It’s “soccer” on the phone

In 2002, if you were the Chief Marketing Officer for a major American corporation trying to understand the soccer market your assistant might be putting through the following calls:

- it’s US Soccer on the phone, they would like to talk about sponsoring their teams
- it’s MLS on the phone, they would like you to sponsor their league
- it’s US Youth Soccer on the phone, they have 3.2 million kids you can sponsor
- it’s Concacaf on the phone, do you want to sponsor the Gold Cup?
- hola, it’s the Mexican Federation, their team is playing next week … would you like …?
- it’s Manchester United on the phone, do you want to sponsor their tour?

You get the picture. The marketplace was fragmented, competitive and confusing to just about everyone in corporate America. Companies may have thought they wanted to buy “soccer” but had very little idea as to what that really meant. Other sports were simpler, if corporate America wanted baseball they could buy the “MLB”, football the “NFL”, basketball the “NBA”, but soccer, well, that just confused them and as such the “boss” was most likely off to the SuperBowl again! Garber recognized four things about the landscape he viewed, each one reflective of the turnaround plan presented “at the ranch”.

1. Every dollar that went into a soccer property other than MLS was a dollar lost.
2 The intense competition was confusing the market and pushing dollars away that might otherwise come into the sport.
3 If they could gain control of these properties they could probably generate revenues that could offset losses in MLS.
4 They could use the properties to build awareness and fan support for MLS.

It was clear that soccer would never succeed commercially if it could not be understood and purchased in a simple, deliverable and professional manner. Sponsorship spending is usually a zero sum game and the “big guns” had no intention of letting soccer steal their share. To be successful soccer had to be unified, build gravitas and as usual punch above its weight! Garber set about rolling out his plan.

First, as proposed, MLS went ahead and acquired the TV rights to the 2002 and 2006 World Cups, gambling they could turn a profit by selling the advertising. With $70m to recover they needed to sell a lot. To accomplish this they formed a new company Soccer United Media (SUM) in partnership with Dentsu. You would like to think that fortune favors the brave in business and fortunately for MLS, in this case it did. The USA team was to have its best World Cup ever in 2002: stunning Portugal 3–2 in the opening game, beating its fiercest rivals, Mexico, in round of 16 and losing (some would say unluckily) to Germany 1–0 in the quarter-finals. The late rounds games brought advertisers scurrying to the table. Throughout America, soccer fans awoke in the middle of the night and early morning to congregate in bars and at special screenings, to watch live games. Over 3.5 million viewers tuning in at 7.30AM on the East Coast (4.30AM Los Angeles) to watch the USA’s quarter-final match with Germany, making it the most watched soccer broadcast in ESPN television history. Financially, 2002 represented a small return but on the back of the team’s great performance and in the hope of a repeat, corporate America pre-bought much of the World Cup 06 Germany coverage before the first ball was kicked, which was just as well really as the USA team crashed out in the early rounds. While lamenting the loss, the league could gain comfort in counting their $10m return on the $70m investment, coincidentally just about enough to cover the battle they had fought with their players.