

It's foolish to underestimate MLS's potential for success



JEFF L'HOTE

As a sports fan, I remain intrigued by the continued need of some to denigrate soccer publicly, claiming in particular that MLS will never be a success in the U.S. While I, for example, don't find NASCAR interesting as a spectator

sport, I do not feel compelled to point out its perceived shortcomings, particularly as compared to our "traditional" professional sports.

Which leads to the compound question: When is a sport deemed a "success" and what constitutes a "successful" professional sports league?

For the most part, American sports fans have, understandably, a skewed perception of sport and success: The Big Three (NFL, MLB, NBA) are the richest, best-marketed and highest-attended professional sports leagues in the world. Comparing MLS to the NFL, however, is like comparing Super Bowl I to FIFA World Cup 2006.

Yet it is impossible to contest soccer's popularity here. More American children play soccer than baseball or football, and have for many years; 140 million in the U.S. watched at least part of the 2006 World Cup in Germany; and certain "foreign" soccer teams sell out NFL stadiums. There are numerous other examples of soccer's relevance and growth potential in the U.S.

Those who are irked, threatened or misinformed about soccer almost universally look to compare MLS to the more established U.S. professional leagues. Or to the failed NASL (almost the only thing the MLS and NASL have in common is the sport they played, and there are even differences with that). The publicity around David Beckham — to be clear, the main reason the Los Angeles Galaxy and MLS rightfully signed him — seems to be acting as a current irritant. Do detractors truly feel threatened?

They shouldn't. MLS currently falls well behind the Big Three in most mean-



MLS can increase its fan base by appealing to existing soccer fans and youth players.

ingful measures — attendance, commercial revenue, media exposure — and will for years to come. But such comparisons are, on their face, unfair. Besides, MLS is competing more against professional soccer leagues from other countries than it is the Big Three.

MLS, in only its 12th season, is a young and growing league which, unlike its predecessor the NASL, continues to strategically position itself for the future. The NBA has already celebrated 50 years; MLB and NFL are much older. MLS is focused on stability and growth, building infrastructure (stadiums and training facilities), increasingly attracting expansion interest (about a dozen U.S. cities are now actively seeking a franchise) and solidifying media and corporate partners. Surely few would consider Phil Anschutz, the late Lamar Hunt, Robert Kraft, Dave Checketts, Stan Kroenke, Lew Wolff and the other MLS team owner-operators ill-advised or naïve, particularly when it comes to professional sport.

While Forbes reported last year that Manchester United has surpassed the Redskins as the "most valuable team in the world" (and Real Madrid had moved in front of the Yankees), the most commercially successful professional soccer league, England's Barclays Premier

League, still falls well shy of matching the revenue or attendance of the Big Three. Were MLS to deliver EPL results — anticipated revenue of \$3.4 billion for the 2007-08 season; average attendance at 90-plus percent of stadium capacity or 33,000-plus a match; league televised in more than 200 countries — soccer detractors likely still would not consider MLS or soccer successful.

It is worth noting that the Big Three are, in effect, international monopolies. Yet they are increasingly focused on expanding international reach and revenue streams. Similarly, American investors are looking to soccer as a global investment opportunity. MLS is buoyed by the real opportunity to increase its fan base through converting existing soccer supporters and youth players in the U.S., of which there are tens of millions. This is a more attractive prospect than convincing those in other countries to support our "foreign" leagues and teams on TV.

Indeed, MLS and soccer in the U.S. are both already being backed heavily. Well before Beckham, ESPN paid \$100 million for the combined English-language U.S. TV rights to the 2010 and 2014 FIFA World Cup tournaments (Univision paid \$325 million for the equivalent Spanish-language rights); Adidas is in the midst of a

10-year, \$150 million sponsorship of MLS; other long-term supporters of soccer in the U.S. include Anheuser-Busch, Chase, Pepsi and Nike.

While such figures may pale in comparison to the much more established leagues, it is risky to minimize what MLS has accomplished thus far and to underestimate soccer's potential. Given continued interest in soccer as a participatory sport and the changing demographics of our country, is anyone willing to bet against soccer's future in the U.S., particularly as a futbol-centric Hispanic population continues its growth and influence?

Like any growth industry, soccer represents an investment opportunity. Between Saturday morning games for kids and MLS, a wide range of soccer-focused activities exist. As nonsoccer people and organizations in the U.S. become more comfortable with the sport, through continued education and exposure, they will recognize soccer's diverse commercial opportunities, at home and abroad.

And even though MLS has clear and substantial challenges around increasing its popularity and relevance, including improving its on-field product, creating a consistently enticing game-day atmosphere, convincing its TV partners to abandon their "Americanized" telecast and embrace what works in other countries and generating consistent profits at the team and league levels, it is extremely well-positioned for a league that has not yet completed a dozen seasons. Can any of the Big Three claim to have been in a similar position at the equivalent stage of their development? To be sure, success is a relative term — and MLS and soccer in the U.S. are here to stay.

Maybe the more relevant question becomes: Will anyone be surprised if we Americans, in the form of MLS, ultimately lay claim to the most successful professional soccer league in the world?

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Flaws mar columnist's soccer comparison; Adu story misses the real news

SportsBusiness Journal should take a hard look at how it covers soccer from a business perspective. Recently, a NASCAR expert was used as a guest columnist to weigh in on the sport (Aug. 6-12 issue),

As you see it

while a cover story about Freddy Adu's departure (Aug. 13-19 issue) failed to go beyond what had already been lamented in daily sports papers.

The Freddy Adu story was just plain missed by SBJ. When Adu signed with MLS he said his goal was to go to Europe. He was never in MLS's long-term plans. MLS's goal was to develop him and to make money off a transfer fee, which they did. Mission accomplished on both accounts.

The Adu story should have been about the transfer. Adu had underperformed in MLS but he had a strong showing at the U-20 World Cup. It led to the transfer to Portugal. Truth is the transfer HAD to happen this summer. Why not tell that story and provide the inner workings of a multimillion-dollar transfer?

In addition, Mark Yost's guest column where he linked the metric system with soccer in America was also off target. Yost wrote that "soccer will never be king of sports in the United States," but it should be noted that it is not trying to be. MLS has not said it is trying to replace the NFL or NASCAR. We are not waiting for soccer to arrive. It is already here and it is staying.

Yost's comparison of NASCAR and

football to soccer in Europe is also flawed. The NFL and NASCAR are once-a-week events. NASCAR is played out in a different city just about every week.

The column notes that Premier League attendance in England dropped from an average of 35,464 in 2001 to 33,875 in 2005. But that's not an accurate picture. The Premier League is not a closed shop. There is promotion and relegation between divisions. So between 2001 and 2005 attendance in England's five professional divisions jumped from around 27 million to close to 31 million spectators (regular-season figures only).

England is a market of about 60 million people. The NFL and NASCAR have a country of 301 million people to draw from. The market size is much different,

yet the numbers are actually close. Using numbers from Deloitte's Annual Review of Football Finance, English Premier League teams are set to have average annual turnover of about \$180 million, just about \$20 million behind NFL teams but in a market one-fifth the size.

Closer to home, MLS has a lot to be proud of after 12 years. Attendance has been steady with an average well into five figures paid. TV revenue is growing and nine of the 14 teams have either broken ground on or are playing in soccer-specific stadiums.

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