

GETTING A KICK TO THE UPPER ECHELON

Did World Cup Give Soccer the Needed Boost with USA Fans, Brands?

By Brian Gainor, GMR Marketing

For the next 1,200 or so days, soccer fans around the world will be talking about all of the electric moments the World Cup delivered in South Africa in 2010. From Seoul to Los Angeles, the tournament's most breathtaking moments fueled water cooler conversations about prolific teams being ousted early, heart-wrenching goals scored in the final moments of extra time and simmering controversy surrounding Adidas' Jabulani soccer ball. The frenzy of the World Cup captivated the minds of billions of consumers and delivered one of the most effective marketing platforms ever experienced in the sports space.

Even so, a cloud continues to loom over the lasting strength of soccer going forward in the United States, as critics claim that the sport will never stand alongside the NFL, MLB, NBA and NASCAR as an elite American sport. Few have taken the time, however, to realize the huge strides the sport has made domestically in just the past 15 years and why cultural shifts could soon make the game of soccer a booming business in the United States.

The underpinning of the strongest brands in U.S. history is gradual evolution, where a strategic approach, founded on steady developments and growth, is used to gain an ownable positioning in the marketplace. Yet while this strategy is sensible, thrill-seeking Americans are commonly drawn to revolutionary brands that are built for overnight success and characterized by immediate growth potential and rapid changes.

The underlying question is what is a better strategic marketing approach – evolution or revolution?

This argument is one of the primary reasons why the sport of soccer has faced an uphill battle when it comes to the general perception of its popularity and positioning. While some sports have taken a revolutionary approach to become “the next best thing in sports” by offering a mix of action, violence, sex appeal and young stars, the game of soccer in the United States has been guided by a different, more stable growth strategy.

For Major League Soccer, the growth of the game of soccer in the United States has been an evolution. The game is on the rise - slowly but steadily - and has been for the past 15 years. When the United States hosted the World Cup in 1994, soccer was primarily considered a participatory sport, with no professional leagues or soccer-specific stadiums in existence and minimal media coverage. Fast forward to 2010, where Major League Soccer has 16 teams in existence and ten soccer specific stadiums in place, English Premier League and Mexican clubs are gaining popularity and touring the United States, major

sports media outlets are broadcasting the world's top soccer programming, and fans are tuning in to watch in record numbers.

While the growth of the game in the United States has been pretty remarkable over the past fifteen years, it's important to level set expectations about the immediate growth potential of the sport coming out of the 2010 World Cup. While total viewership of the 2010 Cup was up 41% from 2006 and 24.3MM consumers in the United States tuned in to watch the final match between Spain and the Netherlands (a record figure that is on par with ratings for the World Series and NBA Finals), history has repeatedly shown that the sport has not been able to sustain a strong level of popularity and interest, largely due to the looming influences of the NFL, NBA, NHL and Major League Baseball.

But one thing is for certain, Major League Soccer, U.S. Soccer, corporate sponsors and broadcasters are in a better situation to capitalize on the World Cup than ever before, with soccer-specific stadiums in place, peaking interest from English Premier League clubs, national star power led by Landon Donovan, a rising Hispanic consumer base and mainstream media coverage.

Major League Soccer certainly faces its critics but the league is thriving in its 15th season of existence. Ten of the league's 16 clubs play in soccer-specific stadiums with controlled revenue streams and an elevated level of play on the field. While television ratings have remained relatively flat, teams are drawing fairly well at the gates, with three MLS teams averaging crowds of 19,000+ per game and the Sounders FC and Toronto FC franchises selling out matches on a consistent basis.

From a media perspective, there is more soccer coverage in the United States than ever before. ESPN has increased its coverage of the European Championships, English Premier League, and Spain's La Liga while Fox Soccer Channel serves as the primary U.S. broadcaster of the Barclay's Premier League. With 700MM consumers watching the final live around the globe, the sport of soccer surely has attracted the attention of the major media outlets in the United States.

But what does all this mean for sports marketers? There are a few key things to watch in the soccer space:

I. **Soccer is slowly becoming a bigger business for U.S. television outlets**

The U.S. remains a fertile ground for television broadcasts of soccer matches, with the nation boasting a Latino population that is set to triple by 2050 (accounting for 28% of the overall population), a rising class of second- and third-generation Americans that remains passionate supporters of their ancestral and native countries, and a segment of younger consumers that grew up playing soccer (and has a casual interest in the sport) tuning in to relive memories of childhood.

II. **Television ratings attract a lot of buzz but mobile and online engagement are on the rise, too**

During the six weeks of World Cup play, the FIFA World Cup app was downloaded 2.5MM times, while the unofficial vuvuzela app was downloaded 1MM+ times by consumers worldwide. From an online viewership standpoint, 7.4MM+ unique visitors watched World Cup games on

ESPN3.com, streaming 15.7MM hours of game video (Univision hosted another 10MM hours of streaming coverage).

- III. **Brands are spending appropriately to market to Hispanics, while in turn, more sponsorship platforms and opportunities are opening up in the soccer space**
- IV. **As Barclay's Premier League clubs and the Mexican National Team continue to gain popularity in the USA, soccer licensing and merchandising could soon become a booming business**

So, stay tuned and enjoy witnessing the continued evolution of the game of soccer in the States!

Did You Know? On average, 1.5MM consumers in the United States watched 2010 World Cup matches outside of their homes.

Brian Gainor is an account supervisor for some of GMR Marketing's top sports clients, including his current assignment on the Comcast account, managing the company's western partnerships and NFL-related initiatives. Prior to his current role, Brian oversaw Lowe's soccer, NFL and theme park partnerships, including the nationwide La Cancha mobile soccer tour, which activated at Gold Cup, SuperLiga, and Champions League tournament events and major Hispanic festivals. In 2008, Brian founded PartnershipActivation.com as a means to provide sports business professionals with sports marketing and sponsorship best practices, creative activation tactics and innovative ways to generate revenue. Brian completed his undergraduate studies at the University of Florida and MBA/MSA graduate work at Ohio University.

About GMR Marketing

With offices in Europe, the Americas and Asia, GMR Marketing has soccer experts all over the world. The GMR team has helped brands leverage the worldwide appeal of soccer in mature and emerging markets, tailoring go-to-market plans on a localized level. Contact your GMR representative to find out more about GMR's history and involvement in the *Beautiful Game*.