “Soccer Moms,” Millennials, and Hispanic fans. Soccer Moms are the families who live in the Chicago suburbs. The Millennials are the younger soccer fans who grew up playing the game and often live in the city. The Hispanic fans are an interesting segment for Chicago because in a city of a little over 10 million people, the Hispanic demographic accounts for more than 1 million of these people. Marketing to “Soccer Moms” and Hispanic fans usually includes targeted zip code television advertisement buys and billboards. For Millennials, we purchase mass transportation advertisements on trains and buses, as well as Internet and social media advertising. The biggest challenge with the Hispanic demographic is that they usually follow another team from their home country or one of the major European clubs, and it is challenging to transition these fans from being fans of their favorite team abroad to fans of an MLS team. Consequently, we have realized that it makes the most sense to let fans know that they can follow the Chicago Fire and their team abroad. Overall, the MLS has to be more aggressive than top level European clubs in terms of marketing and sales. The number one goal of the MLS is to fill the stadium. This may be similar to teams that have been relegated or those that are a notch below the upper tier of European Soccer Clubs.
What are the most effective marketing and sales strategies used by the MLS and the Chicago Fire and why?

This depends on the criteria, but social media engagement is the most effective strategy used by the Chicago Fire. We have found that we get the best Return on Investment (ROI) with social media engagement and advertising. We use many Facebook ads and we are more aggressive with social media due to the younger demographics. The MLS believes strongly in mobile video content and pushes this out through social media and the match day app. Unique and engaging content is best.

How do you think some of the major marketing and sales practices used in the MLS could be applied to European soccer? In other words, what could European soccer clubs learn from MLS clubs in terms of marketing and sales?

The MLS uses a more aggressive sales push than European clubs. This includes using outside agencies like the Aspire Group. The MLS uses a very mature approach to selling tickets that involves extensive training and research. The MLS National Sales Training Center is the only operation of its kind in the U.S. and possibly the world. Future ticket sales account executives attend the National Sales Training Center, and after extensive training and subject to performance the graduates are employed by one of the MLS teams. The MLS has perhaps the most developed and aggressive sales tactics of American professional sports.

How do the MLS Designated Player, Draft, and Salary Cap Rules compare and contrast with the UEFA Financial Fair Play Regulations? Also, how do these practices influence business and marketing in the MLS?

There is less debt for US franchises and less errant spending due to a salary cap and lower player salaries. The MLS is the only major professional sports league in the U.S. that is not the top league in the world in terms of competition. The MLS draft does not have a significant impact because of the homegrown rule, and teams are getting more players from overseas.

How could European soccer clubs benchmark MLS teams, and in your opinion, which MLS franchises are the most successful in terms of sales and marketing and why?

New teams are most successful, Toronto, Seattle, due to being in a smaller marketplace and having less competition with other sports. The future success of the MLS depends on success in the bigger markets. All of the teams are very successful and I would recommend benchmarking the league itself rather than specific teams.

What are the major opportunities in terms of marketing and sales for the MLS and the Chicago Fire in the next 5 years?

The MLS is a huge growth market because of the large number of younger Americans playing soccer. Also, soccer is currently the sport of choice for younger Americans. It is only a matter of time before these potential buyers will have purchasing power. The success of the U.S. Men’s and Women’s National Soccer teams is also key to the future success of the MLS.

What are the current challenges for the MLS and the Chicago Fire in terms of marketing and sales?

How do you market a second-rate product? This is a challenge we face because soccer fans in the U.S. are becoming more knowledgeable about all of the soccer leagues. It is the only league that is not the top in the world in terms of player competition that is based in the U.S.
Interview two: Jeff Beryhill, director MLS National Sales Training Center

What is your background?
I went to the University of Minnesota and completed a Bachelor of Arts degree in Sociology and thought about teaching. My senior year I took a basketball class for one credit and I met someone from the NBA team the Minnesota Timberwolves. This person offered me an internship in basketball operations that was part of group sales for selling tickets to teams who could play at the Target Center. After that, I worked for the Minnesota Lynx Women’s National Basketball Association (WNBA) team, and eventually got a job in inside sales with the Minnesota Timberwolves. I led the team in revenue production and ticket sales and eventually became group sales manager for the Timberwolves and the NFL Jacksonville Jaguars. I also briefly worked in minor league hockey in Mississippi and worked as Group Sales Manager for the MLS Chicago Fire. I have been the director of the MLS National Sales Training Center for 3.5 years.

What are the major marketing and sales tactics used by the MLS? How do these practices compare and contrast with European soccer leagues?
Every team is different, but the fans are much younger and more engaged than other major professional sports leagues in the U.S. The in-game experience is very interactive with chants and drums, and the “Supporter” sections are very young. The league embraces people being different. The major European soccer leagues sometimes feel they don’t have to do sales and marketing due to the demand. However, European soccer leagues are realizing the importance of sales and service and can look to the MLS for a well-developed model. The MLS = best sales and marketing and the European = best players. Several outside leagues have used the MLS sales center training to improve their sales and service performance. For instance, we have worked with a Japanese soccer league.

What are the most effective marketing and sales strategies used by the MLS and why?
Digital sales is the most effective because conversion rates are higher than other leagues like MLB, NFL, but less likes or followers. The MLS is much more efficient than some of the other leagues because of the digital engagement of fans.

How do you think some of the major marketing and sales practices used in the MLS could be applied to European soccer? In other words, what could European soccer clubs learn from MLS clubs in terms of marketing and sales?
The MLS uses more targeting, and the MLS National Sales Training Center could possibly be recreated or emulated in another country with a significant amount of planning and work with the current training center. Data-driven sales techniques could be employed to better tailor sales and marketing.

How do the MLS Designated Player, Draft, and Salary Cap Rules compare and contrast with the UEFA Financial Fair Play Regulations? Also, how do these practices influence business and marketing in the MLS?
The MLS is unique in that there is a pretty unfair advantage in leagues like the EPL, but the MLS has significant parity. The MLS is single entity so owners only operate the club, they do not own them. High profile designated players can increase season ticket sales immediately. Stars can draw more on the road also, and Clint Dempsey is currently a big draw for the entire league.

How could European soccer clubs benchmark MLS teams, and in your opinion, which MLS franchises are the most successful in terms of sales and marketing, and why?
There is success across the board and attendance has increased for the past 5 years. Portland, Kansas City, and Seattle are selling out all of the games, and they are selling 35,000 season tickets.
What are the major opportunities in terms of marketing and sales for the MLS and the in the next 5 years?

The big focus right now is growth, and there is a new TV deal, and the biggest area of growth is TV viewership.

What are the current challenges for the MLS and in terms of marketing and sales?

Building relevance and finally having a generation of fans who have grown up with soccer. Every MLS team continues to build its fan base, and soccer is for the new generation.

Interview three: Jamie Ponce, director of ticket sales and service, New York Red Bulls

What is your background?

I attended John F Kennedy High School in Paterson, New Jersey, and competed in wrestling, baseball, and cross country. After high school, I attended Centenary College in Hackettstown, New Jersey, and completed a Bachelor of Science degree in Business Administration with a specialization in Sport Management. While in college, I competed in National Collegiate Athletic Association (NCAA) Division III wrestling and baseball.

Shortly after college, I was hired by the New Jersey Nets of the NBA and worked there from 2005 to 2011. I started working in the Inside Sales program and was promoted less than a year later to Account Executive. During my time as account executive I was the top ticket seller once and the second highest seller during the following season. After a few years as an account executive, I was promoted to a Premium Seating Executive, focusing on the team move from New Jersey to New York City and to help drive season ticket interest in Brooklyn. In my 5th year with the Nets, I was promoted to Inside Sales Manager, which allowed me to help grow the next sales talent for the organization, and grew the department revenue by over 200% from the prior year. In my last position at the Nets, I was the Assistant Director of Ticket Sales and was one of the first team members located in Brooklyn when the team moved from New Jersey to New York City. During this experience, I was leading a small staff to drive season ticket sales for the newly constructed Barclays Center grand opening.

Currently, I am the Director of Ticket Sales and Service for the New York Red Bulls and have been overseeing our strategy from a sales and service perspective. I have also been involved in our ticket operations to help find new ways to enhance the customer experience with speed of entry and looking for new ways to help make all our systems work together and attain all the information we can to gather detailed data and truly enhance the fan experience.

What are the major marketing and sales tactics used by the New York Red Bulls and the MLS? How do these practices compare and contrast with European soccer leagues?

From a marketing perspective, many of our efforts revolve around digital campaigns and re-marketing in the digital space. We have a ton of grassroots events, such as viewing parties at local pubs and youth soccer festivals in key areas, to help grow our club. These events help to show our involvement in the community. From a sales perspective, we look to have synergy with our training academy as they are involved in many areas with people who have an interest in playing and watching soccer. This helps us provide a way to send an offer to an upcoming match as well potentially gain new season ticket holders.

What are the most effective marketing and sales strategies used by the MLS and the New York Red Bulls, and why?

Our digital campaigns for the club have been the most effective because it is the one way that we can actually track our spending and provide real-time feedback as to how the campaign is doing. With this type of feedback, we are able to tweak what is said on the banner, try different players or action shots and really see which is capturing the most attention and driving someone to go on our website and purchase a ticket.
How do you think some of the major marketing and sales practices used in the MLS could be applied to European soccer? In other words, what could European soccer clubs learn from MLS clubs in terms of marketing and sales?

In many of the European clubs, sales is not approached in the same way, where we are looking to fill the building and gain new fans, while European clubs are looking to grow their reach and gain more dollars from large corporate sponsors. In other words, most European clubs don’t have many seats to sell and need to seek revenue from sources other than tickets. European clubs that do have available inventory handle the outbound sales approach differently and seem to focus less on service and retention than MLS clubs. Improving the customer experience and overall engagement of fans is currently very important in the MLS and is gaining importance in European soccer. A few of the leaders of European clubs are being hired from several major U.S. sports because of their experiences in fan retention and service.

How do the MLS Designated Player, Draft, and Salary Cap rules compare and contrast with the UEFA Financial Fair Play Regulations? Also, how do these practices influence business and marketing in the MLS?

I am not too involved in this portion of the business so I am not sure about the differences.

How could European soccer clubs benchmark MLS teams, and in your opinion, which MLS franchises are the most successful in terms of sales and marketing and why?

Of course I would have to say we would be a club that European teams should use as a benchmark. Despite the amount of sports options in the New York City marketplace, including a new MLS team (New York City FC), the Red Bulls have still been able to show growth in all categories including season tickets, sponsorships, and training academy revenues. Powered by a strong leadership team, we look to stay at the forefront of new technologies and software such as mobile ticketing, cashless/ticketless card systems, and RFID scanners to speed up entry.

What are the major opportunities in terms of marketing and sales for the MLS and the New York Red Bulls in the next 5 years?

One of the major opportunities from our club perspective is the advancement of mobile technology, such as having a team specific app and a source for fans to have a “one stop shop” to check in on the club, manage their seats, and interact with our rewards portal all in the same space.

What are the current challenges for the MLS and the New York Red Bulls in terms of marketing and sales?

The current challenges are with the New York City market, which has several sports and entertainment option. Our funds at times can be limited, and it is tough to break through the crowded space and spend at the same levels that a couple of the other MLS teams are able to accomplish. In a sense we have to do a significant amount with a little, so each event we put on has to be special and has to make an impact with our fans.

**MLS unique marketing and sales strategies: National Sales Training Center**

The MLS National Sales Training Center opened in Blaine, Minnesota, in 2010, and the first cohort had 175 applicants for approximately 20 available positions. The sales training center is the only league operated sales training facility in major professional U.S. sports. Since the inception of the center, potential sales executives have made over 1 million sales calls, and over 150 graduates of the sales training center programs have been placed with MLS teams. Two sales coaches are based at the sales training center, and students live on the campus during their training period and make sales calls for several MLS teams. Students learn about the sales process the MLS way, and
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there is a specific curriculum that is used to teach them. The call center helps drive sales for MLS clubs and provides the students with one of a kind sales training that can help prepare them for a future career in sales with an MLS team (Thomas, 2014b). The MLS National Sales Training Center is perhaps the most successful sales training program in professional sports, and it provides a potential model for other soccer leagues to use for training their sales staff.

**Lessons for soccer marketing and sales professionals**

This section outlines a few potential lessons for current or future European Soccer Professionals.

- Highly targeted marketing and sales can be very effective. MLS teams and the league seem to have excellent knowledge of their fans.
- While television broadcast rights are very important in terms of revenue, the in-game experience is also important, and this is very evident in the MLS.
- The unique single entity structure, DP rule, salary cap, and luxury tax in the MLS allow the teams in the league to remain more competitive than their European counterparts. It is also important to note that most of the MLS teams are profitable due to this unique structure.
- Sales and service training are very important, and the MLS invests significant resources in developing future sales employees. The MLS National Sales Training Center is a very effective sport sales education initiative, and perhaps this program could be adopted in Europe.
- Overall, the MLS is very focused on sales and service, and the importance of sales and service for European soccer leagues may continue to increase as fans become more discerning and are interested in more than just the quality of competition. In other words, the MLS is very good at providing an excellent in game experience, and this is something that could be examined and implemented by European professional soccer clubs.
- Engaging fans is very important in the MLS, and the MLS uses technology to engage fans and improve service. This includes creating team apps, mobile ticketing, and interactive mobile rewards and discounts.

**Bibliography**


