The Effectiveness of a Professional Sports League: A Comparative Look at Major League Soccer and the North American Soccer League

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There have been numerous attempts to create a professional soccer league in America. The most notable attempts are the North American Soccer League (NASL), which was in operation between 1968 and 1984, and Major League Soccer (MLS), which was created in 1996 and is still in operation. The two leagues’ different business strategies led to differences in their overall effectiveness in the broader sport entertainment industry. As a result, the NASL struggled to root itself in America’s sport landscape while MLS has survived and enjoyed steady growth (Andrews, 2006). This study compares the organizational effectiveness of the two leagues in terms of three components: competitive balance, game setting (venues, playing conditions, and rules of the competition), and marketing (specifically towards target markets and non-sport businesses). Comparing and analyzing the business models of the NASL and MLS will lead to a better understanding of professional soccer’s future in North America.

In *Images of Organization*, Gareth Morgan (2006) suggests one way to examine organizations is to equate an organization as an organism. When viewed this way, an organization will prosper or fail through its interaction with its environment. Operating in an open system, an effective organization must focus on managing relationships with its environments in order to optimize satisfaction of its needs. This focus requires attention to intra-organizational relation and the organization’s abilities to acquire resources from the external environment. In professional sports, strategies for acquisition of athletic talent and for organization of the games allow leagues to shape their product, intra-organizationally, for public consumption. Marketing efforts to establish relationships with target consumer groups and non-sport businesses, on the other hand, are necessary for league survival as they represent important sources of revenue.

An extensive review of the literature was conducted in order to gather information on competitive balance, game setting, and marketing strategies for the two leagues. Additionally, a quantitative investigation of the leagues’ payroll structures was used to analyze the competitive balance of the two leagues.

Results from the study indicate that the NASL and MLS made different strategic decisions which influenced each league’s effectiveness as a sport business. In terms of athletic talent, the competitive balance in MLS is better than it was in the NASL. The competitive balance discrepancy can be attributed to careful payroll monitoring by MLS that was absent in the NASL. However, competitive balance had little effect on attendance statistics in either league. For its consumers, the game setting in MLS is superior to the setting that was present in the NASL, which created a more attractive fan experience. Finally, the MLS has marketed its league to soccer fans, whereas the NASL targeted a more general audience of American sports fans who are attracted to celebrity athletes and high scoring, and thus do not necessarily appreciate the game of soccer. It was concluded that these differences in strategic decisions around managing environmental relationships contributed to the eventual failure of the NASL and the survival of MLS.