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The Demand for International Football Telecasts in the United States

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EXECUTIVE SUMMARY

Since the nomination of the USA as hosts of the 1994 FIFA World Cup and particularly in the past decade, the country's attachment to football (soccer), and the US football market, has progressed significantly. Despite this, however, little is known about the country's relevant market. Football-related studies have predominantly focused on demand in European countries, while studies from North America have mainly focused on demand for the 'Big Four' Major Leagues, National Football League (NFL), National Basketball Association (NBA), Major League Baseball (MLB) and National Hockey League (NHL). This is rather surprising considering that even though football holds a relatively small market share in the US sports broadcast market compared to the 'Big Four', it is a rapidly evolving product, with great prospects. This project is the first to provide a comprehensive overview of US consumer demand for (overseas) televised football.

In general, demand for televised football is a relatively under-researched topic. The findings of the comparatively few studies suggest that many of the factors influencing attendance demand apply also for TV demand. Such factors are related to the uncertainty of outcome hypothesis (UOH) and include (amongst others) quality aspects of the contestants as well as competition and scheduling issues. Yet, however, a detailed review of previous research reveals several shortcomings, which this project intends to address. The shortcomings relate to issues such as the measurement of demand, the lack of consensus with regard to the impact of key determinants (e.g. UOH), the lack of direct applicability of survey study findings and the absence of research focusing on transnational demand.

Accounting for transnational demand, this project is focused on the US consumers' demand for the English Premier, Spanish La Liga, Italian Serie A, German Bundesliga, French Ligue 1 and the UEFA Champions League, which represent the most popular and marketable football competitions worldwide, and have recently sealed lucrative media rights contracts in many large markets, including the USA. The study also takes account of North American Major League Soccer (MLS) in order to provide a more comprehensive overview of the country's football market and to allow for direct comparisons with the aforementioned European competitions.

Employing a unique and innovative research design during the data gathering process, the project relies on survey data gathered in two waves, at the end of the 2014–2015 season (mid-May) and at the beginning of the 2015–2016 season (beginning of September). The sample was recruited from a US-wide representative online panel and consists of football-interested US respondents 18 years old or older. A comparison of the sample characteristics with US-based football surveys and US Census data reveals similar patterns. Therefore, we argue that our findings are both representative of US residents in general and football-interested US residents in particular. Furthermore, this suggests that the football-interest is rather equally distributed amongst US residents.

To proxy (overseas) football demand in the USA, the analysis relies on four different measures. Two of those measure league-level demand, that is the reported viewership per week/matchday and willingness-to-pay (WTP) statements about pay-TV league subscription packages. The other two measures focus on game-level demand, that is reported intention to consume (ITC) prior to a selection of European football games and WTP to attend a European football game staged in the USA. To capture demand, determinants the surveys also include measures for various items previously found to influence demand and factors which have been so far overlooked in the literature, amongst others the perceived level of long-term competitive balance (CB) and socio-demographic characteristics.

Based on US consumers' statements, descriptive statistics reveal that the perceived relative performance of leagues and competitions follows the subsequent preference pattern: Premier League > UEFA Champions League > MLS > La Liga > Bundesliga > Serie A > Ligue 1. This pattern is fairly similar to actual US viewing behaviour based on secondary data such as TV audience figures. For analysing the factors associated with between-competition and between-individuals differences in the past, present and future consumption of European and MLS football telecasts,

we employ different regression models, using the aforementioned proxies for demand as dependent variables.

The econometric models reveal that the perceived level of CB within a whole league or competition (long-term CB), perceived quality of play, and the perceived level of championship (un)certainty (mid-term CB), matter for US consumers. Furthermore, US consumers seem to have preferences similar to European consumers when watching European football telecasts: they do not value game uncertainty (short term). Furthermore, interest in the leagues, supporter status and the accessibility of the leagues are all positively associated with (overseas) football viewership. Moreover, socio-demographics play an important role. US viewers of (overseas) football are more likely to be Hispanophone, non-whites, relatively affluent, male, young, with a comparatively low educational background, and people who live within the boundaries of an MLS city.

These findings offer valuable insights for US broadcasters, European league organizers and managers to adjust existing strategies and/or develop new strategies in conquering the US football market. In this regard, (1) it seems advisable to generate a USP by not only focusing on what other football leagues cannot or do not offer but also emphasising the unique features of the sport in comparison to other sports; (2) the participation of clubs in pre-season tours in the USA could be important in the generation of a regular/devoted viewership; (3) ensuring a certain level of long-term CB within the different leagues and competitions is pertinent; (4) talent investments and a boost in the quality of play may generally enhance the viewership of leagues; (5) league organisers should ensure that selected broadcast partners have a generally high audience reach; (6) promotion of the league's coverage should be done in a timely manner and may possibly be more effective through advertisement in radio or television, than in print media; (7) targeting Hispanophone consumers may increase revenues indirectly, via higher viewership, rather than directly, via high pay-tv subscription fees; (8) further orientation towards high-income consumers seems advisable; (9) networks may reduce the average age of their total viewership by acquiring football broadcasting rights, and current rights holders should further develop their online portfolios. Leagues and clubs may try to foster the net-savvy young US audience with dedicated North American versions of their official websites; (10) the incorporation of US national symbols in marketing strategies or de-emphasising the national identity of their products seems advisable for overseas leagues and club managers.

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