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Failure to Launch: A study into the North American Soccer League and the Women's United Soccer Association and their factors of failures through Michael Porter's Models of Strategy Formation

Fraser John Boyd
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To the Graduate Council:

I am submitting herewith a thesis written by Fraser John Boyd entitled "Failure to Launch: A study into the North American Soccer League and the Women's United Soccer Association and their factors of failures through Michael Porter's Models of Strategy Formation." I have examined the final electronic copy of this thesis for form and content and recommend that it be accepted in partial fulfillment of the requirements for the degree of Master of Science, with a major in Sport Studies.

Dr. Damon Andrew, Major Professor

We have read this thesis and recommend its acceptance:

Dr. Lars Dzikus, Dr. Gi-Yong Koo

Accepted for the Council:
Carolyn R. Hodges

Vice Provost and Dean of the Graduate School

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A Thesis
Presented for the
Master's of Science Degree
The University of Tennessee, Knoxville

Fraser John Boyd
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DEDICATION

It is with a sincere feeling of appreciation that I dedicate this thesis to the individuals in my life who have helped me through this process. I would like to dedicate this thesis to my parents, Iain and Theodora Boyd. Without their support throughout my undergraduate and postgraduate university career as well as my life, I would not be the person who I have become or experienced the success which I have had. I would also like to dedicate this thesis to my brother and sister, Telfer and Amber Boyd. Their positive outlook on life and words of support has helped me immensely during my career at the University of Tennessee. Whatever future endeavors I undertake and wherever they may take me, I hope I make my family proud.

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My family & friends – For their support, laughter and words of wisdom throughout my time at the University of Tennessee. .

ABSTRACT

Many international sports such as soccer and rugby believe the future growth and prosperity of the sport would be secured, if they can become established within the US sports market. However, many sports leagues/organizations have attempted to enter into this competitive marketplace with a good number of them failing to either establish themselves or are no longer in existence.

The purpose of this research study is to investigate the factors of failure behind the North American Soccer League and the Women United Soccer Association utilizing Michael Porter’s Models of Strategy Formation. An analysis of the two failed leagues will be conducted in order to discover what the main reasons behind the failure were for each of these leagues. The intent of this research is to uncover any commonalities which may exist between the reasons of failure for each league.

For the purposes of this study, case study methodology will be utilized in order to help coordinate and present the data. This is the case for this study because the researcher is attempting to investigate the reasons behind the failure of the NASL and WUSA and this cannot be conducted or measured in a quantifiable manner. With the data sources for this study being subjective, the qualitative approach provides the best avenue in which to analyze the data for this research. To help contextualize the data for this research, the case study methodology will be employed.

Analyzing how previous sports leagues/organizations have failed to become established within the US sports market from a strategy formation viewpoint can help future leagues/organizations to learn from the mistakes of their counterparts. The research also aims to discover whether the failure of these leagues can be attributed to the environment in which they operated in or to factors which these leagues had a degree of control over. The

researcher believes by conducting this study, this will provide a guide to sports leagues/organizations whom are thinking of entering or looking to establish themselves within the multi-billion dollar US sports market.

TABLE OF CONTENTS

CHAPTER ONE

INTRODUCTION

The chapter starts off by stating what the study is before stating what the purposes of the study are. Then, an outline of the study's significance, the research question and the variables of the research will be included. Finally, a definition of terms has been given, along with statements on the delimitations and the limitations of this study.

Statement of the Study

With the United States (US) marketplace currently the largest in the world, this has led many organizations to look to this market as a way to increase their own profits. Sports leagues/organizations are no exception. Many international sports such as soccer and rugby believe the future growth and prosperity of the sport would be secured, if they can become established within the US sports market. However, many sports leagues/organizations have attempted to enter into this competitive marketplace with a good number of them failing to either establish themselves or are no longer in existence.

While sports leagues/organizations have failed in the past within the US sports market, this has not discouraged others from attempting to become established within this multi-billion dollar market. Though these leagues/organizations have vowed not to make the same mistakes which their failed counterparts made in the past, can this really be considered the case? Presenting Major League Soccer (MLS) as an example, the league employed a single entity structure towards franchise ownership (though this has changed in the past couple of years) in order to keep expenditures in check. Along with the single entity structure, MLS has employed a strategy of slow, steady growth for the league. However after twelve years in existence, the average attendance at an MLS game was 16,770, (Mahoney, 2008), not much greater than the highest average attendance figure of the North American

Soccer League (NASL), 14,440, during the 1980, season. [1] This example seems to indicate there are underlying factors behind the failure of sports leagues/organizations in the past, which their modern day counterparts would be wise to investigate and learn from.

Statement of Purpose

The purpose of this research study is to investigate the factors of failure behind the NASL and the Women United Soccer Association (WUSA) utilizing Michael Porter's Models of Strategy Formation. An analysis of the two failed leagues will be conducted in order to discover what the main reasons behind the failure were for each of these leagues. The intent of this research is to uncover any commonalities which may exist between the reasons of failure for each league. Also, this study will provide a series of recommendations of what steps future pro sports leagues/organizations should follow, if they are looking to enter into and establish themselves within the US sports market.

Significance of Study

Analyzing how previous sports leagues/organizations have failed to become established within the US sports market from a strategy formation viewpoint can help future leagues/organizations to learn from the mistakes of their counterparts. Within this area of research, one aspect which previous studies on the failure of the NASL and WUSA have focused on is the sociological impact these leagues had on the sporting and cultural landscape of the US. While other studies have focused on the failure of these two leagues from a specific viewpoint such as marketing, this study aims to provide a broader and deeper strategic analysis behind the failures of these leagues. The research also aims to discover whether the failure of these leagues can be attributed to the environment in which they operated in or to factors which these leagues had a degree of control over. The researcher

[1] Information was retrieved on 9th April 2008 from http://www.sover.net/~spectrum/nasl/naslhist.html#ATTEND

believes by conducting this study, this will provide a guide to sports leagues/organizations whom are thinking of entering or looking to establish themselves within the multi-billion dollar US sports market.

Research Questions and Hypotheses

Which factors were crucial in the failure of the NASL and WUSA?

1) The income generated by these leagues were far outweighed by the expenditures which these leagues incurred.

2) These leagues/organizations overestimated their potential for growth within the US sports market and hence employed growth strategies which were flawed.

3) The economical environment within the US during the period in which these leagues/organizations operated in was not conducive for growth.

4) These leagues/organizations did not understand and/or realize the competitiveness of the US sports market.

Variables

For the purposes of this study, case study methodology will be utilized in order to help coordinate and present the data. Though the study will be qualitative in nature, there are independent and dependant variables within this research. The independent variables in this study are the historical context of each sports leagues/organizations within the US, the economical environment in the US during each league's existence, the structure of play which the leagues employed, the marketing strategy utilized by each league and the personalities/ambitions of the owners within these leagues. These independent variables affect the dependent variables of the league's revenues and expenditures, attendance figures for the games, television viewing figures and the quality of play within each of these leagues.

These variables will be analyzed through Michael Porter's Models of Strategy Formation in order to uncover the factors of failure behind the NASL and WUSA.

Definition of Terms

For the purposes of this study, these definitions will be used for the following terms:

Strategy: The direction and scope of an organization over the long term: which achieves advantage for the organization through its configurations of resources within a changing environment, to meet the needs of markets and to fulfill stakeholder expectations (Johnson & Scholes, 1999).

Model: It is a representation of reality. A model is a framework, identifying the broadest issues and considerations (Harding & Long, 1998).

Strategic Analysis: Concerned with understanding the strategic position of the organization in terms of its external environment, internal resources and competences, and the expectations and influence of stakeholders (Johnson & Scholes, 1999)

Delimitations

The researcher has delimited the study in the following ways:

I) Due to a lack of finances, resources and time, personal interviews with important figures from the three failed leagues will not be conducted; hence no primary data will be collected or utilized for this study.

II) Michael Porter's Models of Strategy Formation has been selected for the purposes of this study to help focus and contextualize the data gathered for this research.

III) These two leagues were chosen to be analyzed because they represent examples of the world's most popular sport, both men and women (the NASL and the WUSA) which failed to establish themselves in the US sports market.

IV) The US sports market has been chosen due to its size and importance within the sports industry.

Limitations

The researcher acknowledges the following limitations to the study:

1) The scope of the research is solely focused on analyzing secondary data. The lack of primary data could make it difficult for a broad strategic analysis to be conducted.

2) Michael Porter's Models of Strategy Formation has been criticized for oversimplifying the strategy formation process. This study could be considered one dimensional since other strategy formation models are not being utilized for this research.

3) Many scholars and sport industry professionals might believe this study to be highly irrelevant since the main reasons behind the failure of these three leagues have been well documented by the sports media in the past.

4) With Michael Porter's Framework being utilized to discover why these leagues failed, the analysis of the information can be considered to be too subjective since it will be the subject of the analytical skills of the researcher, whom is conducting this kind of study for the 1st time and hence could be dismissed by the academic community.

Summary

The chapter started off by stating what the study is before stating what the purposes of the study were. Then, an outline of the study's significance, the research question and the variables of the research were presented. Finally, a definition of terms was offered, along with statements on the delimitations and the limitations of this study.

CHAPTER TWO

LITERATURE REVIEW

The purpose of this research study is to investigate the factors of failure behind the WUSA and NASL utilizing Michael Porter's Models of Strategy Formation. The review of literature has been broken into the following: an overview of the US sports market, a brief history of soccer within the US, an overview of the NASL and WUSA and finally, an overview of Michael Porter's Models of Strategy Formation.

Overview of US Sports Market

Structure of the Marketplace

The success of the "Big Three" American sports leagues can be partially attributed to the decisions made by the US government (Fort & Quirk, 1997). The "Big Three" leagues refer to the National Football League (NFL), National Basketball Association (NBA) and Major League Baseball (MLB). When the US Supreme Court granted MLB an anti-trust exemption, this allowed MLB to operate as a legal monopoly (Leeds & Von Allmen, 1998). While MLB is the only pro sports league granted an anti-trust exemption, the other pro leagues have utilized this ruling in order to establish foundations for their current success. This ruling allowed these sports leagues to enjoy monopoly power in the output market and monopsony power in the input market (i.e., in terms of the leagues being the only employer of athletes).

The "Big Three" leagues have certainly taken advantage of this monopoly power for their own gains (Fort & Quirk, 1997). This monopoly power has allowed professional leagues to control the number of franchises which compete in the league and also, where these franchises are placed. This situation has led to the enviable position where franchises can get subsidies from host city governments to finance their growth (Leeds & Von Allmen, 1998).

The market power these sports leagues enjoy has led some writers (Fort & Quirk, 1997) to state that these monopolies need to be broken up in order for the balance of power to be transferred from the owners and players back to the fans and the host cities. A probable effect of breaking up these monopoly leagues is many fans might be attracted back to these sports. With the increased competition providing fans with more entertainment options, the separate leagues would likely need to compete over fans. However, a major reason why these professional leagues are living in such prosperous times is the demand for these sports and leagues from fans is at an all time high (Jabaily, 1999).

Structure of US sports leagues. Fox (1994) states that "over the years, the big three sports (American Football, Baseball, and Basketball) have acquired a massive historical solidity that lets them absorb endless niggling changes and improvements, and yet remain essentially the same" (p. 91). While the structure of US sports leagues have been slightly altered since TV money entered into the marketplace in the 1960s (Fox, 1994), these leagues have essentially maintained the same closed structure. The term "closed leagues" refers to the fact teams in these pro leagues play in a single league competition (Hoehn & Szymanski, 1999). It also refers to the fact these leagues are essentially joint ventures and can be seen as a single organization (Andreff & Staudohar, 2000). If these leagues want to make changes to their current structure, they can use their monopoly power and charge a large entry fee for new franchises entering into these pro leagues or relocate franchises in the hope cities will fight over the rights to host the franchise.[2]

A possible advantage of these "closed leagues" is it creates the opportunity for member teams to ensure the financial viability of the league by setting up a system of revenue sharing amongst teams (Leeds & Von Allmen, 1998). However, not all professional leagues

[2] A current example of this monopoly power in US sports being utilized is the owner of the Seattle Supersonics NBA team, Clay Bennett threatening to move the team to Oklahoma City if the city of Seattle does not fund the development of a new arena for the team (Johns, 2007)

in the US have utilized this option, and this trend has led to the problem of small market vs. large market teams, which has affected competitive balance within these leagues. The small market versus large market debate has greatly affected pro baseball in the past (Staudohar, 1997), as the big market teams can gain more money from greater numbers of spectators and corporate sponsorships than teams residing in smaller markets (Andreff & Staudohar, 2000). While there has been an increased level of revenue sharing in MLB over the past decade (Fisher, 2006), there is a still a large gap in total payroll between large market and small market teams.[3]

To help maintain competitive balance and fan interest in these leagues, the “Big Three” leagues have used a variety of methods such as the reverse order draft in which the team with the worst win/loss record from the previous year has the opportunity of the first pick of the new players entering into the league, to the placing of limits on how much teams can spend on players’ salaries (i.e., salary caps). These approaches to maintaining competitive balance can be seen to have had an effect on the NFL as there have been thirteen teams who have won a Super Bowl (NFL championship) within the past twenty years.[4] However, these approaches have not made much difference in other leagues such as the NBA where in the past twenty years, there have been only six franchises that have won the championship, with all of them but the Miami Heat winning the championship at least a couple of times.[5]

Current trends within the US sports market. As communication technologies are improving and consumer tastes becoming increasingly globalised, organizations in all industries have been investigating ways in which to exploit these drivers of change to benefit

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[3] Appendix A features the MLB team payroll for the 2007 season. Retrieved February 26, 2008 from http://content.usatoday.com/sports/baseball/salaries/totalpayroll.aspx?year=2007

[4] Information was retrieved on 26th February 2008 from http://www.nfl.com/superbowl/history

[5] Information was retrieved on 26th February 2008 from http://www.nba.com/history/finals/champions.html

them. Sports leagues/organizations are no different. Professional sports franchises/leagues around the world are looking for strategies in which to expand their brands, both in terms of increased awareness and generating new revenue sources.[6] Professional sports franchises/leagues in the US are no different. With these leagues looking for new sources of revenue (Alm, 2003), they are investigating diversifying their product range by providing more internet based content (Bloom, 2006a) and developing new markets through the expansion of franchises into international markets (Bloom, 2006b; Harrow, 2003; Oliver & Gillis, 2007).

The trend of providing live video streaming of sporting events over the internet in the US was started by MLB at the beginning of the 2002 season (Bloom, 2006a). This practice has proven to be very successful for the league as its website (www.mlb.com) generated $195m in total revenue, of which $68m came from subscriptions to watch live video content (Bloom, 2006a). The success of mlb.com has led other leagues to either offer live content on their websites (the NBA) or agree to allow a video community website such as YouTube to show highlights of their games for free (NHL) (Associated Press, 2006). However, the NFL has not offered the service of live video streaming of their games over the internet in North America. This is an interesting development due to the fact that not only are other sports leagues around the world offering live content over the internet but the NFL's network partners are offering most of their content over the internet as well (Bloom, 2006a; Helyar, 2008).

While these leagues are looking to diversify the range of products they offer customers, they are also analyzing international markets so as to establish new markets in which to expand their leagues. As the US market is beginning to see a saturation in

[6] The English Premier League recently announced their intentions to play an extra round of matches in various cities around the world (Bevan & Stevenson, 2008)

geographic coverage in terms of franchises[7], these leagues have attempted to increase brand awareness in international markets [i.e., NFL playing games in London (Hart, 2007) or have made this goal an important part of their future strategy (Bloom, 2006b; Harrow, 2003)]. With the NFL recently announcing the Buffalo Bills will be playing a regular season game in Toronto, Canada, for the next five years (Associated Press, 2008), this has given credence to the possibility of a current NFL franchise moving to the Canadian capital (Bloom, 2006b).

These franchises/ leagues are utilizing their expertise and size in order to set up strategies which will lead to an increased brand exposure, both within the US and overseas. This strategy, in turn, will hopefully lead to an increase in commercial revenues for these franchises/leagues. These strategies are being conducted in the hope that sports franchises/leagues can still enjoy the same levels of growth which they have experienced in the US over the past couple of decades and lead to a decrease on the reliance of their local market (Alm, 2003).

A Brief History of Soccer within the United States up to the NASL

The history of soccer in the US can be seen as one in which the sport has been consigned to the margins of the US sports market due to the dominance of American Football, Basketball and Baseball in terms of media attention and fan interest (Markovits & Hellerman, 2001). However, soccer, or football as it is known throughout the world, does have a prominent history within the US and was played in the US before American Football and Basketball (Ciccarelli, 1983). The first intercollegiate game involving the word "Football" was played on November 6th, 1869, between Rutgers and Princeton.[8] While Rutgers University considers this match to be the first intercollegiate American Football

[7] Appendix B features a map showing the coverage of US sports franchises. Retrieved March 1, 2008 from http://geography.about.com/library/weekly/aa042700a.htm
[8] Retrieved February 28 2008, from Rutgers.edu website: http://ruweb.rutgers.edu/timeline/1800fr.htm

game[9], by modern standards it would be considered closer to soccer than anything you would see in the NFL at this present time (Allaway, Jose & Litterer, 2001). Even the final score, six goals to four in Rutgers favor would indicate the game was played more in the style of soccer than American Football.

Part of the prominent history of soccer in the US is it was the first country outside of the United Kingdom to establish a professional soccer league (L. Dzikus, personal communication, November 8, 2007; Foulds & Harris, 1979). The first professional soccer league in the US was called the American League of Professional Football Clubs (ALPFC). It consisted of six teams based in the Northeastern US and was developed by baseball owners as a way to maximize profits from their grounds during the off-season (Ciccarelli, 1983; Rasmussen, 1996). The league lasted for only three weeks due to low attendance and lack of interest from the owners to continue on with the venture (Foulds & Harris, 1979).

The ALPFC can be considered a precursor to the development of the next professional soccer league in the US, the American Soccer League (ASL). The ASL was founded by Tom Cahill and consisted of teams from Rhode Island, Massachusetts, New York, New Jersey and Pennsylvania (Jose, 1998). The league existed from 1921 till 1931 and is often referred to as “the Golden Years of American Soccer” (Jose, 1998, p. x). The ASL was considered to be among the best soccer leagues in the world at the time as it was able to attract star players from Europe by offering high salaries (Allaway et al., 2001). However, there were two events which took place in quick succession which contributed to the downfall of the ASL: the “Soccer War” of 1928, and the Great Economic Depression of the 1930s.

[9] Retrieved February 28 2008, from Scarlet Knights.com website: http://www.scarletknights.com/football/history/first-game.asp

The "Soccer War" is the name which the argument between the American Soccer League and the United States Football Association (USFA) was given (Allaway et al., 2001). The two organizations were fighting over the participation of the ASL clubs in the US Open Cup competition as it was common for teams in the ASL to play games on Saturdays and Sundays (Allaway et al., 2001). However, soccer historians believe the fight between the organizations was more about which of the two organizations would have control over the administration of the sport of soccer in the US (Allaway et al., 2001). The USFA, with support from the International Federation of Association Football (FIFA), eventually won the fight with the ASL clubs (Wangerin, 2006). While the ASL might have survived the "Soccer War" if it were not followed quickly by the Great Economic Depression of the 1930s, by the fall of 1931, the ASL was no longer in existence (Ciccarelli, 1983).

With the demise of the ASL in the early 1930s, it seemed there was no demand for a professional soccer league within the US. However, this lack of interest from the US public in the sport did not deter businessmen from taking on the challenge of establishing a successful professional soccer league in the US (Rasmussen, 1996). William Cox was one of these businessmen and established the second US professional soccer league of the 20th century. He established the International Soccer League (ISL) in 1960 and invited some of the world's most famous soccer clubs to play in New York for a few weeks in the summer.[10] While the league attracted the supporters they were targeting (i.e., immigrants whom supported their home country teams), once supporters realized these teams were treating the league as nothing more than a glorified pre-season training session and not sending their best players, the fortunes of the ISL changed (Rasmussen, 1996). The ISL lasted until 1965, and while Mr. Cox did not make any money off this venture, it is said he did not lose a great deal

[10] Some of clubs invited and who participated in the ISL are Everton, Werder Bremen, Bayern Munich, West Ham United, Sporting Lisbon and Dukla Prague.

either (Wangerin, 2006).[11] Along with the American Broadcasting Company (ABC) televising coverage of the 1966 FIFA World Cup Final between England and West Germany which 9m viewers watched, it is believed these events were the catalysts behind the development of a coast to coast US professional soccer league, the NASL in 1968 (Rasmussen, 1996; Wangerin, 2006).

Overview of the NASL and WUSA

NASL

The NASL was a professional soccer league with teams in the United States and Canada, which was in operation from 1968 to 1984 (Ciccarelli, 1983; Rasmussen, 1996; Wangerin, 2006). The league, like its entire existence, started off in a turbulent fashion since it was a result of a merger between two leagues: the United Soccer Association (USA) and the National Professional Soccer League (NPSL). When the United States Soccer Football Association (USSFA)[12] announced they would be accepting bids from individuals/organizations who would be interested in setting up a coast to coast professional soccer league in 1966, little did the association realize the "Great American Soccer Disaster" was about to occur (Rasmussen, 1996; Wangerin, 2006). The USSFA granted the bid from the USA group led by Lamar Hunt, who would later own the Dallas Tornado franchise in the NASL. With the group willing to pay a $25,000 registration fee per club to the federation, the USSFA was more than happy to appoint the USA as the officially sanctioned professional soccer league of the US (Rasmussen, 1996). This decision did not sit well with the NPSL group led by Mr. Cox (former founder of the ISL) and the group decided to set up its own

[11] However, it is not known exactly how much money Mr. Cox lost from this venture into professional soccer.
[12] The governing body of US soccer changed its name in the 1940s from the United States Football Association to incorporate the word soccer in to its official title (Wangerin, 2006).

"outlaw" league.[13] The NPSL even managed to upstage the USA by signing a lucrative $14m, 10-year television contract with Columbia Broadcasting System (CBS), though there was a stipulation in which CBS could cancel the contract after one season (Herbst, 1986a). However by 1968, the two leagues decided to combine to form the NASL in large part due to average attendance for the 1967 season being 7,850 and 5,100 for the USA and NPSL, respectively (Herbst, 1986a).

When the NASL kicked off its season in 1968, CBS gave the new league the benefit of the doubt and renewed the television contract for the season (Ciccarelli, 1983). This piece of news was one of the few bright spots for the NASL in its first season. All the teams lost money as the average attendance for games was 3,400, which was significantly less than the USA and NPSL posted a year earlier (Herbst, 1986a; Wangerin, 2006). Shortly after the end of the 1968 season, CBS decided to not renew their contract with the NASL and the number of teams fell from seventeen to five.[14] For the next couple of years, the NASL continued to have difficulty in establishing itself, and the early years of the league (1968-1973) were considered a struggle for survival (Myers, 1984).

After struggling for survival during the early part of the 1970s, the NASL and its commissioner, Phil Woosnam believed the league was on steadier footing.[15] By the 1974 season, the NASL had expanded to fifteen teams. When Pele, whom many considered to be the greatest soccer player of all time, signed for the New York Cosmos franchise in 1975, the NASL began to experience its glory years (Herbst, 1986b). With the signing of Pele, the

[13] The NPSL was considered an outlaw league as it was not officially sanctioned by FIFA and FIFA went as far to announce they would ban anyone who played in this league for life from the sport (Wangerin, 2006).
[14] Appendix C features a list of the teams which played in the NASL on season by season basis.
[15] Phil Woosnam was a Welsh soccer player who had played in England for teams such as Chelsea and Aston Villa before he moved to Atlanta to coach the city's NASL franchise, the Chiefs in 1966. By the end of the 1968 season, the remaining NASL owners appointed him as commissioner of the league (Wangerin, 2006).

league experienced growth in attendance at games and media coverage. [16] Another effect of the Pele transfer was other franchises in the NASL saw the effect Pele had on crowd attendance and signed top players from around the world such as George Best and Johan Cruyff (albeit, past their prime). Even as Pele retired from the sport in 1977, the NASL continued to expand and its membership had reached twenty four teams. However, there was a great deal of team movement between cities as owners were looking for the most profitable location.[17]

This practice played an important part in the demise of the NASL, and, from 1981, the league began its downtrend towards extinction as the number of teams decreased due to increasing financial losses and decreased attendance (Wangerin, 2006). Finally, the NASL ceased operations after the 1984 season, as only six teams were prepared to continue playing in the league.

A major factor behind the failure of the NASL could be attributed to the fact that the league grew too quickly. As Myers (1984) notes, the demographic environment was influential in the formation of NASL due to the high degree of urbanization, which occurred during the league's existence. However, many writers (Blankenship, 1977; Gardner, 1982; Herbst, 1986c) agree that over-expansion of the NASL was a major factor behind the demise of the league. This led to a great deal of team movement between cities and created uncertainty within the league on a yearly basis. Also, this made Phil Woosnam's task of persuading potential investors to purchase a franchise a lot more difficult and took him away from the task of setting a foundation for the league's future (Gammon, 1977).

[16] Before signing Pele, the Cosmos's average attendance was 6,000. In the 1976 season, average attendance more than tripled for the Cosmos (Herbst, 1986b).
[17] An interesting example being the owner of the San Diego Jaws moving the team to Las Vegas in 1977 and calling them the Las Vegas Quicksilvers. After one season in Las Vegas, the team was moved back to San Diego and renamed the San Diego Sockers.

Another main factor behind the demise of the NASL was the high amount of money spent on player salaries. When the NASL was launched, the league faced a great challenge in regards of selling the sport to America since soccer had made little impact on the US sports market in the past. To combat this problem, teams started to bring in star players such as Pelé, which helped boost the popularity of the league during the mid to late 1970's (Myer, 1984). While big market franchises such as the New York Cosmos could afford to invest money to pay the salaries for top foreign players, other teams attempted this tactic and suffered heavy financial losses, even though the economic environment in the US during the NASL's existence was favorable for league initiation (Myers, 1984).[18] This factor led to many teams moving between cities looking for better financial deals and, eventually, to the extinction of the NASL.

WUSA.

The WUSA was the first professional women's soccer league both in the US and the world. The league was formed in 2001, consisting of eight teams based in Washington, Boston, Atlanta, Cary, New York, Philadelphia, San Diego and San Jose.[19] The league had managed to for m a last minute partnership with Major League Soccer (MLS), which was interested in forming their own professional women's soccer league (Stone, 2001b). This agreement prevented the WUSA from having to deal with a competing league and avoided a repeat of the USA and NPSL situation in 1967. The founders of the league, which included the 20 players from the US women's national team, were inspired by both the success of the FIFA Women's World Cup and the victorious US national team in 1999 (Stone, 2001b).[20]

[18] Many people considered the New York Cosmos to be the best and worst thing to happen to the NASL (Wangerin, 2006).

[19] A franchise was originally scheduled to play in Orlando but could not find a stadium in which to play their games, so moved to Cary, North Carolina (Stone, 2001a).

[20] The founding group included Mark Hendricks (CEO of Discovery Communications) along with senior executives from Cox Communications, Time Warner Cable and Comcast Corporation (Stone, 2001b).

The founders believed with the high level of youth participation amongst girls, along with the "hegemonic sports culture" of soccer not completely dominated by men in the country (Markovits & Hellermen, 2003), that the WUSA would develop into a viable league, able to compete with the "Big Three" in the US sports market.[21]

When the WUSA started playing in 2001, the league founders and players were confident they could make the league a success and predicted that average attendance for the league's first season would be 7,500 (Dabner, 2001). The WUSA were also able to obtain a national television contract with Turner Network Television (TNT) worth millions of dollars over many years, though the actual terms of deal were never disclosed (Stone, 2001b). By the end of the 2001 season, the WUSA had managed to attract an average attendance of 8,285 which was above pre-season predications (Dabner, 2001). Though the future looked rosy for the WUSA after the first season, there problems underneath the surface which would have a great impact on the WUSA.

While the WUSA had managed to attract people to their games, the ratings of games shown on TNT could be considered abysmal at best, with an average 0.4 Neilson rating (the equivalent of 425,000 households nationwide watched WUSA games) (Lee, 2003a). It was later reported the WUSA paid TNT to broadcast games on the network, which was contradictory to what was reported by the league in 2001 (Isidore, 2003). To combat the lack of television viewers, the WUSA decided to transfer their games to the PAX TV network for the second season, but this move led to a decrease in viewers as league broadcasts only averaged a 0.1 Neilson rating for both the 2002 and 2003 seasons (the equivalent of 100,000 households nationwide) (Lee, 2003a). This trend coincided with a drop in average attendance to 6,957 for the 2002 season (Lee, 2003b).

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[21] In 2001, there were 13.9m people who participated in soccer with 5.85m of these people being female (National Sporting Goods Association, 2001) Retrieved March 1, 2008 from http://www.sbrnet.com.proxy.lib.utk.edu:90/research.asp?subRID=391.

With the beginning of the 2003 season approaching, the WUSA was in dire financial distress as they were unable to attract the level of sponsorship from corporations which they had anticipated (Southall & Nagel, 2007). The league also asked the founding players to take a 25% pay cut in order to assist the WUSA with their financial difficulties (Wyllie, 2003). By the end of the 2003 season, the WUSA had ceased operations in September, 2003 (days before the FIFA Women's World Cup which took place in the US), with an average attendance of 6,667 and debts close to $100m (Isidore, 2003; Lee, 2003b).

One of the main factors behind the failure of the WUSA was that the league overestimated it status within the US sports market. Many writers agree (Southall, Nagel & LeGrande, 2005; Zimbalist, 2003) the failure can be traced back to a misguided business plan. The founders believed the WUSA should operate as a big-time league on par with the NBA and NFL and promoted the product as such. They believed the league would be able to attract enough sponsors willing to pay the $5m fee necessary to become a sponsor and, hence, overestimated potential revenues and underestimated expenses. However, the WUSA failed to take into consideration how the "Big Three" were not big-time leagues when they first started out, and all struggled to generate profits during their formative years (Martin, 2004). Moreover, as Zimbalist (2003) notes, "Starting a new league requires deep pockets and lots of patience. It also helps to have passionate, committed individuals rather than calculating corporations seeking to pad the bottom line" (p. 27).

Another factor behind the failure of the WUSA was the league overestimated the popularity level for women's professional soccer in the US. The founders of the league believed if 90,000 people would pay to watch a women's World Cup Final, then the WUSA would be able to attract enough supporters to watch women's professional soccer. However, as many authors note (Fisher, 2003; Kovalycsik, 2003; Southall et al., 2005), the league's

attendance decreased on a yearly basis. Along with low ratings from its televised games, which can be partially blamed on the league's choice of network (PAX TV) and a marketing strategy which focused too heavily on reaching "soccer mums", this led to the demise of the WUSA in September, 2003. It can be said the founders were overly ambitious and tried to achieve too much, too soon.

Overview of Michael Porter's Models of Strategy Formation

Definition of Strategy

The definition of the word "strategy" has sparked numerous debates amongst the strategic management community since the subject became an accepted academic discipline (Mintzberg, Ahlstrand & Lampel, 1998). While writers seem to agree on the components which define "strategy", they have tended to debate on how the meaning of "strategy" should be worded. This debate has led certain writers to define "strategy" as a plan of action which focuses an organization's efforts (Quinn, 1980); other writers have called "strategy" a broad formula (Porter, 1998). Though most writers agree "strategy" can help an organization coordinate its internal efforts, some scholars feel "strategy" is a pattern of objectives and goals which help the organization position themselves on its chosen markets (Mintzberg et al.., 1998). From all of these definitions of "strategy", these writers (Mintzberg et al.., 1998) have decided any definition should contain the following three elements:

1. The most important goals/objectives to be achieved by the organization.
2. The most significant policies guiding actions.
3. The major action sequences needed to accomplish the organization's defined goals.

As more work is written on strategic management, more writers will enter their own definition of "strategy", but they will always include certain elements already incorporated by numerous writers such as Michael Porter and Henry Mintzberg.

Definition of Model. Within strategic management, the term “model” has been given multiple uses. It has been used to describe organizational structure and culture (Johnson & Scholes, 1999), methods of growth (Porter, 1998), and the ways which organizations conduct their business (Magretta, 2003). As this term has played an important role in strategic management literature, it is important the terms “model” and “strategy” are not seen as interchangeable with each other, as they have two separate meanings. Also, “model” should be clearly defined instead of each writer deciding for themselves. The reason being is it will prevent the term from being overused to describe every step in the strategy management process.

Michael Porter’s Models of Strategy Formation

Analytical Model

Before a strategy is formed, it is vital an organization undertakes an analysis of both their internal/external environments. This viewpoint was given greater attention when Michael Porter presented his analytical model, the Five Forces Model. When this model was first introduced to academia, Michael Porter sought to establish a model which organizations could use to understand how the competitive forces within an industry can affect them. A diagram of the Five Forces Model can be seen in Figure 1.[22]

In the view of Johnson and Scholes (1999), it is vital organizations should ask themselves two questions before they undertake an environmental analysis:

1. What are the key drivers of change within an industry?
2. What are the differential impacts of key environmental influences in an industry?

[22] This model was included in the book Competitive Strategy: Techniques for Analyzing Industries and Competitors (1998).

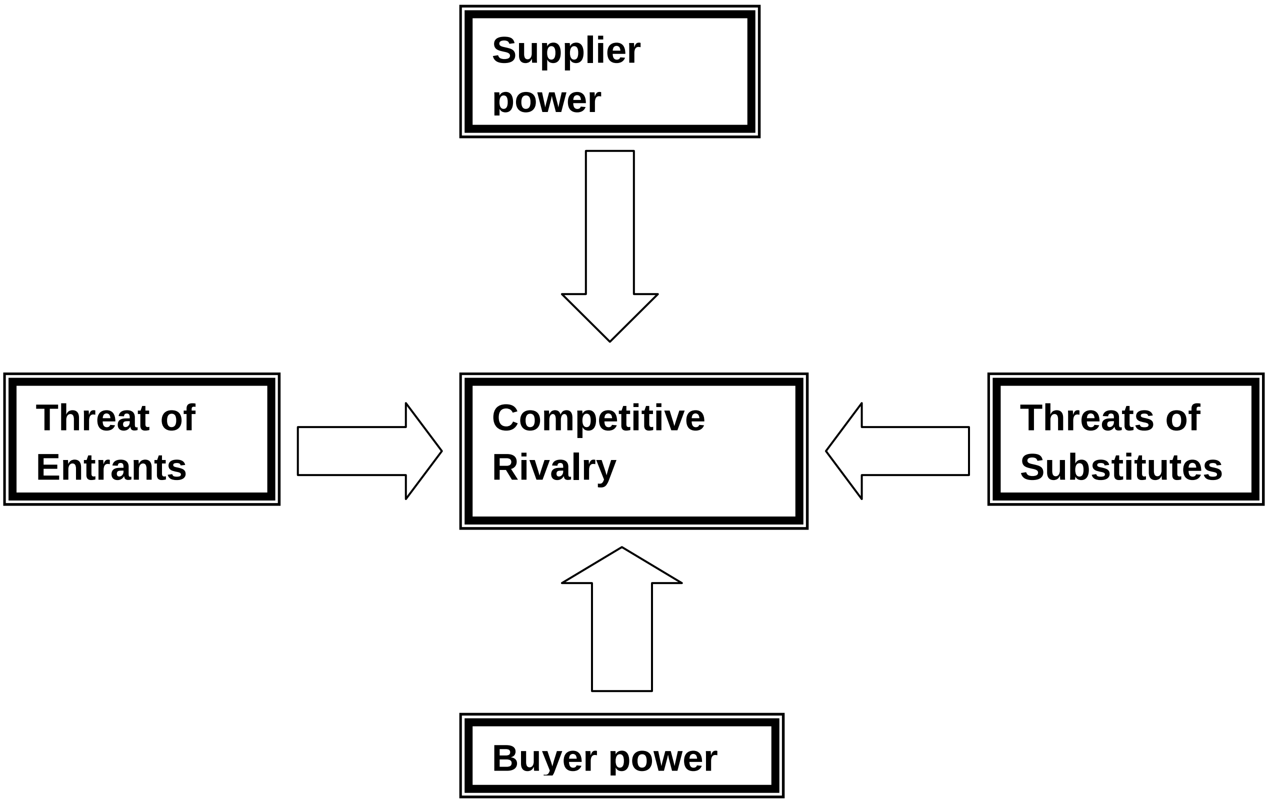

Figure 1 – Porter's Five Forces Model

In the view of Johnson and Scholes (1999), it is vital organizations should ask themselves two questions before they undertake an environmental analysis:

3. What are the key drivers of change within an industry?
4. What are the differential impacts of key environmental influences in an industry?

The first of the four competitive forces, which affects the fifth force, is the Threat of Entrants. The analysis of the force looks at whether there are barriers to entry into the industry such as the expected retaliation of organizations already in the industry, the economies of scale, the capital required in the industry and the legislation which controls the industry. This force determines the levels of barriers an organization would face if they try entering into the industry.

The next force in the Five Forces model is the power of buyers within the industry. This force determines whether the industry's important buyer groups hold the power or if the industry does (Porter, 1998). The power of buyers depends upon factors such as the concentration of buyers, the costs of materials, the degree of differentiation, and the costs to the buyer of switching within the industry.

The power of suppliers is the next force within the Five Forces Model. This force determines if the power within the industry is held by organizations or the supplier groups. The power of suppliers depends on how concentrated the suppliers are and the degree of differentiation within the industry.

The final of four competitive forces, which affect the fifth force, is the threat of substitutes. This force analyzes the likelihood the effect substitute products would have on the industry. The threat can come from product to product substitution, the substitution of need or doing without.

The fifth force in Porter's Five Forces Model focuses on how the other four forces affect the competitive rivalry which exists in an industry and the extent of direct rivalry between an organization and its competitors (Johnson & Scholes, 1999). The factors reflect how much competitive rivalry there is within an industry range from the number and diversity of competitors to the growth and costs associated with the industry.

Formulation model. When Porter introduced his analysis model, The Five Forces Model, he also took the opportunity to present his strategy formulation model, The Three Generic Strategies Model (Porter, 1998). This model consists of the basis of strategy formulation:

- Cost Leadership
- Differentiation

- Focus

The cost leadership strategy is where the organization competes with the rest of the industry on the basis of lower cost production, thereby passing the cost savings onto their customers. This approach requires the organization to be belligerent in achieving cost reductions, and they must make sure to maintain these lower costs to gain competitive advantage (Porter, 1998). For an organization to gain this position in the industry, they need to have a high share of the market and obtain competitive advantages from other components. The organization should also be aware of the vulnerability of this position, as this strategy can easily be duplicated by its competitors, which could result in smaller profits throughout the industry.

The differentiation strategy is when the organization competes in the industry on the basis of their customers perceiving a product/service as being different to other products/services available (Johnson & Scholes, 1999). A major risk associated with choosing the differentiation approach is if customers do not perceive the organization to be providing a differentiated product/service than others, then the organization could be faced with the problem of offering a higher cost product. This could in turn lead to customers not purchasing the organization's product/service because, in the eyes of the customer, it is no different from the lower cost products/services which are available to them.

The focus strategy approach is when the organization concentrates on selling their product/service to a specific group of buyers on the basis of a single factor (Porter, 1998). While there is a possibility within the focus strategy for the organization to follow either a low cost position, differentiated position, or both, this also presents a risk to the organization in they could get confused about their strategic direction and fall into the highly undesired "Stuck in the Middle" strategy. Organizations do not wish to be caught in this position as this

is an extremely poor strategic situation to be caught in, and it is a very hard position from which to escape.

Implementation model. Once the external/internal environments have been analyzed, and the information has been utilized to help formulate strategy, the next step in the strategy formulation framework is implementing strategy. A number of scholars (Bowman & Faulkner, 1997; Johnson & Scholes, 1999; Porter, 1998) believe it is important for organizations to understand all these forces as they can help with the formation of their strategy. An implementation model which can help organizations coordinate their plans is the Strategic Means Model (Porter, 1998).

This model can help organizations as it shows the directions of strategies which they can take. The three "means" of establishing competitive advantage are as follows:

- Internal Development: This is when strategies are built up through the organization's own resource base and competences (Johnson & Scholes, 1999).
- Acquisitions/Mergers: This is when organizations develop their own resource base and competencies by acquiring/merging with another organization (Bowman & Faulkner, 1995).
- Strategic Alliances: This is when two or more organizations come together to share ideas and risks with each other on a wide variety of issues such as market entry and product development (Faulkner, 1995).

Internal Development can help organizations grow "organically" (i.e., from their own resources). This will allow them to develop their own core competencies, which will enable them to compete more effectively in the marketplace (Porter, 1998). A problem with this method is the pace of organizations developing internally can be slow. Also, the cost level of this method can be very high (Johnson & Scholes, 1999).

Acquisitions/mergers can overcome the problems associated with internal development in that they allow organizations to grow at a faster pace (Bowman & Faulkner, 1995). This method also allows organizations to consolidate risks/costs within an industry. However, the process of finding the right organization to merge/takeover is time consuming and costly. Also, there has been evidence pointing out the majority of acquisitions/mergers in the past decade have been seen as failures (Johnson & Scholes, 1999).

Many writers have stated strategic alliances can be advantageous to any organization (Bartlett, Ghoshal & Brikenshaw, 2004; Faulkner, 1995). This can help organizations share the risks/costs with the alliance partner and gain experience, which might not be achievable if the organization operated by themselves. However, as with acquisitions/mergers, there has been evidence pointing out the majority of strategic alliances in the past decade have been seen as failures (Johnson & Scholes, 1999). This has been attributed to the fact organizations entering into strategic alliances have shown a lack of trust towards each other.

Arguments for using Porter's Framework in Analyzing the WUSA and NASL

The strategic formulation framework has been given more attention by writers because of the wide use of these models (Porter, 1998). This has not stopped many scholars (De Wit & Meyer, 1998; Mintzberg et al., 1998) from criticizing this approach as being an oversimplification by making organizations think the formation process works in a certain order, which is rarely the case. However, Porter (1998) believes by employing this framework, it can help managers/organizations understand how the external/internal environment within their industry affects the strategy formation process. Also, it provides a foundation on which organizations decide the direction/level of their strategic involvement.

The models of strategy mentioned in this thesis are the most appropriate in terms of understanding how the formation process affects strategic decision making within the US

sports market. These models have been utilized for this study as Michael Porter's Models of Strategy Formation can help condense all the available data into structures which can help determine whether the hypotheses of this research do hold true. Though the researcher acknowledges this model's shortcoming as being an oversimplification of the strategy formation process (Mintzberg et al., 1998), the lack of alternatives presented by these critics prevents the researcher from not utilizing Michael Porter's Models of Strategy Formation. If these models are employed correctly in the analysis – formulation – implementation formation process, then a greater understanding can be gained on the factors of failure behind the NASL and the WUSA.

Summary

The chapter started off by investigating the structure of the US sports market. Then, the models currently utilized by professional sports leagues in the US were investigated. The literature review established that money from TV networks has become an important part of pro sports finance within the US. Next, the structure of pro sports leagues was investigated with the leagues being considered monopolistic. Then, recent trends were looked into with the establishment of online streaming of games and the international expansion of the "Big Three" pro sports leagues in the US considered the main current trends. A review of literature of the history of soccer in the US as well as on the NASL and WUSA was conducted. Finally, Michael Porter's Models of Strategy Formation were presented along with the reasons why these models are being utilized for this study.

CHAPTER THREE

METHODOLOGY

The purpose of this research study is to investigate the factors of failure behind the NASL and WUSA utilizing Michael Porter's Models of Strategy Formation. The chapter starts off by presenting the research question and the hypotheses. Then, the variables of the study, the research design and the operational definitions are discussed. Finally, the data collection procedures along with the data analysis procedures are presented.

Research Question and Hypotheses

Which factors were crucial in the failure of the NASL and WUSA?

1) The income generated by these leagues were far outweighed by the expenditures which these leagues incurred.

2) These leagues/organizations overestimated their potential for growth within the US sports market and hence employed growth strategies which were flawed.

3) The economical environment within the US during the period in which these leagues/organizations operated in was not conducive for growth.

4) These leagues/organizations did not understand and/or realize the competitiveness of the US sports market.

Variables

For the purposes of this study, case study methodology will be utilized in order to help coordinate and present the data. Though the study will be qualitative in nature, there are independent and dependant variables within this research. The independent variables in this study are the historical context of each sports leagues/organizations within the US, the political and economical environment in the US during each league's existence, the structure of play which the leagues employed, the marketing strategy utilized by each league and the

personalities/ambitions of these league's owners. These independent variables affect the dependent variables of the league's revenues and expenditures, attendance figures for the games, television viewing figures and the quality of play within each of these leagues. These variables will be analyzed through Michael Porter's Models of Strategy Formation in order to uncover the factors of failure behind the NASL and WUSA.

Research Design. For the purposes of this study, the research will be of a qualitative nature. This is the case for this study because the researcher is attempting to investigate the reasons behind the failure of the NASL and WUSA and this cannot be conducted or measured in a quantifiable manner. With the data sources for this study being subjective, the qualitative approach provides the best avenue in which to analyze the data for this research. To help contextualize the data for this research, the case study methodology will be employed. Case study research is a method of analyzing a case over an extended period of time (Gratton & Jones, 2004) in order to understand the peculiarities and eccentricities of a particular case. As Stake (1995) notes "in qualitative case study…we want to appreciate the uniqueness and complexity, its embeddness and interaction with its contexts" (p. 16).

The main reason why the case study methodology is being utilized for this research is because the objective of this study is to uncover the reasons behind the failure of the three leagues. This approach will help with the need to develop greater understanding of these failed leagues and cover up the deficiency of a lack of primary data within this study. This method has also been chosen due to a lack of prior broad and in-depth research/literature within this area and hence can be considered an experimental study.

Operational Definitions

- Michael Porter's Models of Strategy Formation: Within Michael Porter's Framework, it follows the route of strategic analysis, strategy formulation and strategy implementation (Porter, 1998).
- Five Forces Model: It is the discovering of which competitive forces affect the competition levels in an industry (Johnson & Scholes, 1999).
- Three Generic Strategies: The model which uses the analysis of the environment to formulate strategies in which they can grow (Porter, 1998).
- Strategic Means Model: This model can help organizations as it shows the directions which there strategies can take (Porter, 1998).
- Grounded Theory: It is the collection of data, generalizing findings about possible relationships involved and checking out these out through further data-collection to a point at which you can categorize results (Jankowicz, 2000).

Data Collection Procedures

With all research projects, it is vital the data collection methods are evaluated in accordance with the objective of the research. The factors such as time/budget constraints must be considered when deciding upon the data collection methods. For the purposes of this study, the information will solely be collected from secondary data sources such as newspaper and journal articles. The main reason why only secondary data is being utilized can be attributed to a lack of finances, resources and time necessary to conduct primary data collection in the form of personal interviews with important figures from the three failed leagues. As mentioned in the limitations section of chapter one, the lack of primary data could make it difficult for a broad and in-depth strategic analysis to be conducted and render the study incomplete in the eyes of some academics. However, the researcher believes by

utilizing Michael Porter's Models in order to analyze each league, this will lead to a broad analysis process and achieve the objective of this study.

Data Analysis Procedures. When the data has been collected, it is important to acknowledge what methods of analysis will be utilized to turn this data into information. When conducting the analysis of the data, it is vital a criterion for analysis is set out. With the research for this study being of a qualitative nature, there is no use for quantative analyzing techniques.

The problems associated with analyzing qualitative data is reducing, structuring and converting it (Hussey & Hussey, 1997). To combat these problems, this study will take advantage of the Grounded Theory analysis technique. This technique works on the basis of collecting data, generalizing findings into statements (Jankowicz, 2000), focusing on generating theory (Patton, 2002) and not fitting data into established theoretical frameworks.

For the purposes of this study, only some steps of Grounded Theory are followed. Firstly, theories will be extracted from secondary research. Secondly, an examination of the gathered data will be conducted, to see which categories and what context the information will fit into. Finally, the reduced data will be fitted into Michael Porter's Models of Strategy Formation and this framework will be employed to determine the reasons behind the failure of the NASL and WUSA and also provide the recommendations for this study. This technique is deemed appropriate as it will help link the data collected on the three failed leagues to the academic literature.

Summary

The chapter started off by presenting the research question and the hypotheses. Then, the variables of the study, the research design and the operational definitions are discussed. Finally, the data collection procedures along with the data analysis procedures are presented.

CHAPTER FOUR

RESULTS AND ANALYSIS

The purpose of this research study is to investigate the factors of failure behind the NASL and WUSA utilizing Michael Porter's Models of Strategy Formation. This chapter starts off by utilizing the Five Forces Model to better understand the external environmental factors which affected the US sports market during the periods which the NASL and WUSA existed. Next, Porter's Three Generic Strategies Model will look into the basis in which the NASL and WUSA tried to compete within the US sports market. Then, Porter's Strategic Means Model will be utilized to investigate how the NASL and WUSA implemented their strategies. Finally, the chapter will state the findings of the research based on the hypotheses which the author of the study predicted would be main factors in the failure of the NASL and WUSA.

Five Forces Model for the NASL and WUSA

The Five Forces analysis is a means of identifying the forces which affect the level of competition in a market. A completed Five Forces Model has been applied to the US sports market when the NASL and WUSA were in existence and can be seen in Appendices D and E.

Threat of Entrants

Any new pro sports league entering into the US will be faced with very high set-up costs to establish itself. When the NASL and WUSA started out, both of these leagues experienced high set-up costs though the costs which the NASL dealt with could be considered manageable by modern standards. Any new pro sports league would need to conscious of the retaliation of established pro sports leagues especially the "Big Three", as they have the resources available to mobilize franchises to compete with new entrants

directly. However in the cases of the NASL and WUSA, it could be said these leagues never received the respect of the “Big Three” in the form of competitive barriers due to their own problems. With the NASL and WUSA struggling to establish themselves within the US sports market, the “Big Three” can be said to believe the two soccer leagues needed no assistance from them in their demises. There are instances of moderate barriers to entry when the WUSA was established as the league could gain access to the distribution channels of television. Also, both the NASL and WUSA could utilize the anti-trust exemption granted to the MLB in the 1920s to establish market power in the US sports market like the “Big Three” have done. However, neither the NASL nor WUSA were able to survive within the US sports market as they were both unable to establish themselves and compete with the “Big Three” who are truly entrenched within the marketplace. In the case of the NASL and WUSA, the threat of entrants could be considered to be at MODERATELY HIGH and MODERATE levels respectively.

Buyer Power. In the US market, the service is only differentiated on a few factors such as purpose/rules of each sport. There are other sports/entertainment options which the US consumer can choose from. Though with the advances in modern telecommunication technologies, it can be said there are more entertainment options available to the consumer during the WUSA era than was the case with the NASL era. The consumer will decide upon the basis of what option interests them the most, which certainly did not seem to be attending games of the NASL and WUSA. So buyer power was STRONG during the times of the NASL and WUSA.

Supplier Power. In the context of the US sports market, the suppliers could be considered the athletes, stadiums and revenue streams such as sponsorships and TV contracts. In regards to the players within US pro sports leagues, they tend to have player associations

who negotiate on their behalf with the league owners on a Collective Bargaining Agreement (CBA). In the case of the NASL and WUSA, both leagues had player associations though due to a lack of stability which both these leagues experienced, the level of success which the players association had in improving the working conditions of the players could be said to be minimal. In terms of stadiums, US pro sports leagues have utilized the anti-trust exemption granted to the MLB in the 1920s to build up market power. This market power has been utilized by the “Big Three” to force host cities/towns to build and pay for new stadium construction plus gain favorable rental terms/conditions. However, the NASL and WUSA were not able to achieve the market power of the “Big Three” mainly due to lack of fan/media interest for these leagues within the host cities/towns and hence were subject to the discretion of the host city/town/organization who they rented the stadiums from in regards to rental terms/conditions. In terms of revenue streams, pro sports leagues can switch sponsors/TV networks to maximize revenues. However in the case of the NASL and WUSA, both leagues struggled to receive enough interest from corporations and TV networks to help cover the high set-up costs associated with starting new pro sports leagues. Due to this lack of interest, both leagues failed to establish a solid financial and organizational foundation on which they could develop upon and resulted in the demise of both the NASL and WUSA. Hence, supplier power could have been considered MODERATELY HIGH during the NASL and WUSA eras.

Threat of Substitutes. There are several different substitutes available to the consumer instead of watching/following a particular sports league/organization. If the consumer does not feel they are satisfied by watching/following a particular sports league/organization, which could considered the case with the NASL, the WUSA and the sport of soccer within the US, then the threat of substitutes is high. However, if the consumer has an emotional

attachment to a particular sport/organization, the benefit of substitute forms of entertainment will not be greater. Therefore in the case of the NASL and WUSA, the threat of substitutes was MODERATE.

Competitive Rivalry. The previous four forces all contribute towards the fifth force, competitive rivalry. There are many factors which will influence competitor rivalry and the US sports market is no exception. In the US market, an important factor is differentiation as this can prevent consumers from switching to different forms of entertainment available in the marketplace. However, while the NASL and WUSA offered a different sporting experience to the US sports market, these pro sports leagues were never able to attract enough interest from the US consumer, sports fans, media or sponsors to sustain themselves over the long term. The second most important factor which influences competitor rivalry is the level of balance between pro sports leagues. The pro sports leagues can be considered in balance with each other as they not only face competition from other sports leagues but from other forms of entertainment. It was this intense competitive balance which the NASL and WUSA could not overcome during their existence. These factors suggest competitor rivalry in the US sports market during the eras of the NASL and WUSA was HIGH.

In conclusion of the Five Forces Model, the US sports market during the periods in which the NASL and WUSA existed could be considered to have been extremely intense. This could be a result of the fact they offer the same basic service as other sports leagues, sports entertainment and failed to differentiate themselves enough to appeal to the consumers within the US sports market.

Michael Porter's Generic Strategies Model

The Three Generic Strategies Model provides the basis for which organizations can decide upon how their strategy will be formulated (Porter, 1998). How this model applied to

the NASL and WUSA when each of them was in operation in the US sports markets shall now be discussed.

Cost Leadership

Within the context of the US sports market, the basis of competition would be by offering lower salaries to athletes. Another possible basis for competition is to fight over the live broadcasting rights contracts which TV networks offer and the terms which host cities/towns offer for building new stadiums. However for a pro sports league to be able to compete on the basis of lower costs, it would need to have a high market share and offer competitive advantages which other pro sports leagues do not possess. The NASL and WUSA did not possess either of these two factors when they were in existence. The monopoly conditions which the “Big Three” have utilized to become the huge organizations in the US sports market which they are at this present time would make life extremely difficult for any sports league/organization that follows a cost leadership tactic. Therefore, the NASL and WUSA can be said to have not followed this strategic approach when they were existence.

Differentiation. Within the context of the US sports market, the basis on which pro sports leagues can differentiate themselves is through the rules/purposes of each sport. Another possible basis for pro sports leagues to follow a differentiation strategy is to place franchises in different towns/cities than rival leagues. Though, as can be seen in Appendix B, there is a wide coverage of sports franchises across the US. In the case of the WUSA, the consumer was already overwhelmed by the choice of sporting/entertainment options available them. In the case of the NASL, while there may not have been the same number of entertainment options available to the US consumer compared with the WUSA era, there was still plenty of entertainment options which the consumer could choose over

watching/following NASL matches. With the “Big Three” already established in the market, new pro sports leagues would need to be considered unique by the consumer to gain supporters.[23] Both the NASL and WUSA utilized a differentiation strategic approach to attract consumers to watch/follow their sports league. The NASL differentiated itself on the basis of offering a new sport to the US sports market, while the WUSA differentiated on the basis of gender lines and offering world class female professional sports. It could be said this strategic approach was not solely suitable for either the NASL or WUSA when they operated in the US sports market. With the structure of the US sports market considered to be highly competitive and the “Big Three” established within the marketplace, this was not a strategically viable option by itself for either the NASL or WUSA.

Focus. Within the context of the US sports market, pro sports leagues can focus their efforts on a distinct set of consumers known as “hotbeds”, which are prepared to pay to watch/follow the league. This strategy could present the problem of the league not thinking of the “broader picture” i.e. the sports entertainment marketplace in the US. This problem could lead to pro sports leagues to focus its efforts too narrowly i.e. within a specific consumer/geographical group. This could be considered the case with the WUSA as the league’s main target demographic was “soccer mums”, their families and children who played soccer (Southall et al, 2005). While a focus strategy was suitable for the league’s purposes at first, it did not coincide with the league’s stated ambition of being on a par with the “Big Three”. The WUSA soon realized their target market was not large enough to support their ambitions. The WUSA realized their focus was too narrow but by the time the league did, it was too late to prevent the demise of the first women’s professional soccer league in the US. This strategic approach would be suitable for new pro sports leagues

[23] When the NASL was in existence from 1968-1984, the NBA was not nearly as popular in the marketplace as it is in the present time. For example, the final game of the NBA finals in 1980 was not shown live nationally but was shown tape-delayed late at night (Fox, 1994).

entering into the US sports market at first. However, they would need to aware not to have too narrow a focus and thereby alienating possible fans and sponsors.

Porter's Strategic Means Model

The Strategic Means Model provides the ways in which strategies can be executed, once they have been concocted (Johnson and Scholes, 1999). How these models applied to the NASL and WUSA when each was in operation in the US sports market shall now be discussed.

Internal Development

Within the context of the US sports market, a pro sports league could utilize this strategy by using its resources to expand into cities/towns, which do not currently have a franchise. While this method of strategy development allows pro sports leagues to grow at a rate which suits them i.e. the method which the MLS utilized during its first ten years, it is important pro sports leagues realize following this method is a long-term process. As was the case with the "Big Three", it takes a long time for sports leagues to not only establish themselves in the marketplace but also to gain a large enough fan base willing enough to finance their efforts. However, the NASL and WUSA did not take a long-term approach to their development. Both leagues believed they were capable of operating on the same level as the "Big Three" from the start. This outlook led to both leagues to live beyond their means financially and resulted in their demises. Though neither the NASL nor the WUSA adopted a long-term internal development approach towards growth, this method of strategy development would be recommended for future pro sports leagues seeking to enter into the US sports market.

Mergers and Acquisitions. In the case of the NASL and WUSA, both leagues started as a result of mergers between different leagues. The NASL formed as a merger between the

NPSL and the USA soccer leagues in 1967 and the WUS merged with an MLS developed women's professional league before the league commenced play in 2001. This was a compelling option for both leagues as it was believed these mergers would allow them to grow at a much faster rate than if they followed an internal development approach. However, mergers and acquisitions are very expensive and around half fail (Faulkner, 1995). In the case of the NASL, it could be said the merger was completed out of financial necessity rather than either league looking to expand within the US sports market. In the end, it could be said that neither merger was successful as both leagues dropped out of the US sports market. This method of strategic development would not be viable option for new pro sports leagues looking to enter into the US sports market.

Strategic Alliances. This would be an appealing option for new pro sports leagues as it would allow them to benefit from the expertise of the partner league and share the financial risk associated with new market entry. When the WUSA merged with the MLS developed league, the MLS then became a strategic alliance partner for the WUSA and were able to pass on its expertise/provide advice on issues such as marketing, player and stadium development. However as the MLS was still struggling to establish itself within the US sports market, there was not much else the MLS could offer to the WUSA and the MLS was certainly not able to assist with the start-up costs which the WUSA faced when it began operations in 2001. If a pro sports league could convince an established pro sports league such as the "Big Three" that a strategic alliance would benefit them as well, then this would be a viable strategic option for a new pro sports league to undertake when it seeks to enter into the US sports market.

Findings

The purpose of the study was to conduct an investigation, utilizing Michael Porter's Model of Strategy Formation as the theoretical framework, to discover the factors of failure for the NASL and WUSA. With the US sports market considered hyper developed (Smith and Westerbeek, 2003), the sport of soccer has failed so far to establish itself as a major spectator sport within the American sports space (Markovits and Hellerman, 2001). However, this has not prevented ambitious investors from establishing professional soccer leagues in the US hoping that their league will be the one which will make the breakthrough and became a major league on a par with the "Big Three" pro sports leagues in the US. The NASL and WUSA are examples of a men's and women's, respectively, professional soccer leagues which failed to establish themselves in the US sports market and both of which are no longer in existence. The researcher hypothesized there four factors behind the failure of the NASL and WUSA and shall now present the analysis of whether the four hypotheses were correct in the case of both leagues.

NASL

1) The income generated by the NASL was far outweighed by the expenditures which the league incurred. This hypothesis could be considered to be correct in the case of the NASL. When the league first commenced play in 1968, it started off with seventeen franchises. The next season, the number of franchises was reduced to five as franchise owners decided they wanted no more to do with the league due to large financial losses and low spectator attendance at the league's matches. While the NASL experienced a growth in interest from spectators and media alike during the years in which Pele played in the league (1974-1977), this in turn led the league's franchises to spend high amounts on player salaries in hope they could experience the same results as the New York Cosmos had when the

franchise signed Pele. As franchises struggled to replicate the results which the New York Cosmos were generating in terms of attendance and media interest, this led to a great deal of team movement between cities as franchise owners were looking for the best financial deal possible. From the 1981 season, the number of franchises decreased every year until the NASL officially ceased operations after the 1984 season. This can be attributed to the increasing financial losses which franchises were experiencing along with lowering attendance figures and media interest (Wangerin, 2006). In the case of the NASL, the first hypothesis can be considered to be correct.

2) The NASL overestimated their potential for growth within the US sports market and hence employed growth strategies which were flawed. This hypothesis could be considered correct for the NASL. When Phil Woosnam was appointed the commissioner of the NASL in 1969, he believed the league could and should compete with the NFL. He set about achieving this vision by accepting any bids from investors who were willing to set up a franchise in order to establish a similar number and geographical spread of franchises as the NFL. However, this dramatic increase in the number of franchises spread the available playing talent too thin, forcing franchises to start importing expensive foreign players. This in turn, decreased the level of interest in the league from spectators and media due to in the words of one newspaper reporter, the NASL was considered the Non-American Soccer League (Wilbon, 1981). By employing this strategy of rapid growth, this made the life of the commissioner increasingly difficult. Instead of focusing on establishing a solid financial and organizational foundation for the league, Mr. Woosnam spent most his time in meetings with potential investors, trying to encourage them to purchase a franchise in the NASL (Blankenship, 1977). When investors were persuaded to join the NASL, the majority of them were considered not be soccer fans and decided to invest in the league on the basis they

believed soccer was about to take off in terms of popularity and financial prosperity within the US (Rasmussen, 1996). However, the investors quickly watch their investments dwindle and this fostered the practice of franchises moving cities to search for the best financial deal, which was rampant during the mid to late 1970s in the league. These factors played a significant role in the demise of the NASL after the 1984 season, only fifteen years after the league was first established. In the case of the NASL, the second hypothesis could be considered to be correct.

3) The economical environment within the US during the period in which the NASL operated in was not conducive for growth. This hypothesis could be considered to be incorrect for the NASL. When the NASL started operations in 1968, one writer stated the economical environment was conducive for organizational formation due in part to the increasing GDP level within the US (Myers, 1984). With increasing urbanization and levels of disposable income rising during the 1970s, the NASL can be said to have operated in times of economic prosperity (Myers, 1984). Also, with the monetary terms of television broadcasting rights contracts increasing significantly during the period in which the NASL especially in the case of the NFL (Rader, 2004), the economical conditions were favorable for the growth of the NASL. In the case of the NASL, the third hypothesis can be considered to be incorrect.

4) The NASL did not understand and/or realize the competitiveness of the US sports market. This hypothesis could be considered to be incorrect for the NASL. When Phil Woosnam was appointed commissioner of the league in 1968, he believed it was important to spread the sport of soccer across the US (Blankenship, 1977). He believed the way for the NASL to survive and compete within the US sports market was to follow the template of the market's most successful pro sports league, the NFL (Wangerin, 2006). He encouraged all

NASL franchises to do whatever it could possibly do to create new soccer fans and encourage them to attend league matches (Wangerin, 2006). The NASL franchises duly obliged by undertaking numerous community outreach programs and marketing promotions hoping their efforts would help increase the popularity of the sport of soccer and the NASL throughout the US (Wangerin, 2006). Mr. Woosnam believed if the NASL followed the NFL template in the US sports market, then the NASL would have a better chance for survival and long-term prosperity. In hindsight, this strategy was a major reason behind the demise of the NASL. However, it can be said the NASL and its commissioner did not underestimate its competitors within the US sports market. Therefore, the fourth hypothesis can be considered to be incorrect in the case of the NASL.

WUSA

1) The income generated by the WUSA was far outweighed by the expenditures which the league incurred. This hypothesis could be considered to be correct for the WUSA. When the WUSA ceased operations after the 2003 season, it was reported the league lost over $100m during its three year existence (Southall et al, 2005). When the WUSA commenced play in April 2001, the league believed it would be able to piggyback off the success of the US Women’s National team in order to attract enough sponsors willing to pay $5m each for the privilege to be a part of the WUSA experience. The league also believed they would be able to keep expenditures down to $20m over its first two seasons (Southall et al, 2005). However, this turned out to not be the case as the WUSA struggled to find sponsors and expenditures grew larger than expected with the league spending $20m by the end of the first season (Southall et al, 2005). These factors were major factors behind the demise of the WUSA in 2003. In the case of the WUSA, the first hypothesis can be considered to be correct.

2) The WUSA overestimated their potential for growth within the US sports market and hence employed growth strategies which were flawed. This hypothesis could be considered to be correct for the WUSA. With the success of the US Women's National team in winning the 1999 FIFA Women's World Cup in front of over 90,000 spectators at the Pasadena Rose Bowl, the founders of the WUSA believed there was a great demand for a women's professional soccer league within the US. Hence, the founders of the WUSA believed the league should have operated as a major league on a par with the "Big Three" and promoted the league along this premise. The WUSA founders failed to take into consideration how even the "Big Three" struggled to survive during their formative years (Martin, 2004). The WUSA also overestimated the popularity of women's soccer within the US sports market. The founders believed if 90,000 people would go along to watch a FIFA Women's World Cup Final, then they would be able to attract a large enough audience willing to pay to watch/follow WUSA matches. However, this proved to not be the case as the WUSA averaged 7,500 fans its first year and this number decreased the next two seasons. With low TV viewing figures (0.4 Neilson rating on TNT during the 2001 season and 0.1 Neilson rating on PAX TV during the 2002 and 2003 season) along with a marketing strategy too focused on attracting the demographic of "soccer mums", their families and kids who played soccer, these factors were prevalent in the demise of the WUSA. In the case of the WUSA, the second hypothesis can be considered to be correct.

3) The economical environment within the US during the period in which the WUSA operated in was not conducive for growth. This hypothesis could be considered to be correct for the WUSA. The league was ready to commence play in April 2001 and the founders believed they had a product which would appeal to corporate America and would have little problem in obtaining sponsorship. However, the US economy was beginning to suffer from

the collapse of dot com corporations at the time along with the falling prices of technological stocks on the stock exchange (Southall et al, 2005). This led to US corporations to cut back on their sports sponsorship budgets, which made life more difficult for the WUSA to achieve its revenue objectives. With the WUSA unable to obtain the sponsorship revenue it had believed it would receive, the league attempted to utilize strategic philanthropy to encourage corporations to sponsor the WUSA (Southall and Nagel, 2007). However, this tactic did not work for the WUSA and as a result of not obtaining enough revenue to cover larger than expected expenses, the league ceased operations. In the case of the WUSA, the third hypothesis can be considered to be correct.

4) The WUSA did not understand and/or realize the competitiveness of the US sports market. This hypothesis could be considered to be correct for the WUSA. When the league launched in 2001, the founders promoted the WUSA as the moment in which a women's professional sports league would successfully establish itself within the US sports market (Southall et al, 2005; Zimbalist, 2003). The founders promoted with much fanfare how they had managed to obtain a national TV contract with the TNT network worth millions of dollars over many years (Stone, 2001b). The founders believed the WUSA was a league which should be considered on a par with the "Big Three" immediately. However despite their lofty ambitions, the WUSA was never able to attract the sponsorship revenues or fan/media interest on a par with the "Big Three" pro sports leagues in the US. As Zimbalist (2003) notes "starting a new league requires deep pockets and lots of patience. It also helps to have passionate, committed individuals rather than calculating corporations seeking to pad the bottom line" (p. 27). This lack of understanding on the competitiveness of the US sports market was a major factor in the demise of the WUSA. In the case of the WUSA, the fourth hypothesis could be considered to be correct.

Summary

This chapter started off by utilizing the Five Forces Model to better understand the external environmental factors which affected the US sports market during the periods which the NASL and WUSA existed. Next, Porter's Three Generic Strategies Model looked into the basis in which the NASL and WUSA tried to compete within the US sports market. Then, Porter's Strategic Means Model was utilized to investigate how the NASL and WUSA implemented their strategies. Finally, the chapter stated the findings of the research based on the hypotheses which the author of the study predicted would be main factors in the failure of the NASL and WUSA.

CHAPTER FIVE

CONCLUSION

Introduction

The conclusion of this study will bring together the sections from the previous chapters. The chapter starts off restating the purpose of the study followed by the significance of the study. Then, the research hypotheses will be presented. The chapter will then bring together the key findings which the research uncovered. Finally, the conclusion will lay down a series of recommendations for future pro sports leagues who seek to enter into the US sports market and for future research which can be undertaken on the topic.

Statement of Purpose

The purpose of this research study is to investigate the factors of failure behind the WUSA and NASL utilizing Michael Porter's Models of Strategy Formation. An analysis of the two failed leagues will be conducted in order to discover what the main reasons behind the failure were for each of these leagues. The intent of this research is to uncover any commonalities which may exist between the reasons of failure for each league. Also, this study will provide a series of recommendations of what not to do, which sports leagues/franchises can refer to if they are looking to enter into and establish themselves within the US sports market.

Significance of Study

Analyzing how previous sports leagues/franchises have failed to become established within the US sports market from a strategy formation viewpoint can help future leagues/franchises to learn from the mistakes of their counterparts. Within this area of research, one aspect which previous studies on the failure of the NASL and WUSA have focused on is the sociological impact these leagues had on the sporting and cultural landscape

of the US. While other studies have focused on the failure of these two leagues from a specific viewpoint such as marketing, this study aims to provide a broader and deeper strategic analysis behind the failures of these leagues. The research also aims to discover whether the failure of these leagues can be attributed to the environment in which they operated in or to factors which these leagues had a degree of control over. The researcher believes by conducting this study, this will provide a guide to sports leagues/franchises whom are thinking of entering or looking to establish themselves within the multi-billion dollar US sports market.

Research Question and Hypotheses

Which factors were crucial in the failure of the NASL and WUSA?

1) The income generated by these leagues were far outweighed by the expenditures which these leagues incurred.

2) These leagues/organizations overestimated their potential for growth within the US sports market and hence employed growth strategies which were flawed.

3) The economical environment within the US during the period in which these leagues/organizations operated in was not conducive for growth.

4) These leagues/organizations did not understand and/or realize the competitiveness of the US sports market.

Key Findings

1) Both the NASL and WUSA had income which was far outweighed by the expenditures which the two leagues incurred. In the case of the NASL, the league had problems in keeping player salaries in control. While the WUSA was able to keep player salaries under control, the league overspent on administrative costs. Along with a lack of interest from corporate sponsors and consumers/media, both the NASL and WUSA were

unable to generate a profit and hence ceased their operations once investors were no longer willing to fund their leagues.

2) Both the NASL and WUSA overestimated their potential for growth and employed flawed growth strategies within the US sports market. In the case of the NASL, the league's commissioner, Phil Woosnam believed the NASL could and should compete with the NFL. The league decided to follow the template of the NFL both in terms of the number of and geographical spread of NASL franchises. This resulted in the available playing talent being spread too thinly as the league and its commissioner was too busy trying to encourage new investors into the NASL instead of establishing a solid financial and organization foundation for the league. In the case of the WUSA, the league founders had illusions of grandeur. They believed if 90,000 people went to watch a FIFA Women's World Cup Final then there should be a large enough audience a women's professional soccer on a par with the "Big Three". This did not turn out to be the case as the league's highest average attendance during its three years was 7,500 in its first year. In the case of both the NASL and WUSA, the leagues overestimated their potential for growth and employed strategies which prevented them from achieving growth. This factor played a large role in the demise of both leagues.

3) While the economical environment was not conducive for growth when the WUSA was in operation, the same cannot be said for the era in which the NASL existed. When the NASL started play in 1968, the US was experiencing years of consecutive growth in its GDP. Along with television networks paying increasing monetary sums for live sports broadcast rights, the NASL existed in an era which had optimal growth prospects for the league. The NASL was unable to take advantage of these prosperous times and hence the economical conditions within the US can be said to have not played a role in the demise

of the NASL. However for the WUSA, the league commenced play at possibly the worst time economically. The US economy was experiencing the effects of the dot com bubble being burst along with the price of technology companies stocks decreasing on the stock exchange, this made market conditions difficult for the WUSA to obtain sponsorship revenues from corporations. The WUSA was unable to generate the revenue which had anticipated and the economical conditions in the US played a role in the demise of the WUSA.

4) While the WUSA can be said to have underestimated the competitiveness of the US sports market, the same cannot be said for the NASL. In the case of the NASL, Phil Woosnam believed the only way in which his league could compete in the US sports market was to compete head on with the NFL. Mr. Woosnam decided the NASL should follow the template of the NFL in terms of league structure and spread of franchises around the country. Though this strategy led to rapid overexpansion and prevented the league from establishing a solid financial and organizational foundation within the US sports market, it can be said the NASL and its commissioner were fully aware of the competitiveness of the market. In the case of the WUSA, the league's founders believed the popularity of women's soccer was on the same level as the "Big Three" pro sports league due to the success of the Women's National team and the 1999 FIFA Women's World Cup. The founders promoted the WUSA along the basis of the league being a major league on a par with the "Big Three", believing there was sufficient interest from the US consumers for a women's professional soccer league. These lofty ambitions seem to be out of context with reality as the WUSA struggled to attract crowds, television viewers and sponsorships which would be close to the levels of the "Big Three". These

ambitions of the founders allowed them to underestimate the competitiveness of the US sports market and were a major contributory factor behind the demise of the WUSA.

Recommendations for future pro sports leagues

1) The strategy which new pro sports leagues should follow when seeking to enter into the US sports market should be focused differentiation.

2) The long-term view approach to growth would be suitable for new pro sports leagues seeking entry into the US sports market. This approach would be best as it takes many years for a pro sports league to establish itself within the marketplace and to build up a large enough fan base which can finance the pro sports league’s future growth.

3) To establish a pro sports league into the US sports market, it must adopt a long-term goal of gaining a TV rights contract. This revenue source is vital if a pro sports league wants to grow and become financially viable in the US.

4) In terms of franchise ownership and player contracts, a new pro sports league should adopt a plan similar to the one which the MLS utilized when it first started. The pro sports league could implement a single entity structure where the owners would have a stake in the league as well as their franchise. With this single entity structure, player contracts should be centralized to control salary levels, which is vital when a new pro sports league is starting off in the US sports market.

5) If possible, a new pro sports league should look to develop a strategic alliance with one of the “Big Three” who are well established in the US sports market.

Recommendations for future study/research

The researcher suggests a few areas which would deserve further investigation.

1) Further examination on the models of strategy and they can be further applied to the world of sports business.

2) It would be useful to contrast the findings of this research with that of other failed pro sports leagues around the world.

3) Utilize Michael Porter’s Models of Strategy Formation to investigate how the “Big Three” pro sports leagues have been able to establish themselves with such dominance in the US sports market.

Summary

The chapter started off by stating the purpose and significance of the study. Then, the hypotheses of the research were disclosed. This was followed by a summary of the key findings of the research. Finally, the chapter presented a list of recommendations for future pro sports leagues seeking to enter into the US sports market and for future study/research within the topic.

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APPENDICES

Appendix A – MLB Team Payrolls for 2007 Season

Year / Total Payroll 2007	
New York Yankees	$ 189,639,045
Boston Red Sox	$ 143,026,214
New York Mets	$ 115,231,663
Los Angeles Angels	$ 109,251,333
Chicago White Sox	$ 108,671,833
Los Angeles Dodgers	$ 108,454,524
Seattle Mariners	$ 106,460,833
Chicago Cubs	$ 99,670,332
Detroit Tigers	$ 95,180,369
Baltimore Orioles	$ 93,554,808
St. Louis Cardinals	$ 90,286,823
San Francisco Giants	$ 90,219,056
Philadelphia Phillies	$ 89,428,213
Houston Astros	$ 87,759,000
Atlanta Braves	$ 87,290,833
Toronto Blue Jays	$ 81,942,800
Oakland Athletics	$ 79,366,940
Minnesota Twins	$ 71,439,500
Milwaukee Brewers	$ 70,986,500
Cincinnati Reds	$ 68,904,980
Texas Rangers	$ 68,318,675
Kansas City Royals	$ 67,116,500
Cleveland Indians	$ 61,673,267
San Diego Padres	$ 58,110,567
Colorado Rockies	$ 54,424,000
Arizona Diamondbacks	$ 52,067,546
Pittsburgh Pirates	$ 38,537,833
Washington Nationals	$ 37,347,500
Florida Marlins	$ 30,507,000
Tampa Bay Devil Rays	$ 24,123,500

Appendix B – US Map of Sports Franchises

Appendix C - Teams of NASL (1968 to 1984)

1968 – 17 teams

Atlanta Chiefs, Baltimore Bays, Boston Beacons, Chicago Mustangs, Kansas City Spurs, Cleveland Stockers, Dallas Tornado, Detroit Cougars, New York Generals, Oakland Clippers, LA Wolves, San Diego Toros, Houston Stars, St. Louis Stars, Toronto Falcons, Vancouver Royals, Washington Whips.

1969 – 5 teams

Atlanta Chiefs, Baltimore Bays, Kansas City Spurs, Dallas Tornado, St. Louis Stars.

1970 – 6 teams

Atlanta Chiefs, Kansas City Spurs, Dallas Tornado, St. Louis Stars, Rochester Lancers, Washington Darts.

1971 – 8 teams

Atlanta Chiefs, Dallas Tornado, St. Louis Stars, Rochester Lancers, Washington Darts, New York Cosmos, Montreal Olympique, Toronto Metros.

1972 – 8 teams

Atlanta Chiefs, Dallas Tornado, St. Louis Stars, Rochester Lancers, Miami Gatos, New York Cosmos, Montreal Olympique, Toronto Metros.

1973 – 9 teams

Atlanta Apollos, Dallas Tornado, St. Louis Stars, Rochester Lancers, Miami Toros, New York Cosmos, Montreal Olympique, Toronto Metros, Philadelphia Atoms.

1974 – 15 teams

Dallas Tornado, St. Louis Stars, Rochester Lancers, Miami Toros, New York Cosmos, Toronto Metros, Philadelphia Atoms, Baltimore Comets, Boston Minutemen, Denver

Dynamos, LA Aztecs, San Jose Earthquakes, Seattle Sounders, Vancouver Whitecaps, Washington Diplomats.

1975 – 20 teams

Dallas Tornado, St. Louis Stars, Rochester Lancers, Miami Toros, New York Cosmos, Toronto Metros-Croatia, Philadelphia Atoms, Baltimore Comets, Boston Minutemen, Denver Dynamos, LA Aztecs, San Jose Earthquakes, Seattle Sounders, Vancouver Whitecaps, Washington Diplomats, Chicago Sting, Hartford Bicentennials, Portland Timbers, San Antonio Thunder, Tampa Bay Rowdies.

1976 – 20 teams

Dallas Tornado, St. Louis Stars, Rochester Lancers, Miami Toros, New York Cosmos, Toronto Metros-Croatia, Philadelphia Atoms, San Diego Jaws, Boston Minutemen, Minnesota Kicks, LA Aztecs, San Jose Earthquakes, Seattle Sounders, Vancouver Whitecaps, Washington Diplomats, Chicago Sting, Hartford Bicentennials, Portland Timbers, San Antonio Thunder, Tampa Bay Rowdies.

1977 – 18 teams

Dallas Tornado, St. Louis Stars, Rochester Lancers, Fort Lauderdale Strikers, New York Cosmos, Toronto Metros-Croatia, Las Vegas Quicksilver, Minnesota Kicks, LA Aztecs, San Jose Earthquakes, Seattle Sounders, Vancouver Whitecaps, Washington Diplomats, Chicago Sting, Connecticut Bicentennials, Portland Timbers, Team Hawaii, Tampa Bay Rowdies.

1978 – 24 teams

Dallas Tornado, California Surf, Rochester Lancers, Fort Lauderdale Strikers, New York Cosmos, Toronto Metros-Croatia, San Diego Sockers, Minnesota Kicks, LA Aztecs, San Jose Earthquakes, Seattle Sounders, Vancouver Whitecaps, Washington Diplomats, Chicago Sting, Oakland Stompers, Portland Timbers, Tulsa Roughnecks, Tampa Bay Rowdies,

Colorado Caribous, Detroit Express, Houston Hurricane, Memphis Rogues, New England Tea Men, Philadelphia Fury.

1979 – 24 teams

Dallas Tornado, California Surf, Rochester Lancers, Fort Lauderdale Strikers, New York Cosmos, Toronto Blizzard, San Diego Sockers, Minnesota Kicks, LA Aztecs, San Jose Earthquakes, Seattle Sounders, Vancouver Whitecaps, Washington Diplomats, Chicago Sting, Edmonton Drillers, Portland Timbers, Tulsa Roughnecks, Tampa Bay Rowdies, Atlanta Chiefs, Detroit Express, Houston Hurricane, Memphis Rogues, New England Tea Men, Philadelphia Fury.

1980 – 24 teams

Dallas Tornado, California Surf, Rochester Lancers, Fort Lauderdale Strikers, New York Cosmos, Toronto Blizzard, San Diego Sockers, Minnesota Kicks, LA Aztecs, San Jose Earthquakes, Seattle Sounders, Vancouver Whitecaps, Washington Diplomats, Chicago Sting, Edmonton Drillers, Portland Timbers, Tulsa Roughnecks, Tampa Bay Rowdies, Atlanta Chiefs, Detroit Express, Houston Hurricane, Memphis Rogues, New England Tea Men, Philadelphia Fury.

1981 – 21 teams

Dallas Tornado, California Surf, Fort Lauderdale Strikers, New York Cosmos, Toronto Blizzard, San Diego Sockers, Minnesota Kicks, LA Aztecs, San Jose Earthquakes, Seattle Sounders, Vancouver Whitecaps, Washington Diplomats, Chicago Sting, Edmonton Drillers, Portland Timbers, Tulsa Roughnecks, Tampa Bay Rowdies, Atlanta Chiefs, Calgary Boomers, Jacksonville Tea Men, Montreal Manic.

1982 – 14 teams

Fort Lauderdale Strikers, New York Cosmos, Toronto Blizzard, San Diego Sockers, San Jose Earthquakes, Seattle Sounders, Vancouver Whitecaps, Chicago Sting, Edmonton Drillers, Portland Timbers, Tulsa Roughnecks, Tampa Bay Rowdies, Jacksonville Tea Men, Montreal Manic.

1983 – 12 teams

Fort Lauderdale Strikers, New York Cosmos, Toronto Blizzard, San Diego Sockers, Golden Bay Earthquakes, Seattle Sounders, Vancouver Whitecaps, Chicago Sting, Tulsa Roughnecks, Tampa Bay Rowdies, Montreal Manic, Team America (Washington D.C).

1984 – 9 teams

Minnesota Strikers, New York Cosmos, Toronto Blizzard, San Diego Sockers, Golden Bay Earthquakes, Vancouver Whitecaps, Chicago Sting, Tulsa Roughnecks, Tampa Bay Rowdies.

Appendix D – Five Forces Analysis of the NASL

1) Threat of Entrant

- **Economies of Scale:** Within the context of the US sports market during the period in which the NASL existed, the NFL could be considered the only professional sports league in the US at the time which could be classified as a major league by modern standards (Rader, 2004). Hence, the NFL could be considered the only pro sports league with the size of structure in which to sell their product more effectively. This did not prevent other pro sport leagues from setting up during the period in which the NASL operated. LOW BARRIER.
- **Capital Requirements:** When the NASL was in existence, the levels of investment required to compete effectively with the "Big Three" would be regarded as relatively small in comparison with modern standards. However, the establishment of a pro sports league during this era would have required investors with deep-pockets, great vision and who were willing to experience losses in the first few years as the league tried to establish itself in the US sports market (Zimbalist, 2003). HIGH BARRIER.
- **Access to Distribution Channels:** In the context of pro sports leagues, this factor refers to being shown on television. During the NASL era, only the NFL and the MLB were receiving millions of dollars from TV companies for live broadcasting rights. The NBA, much like the NASL, had great difficulty in attracting the attention of television networks (Rader, 2004). With the limited number of channels available since the cable television boom was in its

infancy, along with the American public's lack of knowledge/experience of soccer this made life difficult for the NASL. HIGH BARRIER.

- **Cost Advantages:** Will be hard for new entrants in the market to achieve cost advantages as this is built up with experience. This was no different for the NASL. The league wanted to be on a par with the NFL and this was a stated goal for the NASL and its commissioner, Phil Woosnam (Wangerin, 2006). However, the league never came close to establishing itself as a major league within the US sports market. This would have prevented the NASL from incorporating these cost advantages into their culture. VERY HIGH BARRIER.
- **Expected Retaliation:** In the case of the NASL, Phil Woosnam believed the NASL could match the NFL in terms of size and financial prosperity and modeled the development of his league after the NFL (Wangerin, 2006). The NFL did not overtly compete directly with the NASL, possibly believing the league was unworthy of their attention or respect. In the end as the NASL ceased operations in 1984, it could be said a major factor behind the demise was their own mismanagement rather intense competition from rival leagues in the US sports market. MODERATE BARRIER.
- **Legislation:** The US government's decision to the MLB an anti-trust exemption in the 1920s provided the foundations for which other pro sports leagues have based their growth and success. While the monopoly conditions make it difficult for rival leagues of the "Big Three" to be successful, it can provide entrants such as the NASL an opportunity to establish themselves in the US sports market. MODERATE BARRIER.

- **Differentiation:** In the US sports market, pro sport leagues offer the same basic product; sports entertainment. Differentiation can occur either through offering different sports in the market (which the NASL attempted) or lower ticket prices. However, new entrants would have to be considered unique to survive in the market due to the dominance of the "Big Three". HIGH BARRIER.

Threat of Entrants into the US sports market was **MODERATELY HIGH** during the NASL era as the capital requirements were high but not prohibitively high compared to the modern era. However, if a pro sport league has sufficient enough capital behind them and a good knowledge of the market, then entry is possible.

2) Buyer Power

- **Concentration of Buyers:** This is low as buyers are fragmented and purchase tickets for sports/entertainment on an individual basis. LOW POWER
- **Alternate Sources:** There are many different pro sport leagues and amateur leagues available in the US along with numerous entertainment options. Though, the number of options available to the US consumer would have been lower during the NASL era compared with modern times. However, US consumers do not all like the same sports and so only follow sports which they do like. MODERATE POWER.
- **Cost of switching** is zero; consumers have the freedom to choose whichever sport/entertainment option they wish to follow without any cost restrictions. HIGH POWER.

Buyer Power was **HIGH** as consumers during the NASL era had a wide choice of sports/entertainment options available to them in the market and the organizations have very little influence over consumers.

3) Supplier Power

- **Concentration of Suppliers:** In the context of the US sports market, suppliers can be considered the athletes, stadiums and revenue streams such as sponsors and TV contracts. In the case of the NASL, there was a players association and the association's membership even declared a strike before the 1979 season. However, this strike did not go through as the Immigration and Naturalization Service (INS) got involved in the process (Wangerin, 2006). This action could be said to have forced the league's players (majority of who were foreign) back into action as they feared losing the lucrative contracts with the NASL as the INS would have forced the foreign players to leave the US. In regards to the issue of stadiums, NASL franchises played in stadiums owned by NFL teams, universities and the cities in which they played. Due to the lack of stadium ownership and constant movement of teams between cities, the NASL was never able to establish the market power which the "Big Three" leagues had obtained. In terms of TV contracts and revenue streams, the NASL (with the exception of the years when Pele played in the league) had great difficulty in obtaining television revenues due to the lack of TV channels since the cable television revolution was in its infancy. Along with the perception that soccer was a sport played only by immigrants and the ethnic population within the US (Ciccarelli, 1983), these factors made life difficult for the NASL.

  MODERATE POWER.

- **Switching Suppliers:** In terms of the NASL, the players were able to move freely between teams at the end of their contracts. With franchises trusting the ability of foreign talent over the US players available in the reverse order draft, this led to teams overspending on player salaries especially foreign players. This in turn led to competitive imbalance as the best players ended up with the franchise that was prepared to pay the highest salaries i.e. the New York Cosmos were the greatest example of this strategy in the NASL. In terms of stadiums and revenue streams, the NASL could not switch between suppliers due to the lack of market power in regards to the former and a lack of demand from the US market from the consumer, the media, and corporate America for professional men's soccer in regards to the latter. HIGH POWER.

Supplier Power was **MODERATELY HIGH** because the lack of stadium ownership, the lack of demand from television networks and sponsorships from corporations prevented the NASL from establishing a solid financial and organizational foundation from which they could build their league upon. However, the NASL was able to control the number of players entering into the league and the player's salary levels. The league's franchises did not control this factor very well as teams moved from city to city on an annual basis in the hope of finding revenue streams, which would cover the increasing costs of players' salaries.

4) Threat of substitutes

- **Product Substitution:** Consumers can decide from numerous sports which ones they choose to follow/watch. However, the consumer's choice of sport will depend on certain factors i.e. where they live, which was out of the control of the NASL. MODERATE THREAT.

- **Substitution of Need:** This is a possible threat if the consumers can be entertained through other means. However, if consumers are emotionally attached to a sports league/franchise, then this will be very hard to replace. This cannot be considered the case with the NASL. MODERATE THREAT.
- **Generic Substitution:** If the consumer does not value sports as an entertainment option, then they have other options like the movies and the theatre to choose from. Though the number of entertainment options available during the NASL era would be considered smaller than is the case in the modern era, there were still numerous entertainment options available to the consumer within the US. HIGH THREAT.
- **To do without:** This would be an option if consumers do not believe that sports presents value for money as an entertainment option. However with increasing disposable incomes and demand for entertainment, this expense is considered essential in the eyes of the consumers. With the demise of the NASL, it could be considered that the US sports consumer was able to live without a professional men’s soccer league. LOW THREAT.

Threat of Substitutes is **MODERATE** as consumers can choose between sports/entertainment options on which they can spend their disposable incomes. However, if the consumer has an emotional attachment to a particular sports league/franchise, then it can be hard to replace this as an entertainment option.

5) Competitive Rivalry

- **Competitors in Balance:** In the US sports market, they are in balance with each other due to the fact they offer the same basic service with the exception of different rules/rules of each sport. However, a pro sports league does not

just face competition from other pro sports league but from all forms of entertainment available to the consumer. In the case of the NASL, the league conducted its season during the summer months to avoid conflicting with the NFL and NCAA college football seasons. The league still faced a great deal of competition from the MLB. Though there are more entertainment options available at the present time, there was still numerous entertainment options available to the consumer which they could choose to do over attending NASL games. VERY HIGH RIVALRY.

- **Market Growth:** With the introduction and increasing availability of cable television, there were more channels that were looking to fill their schedules. Sports programming helped the television networks to fill this void. The “Big Three” were able to benefit from this through the increasing monetary terms of their television contracts. During the period of the NASL, the NFL franchises managed to see a large increase in the money which they received from the league’s TV contract, from $6m per annum in 1977 to $14.2m per annum in 1982 (Rader, 2004). However, the NASL was not able to benefit from these prosperous times as the league struggled to achieve a television contract. With the increasing popularity of the “Big Three”, these factors played a role in the demise of the NASL. HIGH RIVALRY.
- **Fixed Costs:** In the US sports market, there is not a high level of fixed costs. The value of athletes is very much a variable cost as the impact of their performances will normally affect their salary levels. In the case of the NASL, player salaries and the league’s lack of control over them were considered to be one of the main factors behind the NASL’s demise. With the introduction

of free agency in other pro sports leagues and player salaries skyrocketing as a result, the NASL franchises felt the need to sign expensive foreign superstars to keep up with the "Big Three" pro sports leagues as well as the New York Cosmos franchise. What resulted from this strategy was great financial disparity between teams based in large markets compared to small markets along with constant team movement between cities in the search for the best financial deal. VERY HIGH RIVALRY.

- **Differentiation:** In terms of the US sports market, this can be achieved by offering a new pro sports league which does not currently exist within the marketplace. There is no major difference in the product offered, sports entertainment. In the case of the NASL, the league tried to differentiate itself from the rest of the US market by offering a coast to coast professional soccer league with some of the world's best soccer players playing in the league. However, as the sport of soccer was not well established in the US, the NASL felt they had teach the US consumer the game of soccer. The NASL also tried to change the rules of the game to fit in better with the expectations of the US consumer (Wangerin, 2006). This lack of knowledge/expertise on soccer by the US consumer played a contributory role in the demise of the NASL. VERY HIGH RIVALRY.
- **High Exit Barriers:** These would exist in US pro sports leagues if franchises owned their stadiums, which was not the case with franchises in the NASL. As the NASL was established after the "Big Three" and hence lacked historical ties with host cities, it had no market power over host cities and the cities or the sports organization who owned the stadium could charge NASL franchises

whatever they wanted to in terms of rental charges. This was a factor in preventing the NASL from establishing a solid financial and organizational foundation. Also, investors in NASL franchises were willing to move their franchise to different cities as they believed the league was about to take off in terms of popularity and financial prosperity. When this expected growth never materialized, investors quickly left the NASL and the league ceased operations in 1984 with only six franchises willing to continue playing. MODERATELY HIGH RIVALRY.

There was a **HIGH** threat of competitive rivalry within the US sports market during the NASL era. These factors made it very hard for the NASL to establish a solid financial and organizational foundation in which to develop the league. Without this foundation, the NASL struggled to survive and eventually collapsed after fifteen seasons of play.

Appendix E – Five Forces Analysis of the WUSA

1) Threat of Entrant

- **Economies of Scale:** Within the context of the US sports market during the existence of the WUSA, the “Big Three” had vast enough resources which they could utilize to sell their product more effectively. However, competitors can establish a “niche” by selling to one specific consumer group, which the WUSA attempted. MEDIUM BARRIER.
- **Capital Resources:** When the WUSA entered into the US sports market, the league understood it would require high levels of investment to achieve its desired status amongst the “Big Three”. The WUSA underestimated the level of capital required to establish itself within the marketplace as the league lost an estimated $100m during its three year existence (Southall et al, 2005). VERY HIGH BARRIER.
- **Access to Distribution Channels:** In the context of pro sports leagues, this factor refers to being shown on television. While the “Big Three” receive millions of dollars from TV networks for live broadcasting rights, other pro sports leagues can pay TV networks to broadcast their league due to the large number of TV channels available. In the case of the WUSA, league executives (many of who had connections to the world of television) proudly stated they had obtained a TV contract with the TNT network worth “millions of dollars over many years” (Southall and Nagel, 2007, p.366). After one season, the WUSA transferred its games to the PAX TV network in the belief this would attract a larger audience than had been the case with TNT. This shows the

WUSA was able to gain access to television coverage, although it did not prevent the WUSA from ceasing operations in 2003. MEDIUM BARRIERS.

- **Cost Advantages:** Will be hard for new entrants in the market to achieve cost advantages as this is built up with experience. The WUSA was no different. The league, though wanting to be acknowledge as on the same level as the "Big Three", never came close to establishing itself as a major league in the US sports market. This would have prevented the WUSA from incorporating these cost advantages into their organizational culture. VERY HIGH BARRIER.
- **Expected Retaliation:** In the case of the WUSA, the league initially attempted to focus upon a nice group of consumers, "soccer mums" and their families. Once the WUSA began to lose money, the league executives tried to broaden its focus towards the general sporting public but by this stage, it was too late to save the WUSA. It can be perceived the "Big Three" pro sports leagues were aware of the problems which the WUSA faced and hence did not consider it to be a major competitive threat. LOW BARRIER.

Threat of Entrants into the US sports market was **MODERATE** during the WUSA era as the capital requirements were high. However, if a pro sports league has sufficient enough capital behind them and a good knowledge of the market, then entry is possible.

2) Buyer Power

- **Concentration of Buyers:** This is low as buyers are fragmented and purchase tickets for sports/entertainment on an individual basis. LOW POWER
- **Alternate Sources:** There are many different pro sport leagues and amateur leagues available in the US along with numerous entertainment options. However,

US consumers do not all like the same sports and so only follow sports which they do like. MODERATE POWER.

- **Cost of switching** is zero; consumers have the freedom to choose whichever sport/entertainment option they wish to follow without any cost restrictions. HIGH POWER.

Buyer Power was **HIGH** as consumers during the WUSA era had a wide choice of sports/entertainment options available to them in the market and the organizations have very little influence over consumers.

3) Supplier Power

- **Concentration of Suppliers:** In the context of the US sports market, suppliers can be considered the athletes, stadiums and revenue streams such as sponsors and TV contracts. In regards to the issue of stadiums, WUSA franchises played in stadiums owned by NFL teams, universities and the cities in which they played. Due to the lack of stadium ownership, the WUSA was never able to establish the market power which the “Big Three” leagues had obtained. With TV contracts, there are many TV channels which are willing to pay large amounts of money for live sports broadcast rights but only major companies such as NBC, FOX, ABC, CBS and ESPN can pay out the large sums and provide nationwide coverage which the “Big Three” demands. In the case of the WUSA, the league believed they had achieved this objective when they signed a contract with the TNT network. However, the TNT network cancelled its contract with the WUSA due to the low viewing figures for its broadcasts which in turn forced the league to move the broadcasts of their games to the PAX TV network. With the PAX TV network

received in few households across the US, this made the WUSA's task of finding new revenue streams increasingly difficult. MODERATELY HIGH POWER.

- **Switching Suppliers:** In terms of new players entering into the WUSA, the reverse order rookie draft system was in place. This is a way to maintain competitive balance within these leagues. In the case of players within the league, WUSA franchises could trade with one another for players. In terms of stadiums and revenue streams, the WUSA could not switch between suppliers due to the lack of market power in regards to the former and a lack of demand from the US market, from the consumer, the media, and corporate America for professional women's soccer in regards to the latter. MODERATELY HIGH POWER.

Supplier Power was **MODERATELY HIGH.** While the WUSA was able to control the players in terms of how much they were paid and where they played, the league had little control over its stadiums and the revenue streams which it could attract. It could be said the WUSA overestimated the level of control which it would have over its revenue streams and this was a factor which led to the league's demise in 2003.

4) Threat of substitutes

- **Product Substitution:** Consumers can decide from numerous sports which ones they choose to follow/watch. However, the consumer's choice of sport will depend on certain factors i.e. where they live, which was out of the control of the WUSA. MODERATE THREAT.
- **Substitution of Need:** This is a possible threat if the consumers can be entertained through other means. However, if consumers are emotionally

attached to a sports league/franchise, then this will be very hard to replace. This cannot be considered the case with the WUSA. MODERATE THREAT.

- **Generic Substitution:** If the consumer does not value sports as an entertainment option, then they have other options like the movies and the theatre to choose from. With the large number of entertainment options available to the US consumer, a pro sports league would need to distinguish itself in order to attract consumers, which the WUSA failed to master. HIGH THREAT.
- **To do without:** This would be an option if consumers do not believe that sports presents value for money as an entertainment option. However with increasing disposable incomes and demand for entertainment, this expense is considered essential in the eyes of the consumers. With the demise of the WUSA, it could be considered that the US sports consumer was able to live without a women's professional soccer league. LOW THREAT.

Threat of Substitutes is **MODERATE** as consumers can choose between sports/entertainment options on which they can spend their disposable incomes. However, if the consumer has an emotional attachment to a particular sports league/franchise, then it can be hard to replace this as an entertainment option.

5) Competitive Rivalry

- **Competitors in Balance:** In the US sports market, they are in balance with each other due to the fact they offer the same basic service with the exception of different rules/rules of each sport. However, a pro sports league does not just face competition from other pro sports league but from all forms of entertainment available to the consumer. In the case of the WUSA, the league

conducted its season during the summer months to avoid conflicting with the NFL and NCAA college football seasons. The league still faced a great deal of competition from the MLB, NBA and Women's Basketball Association (WNBA). There was numerous entertainment options available to the consumer which they could choose to do over attending WUSA games. VERY HIGH RIVALRY.

- **Market Growth:** The growth of the "Big Three" had maybe not reached a saturation point but was not enjoying the same levels of growth they had experienced over the past couple of decades. An example being the gross sales of NBA licensed products fell by more than 50% during 1995-1999 (Berra, 2003). However, minority sports leagues such as the MLS have seen attendances grow over the past few years and beginning to take advantage of the decline in popularity of the National Hockey League (NHL). VERY HIGH RIVALRY.
- **Fixed Costs:** In the US sports market, there is not a high level of fixed costs. The value of athletes is very much a variable cost as the impact of their performances will normally affect their salary levels. In the case of the WUSA, the league imposed a salary cap so as to keep a control over player salaries and prevent repeating the mistakes of the NASL. Though the WUSA kept player costs down, it underestimated the level of league related expenditure, which resulted in the league losing more money than expected and ceasing operations after the 2003 season (Southall et al, 2005). HIGH RIVALRY.

- **Differentiation:** In terms of the US sports market, this can be achieved by offering a new pro sports league which does not currently exist within the marketplace. There is no major difference in the product offered, sports entertainment. In the case of the WUSA, the league tried to differentiate itself from the rest of the US market by offering a women's professional soccer league with some of the world's best women soccer players playing in the league. The league overestimated the popularity of women's soccer in the US expecting to attract people to their games based on the efforts of the US Women's National team and the high participation levels among young girls (Southall et al, 2005). This factor led to the league's executives to employ a flawed business strategy which led to the demise of the WUSA. VERY HIGH RIVALRY.
- **High Exit Barriers:** These would exist in US pro sports leagues if franchises owned their stadiums, which was not the case with franchises in the WUSA. As the WUSA was established in 2001 and hence had no historical ties with the host cities, it had no market power over host cities and hence the cities or the sports organization who owned the stadium could charge WUSA franchises whatever they wanted to in terms of rental charges. This was a factor in preventing the WUSA from establishing a solid financial and organizational foundation. MODERATELY HIGH RIVALRY.

There was a **HIGH** threat of competitive rivalry within the US sports market during the WUSA era. These factors made it very hard for the WUSA to establish a solid financial and organizational foundation in which to develop the league. Without this foundation, the

WUSA struggled to survive and ceased operations after the end of the 2003 season, the league’s third season.

VITA

Fraser John Boyd was born in Glasgow, Scotland on May 22, 1981. Born to the parents of Iain and Theodora Boyd, he has an older brother and a younger sister. He is accomplished both academically and professionally. In 2004, he graduated with a Bachelor of Arts with honors in Business Management from Napier University in Edinburgh, Scotland. He also spent one semester as an exchange student at the University of North Texas in 2003. In the fall of 2006, Fraser came to the University of Tennessee, Knoxville and became a graduate assistant for the Lady Volunteers Rowing Team in July 2007. In 2008, he graduated with a Master’s of Science Degree with a concentration in Sports Management at the University of Tennessee.

Fraser looks to pursue his passion for sports in his future career either in the United States or back in the United Kingdom.