

The Globalization of Soccer: A Look at the Growth of World's Game and Its Current Condition in the United States

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I. Introduction

In November 2004 I was in the United Arab Emirates attending an annual international soccer conference and exhibition, which brought together individuals and companies from all over the world who work in the business of international soccer. In a single day, I met and spoke with people from Japan, China, Saudi Arabia, Nigeria, South Africa, Kenya, Iran, England, Ghana, Switzerland, Spain, and Argentina, just to name a few. Attending this event provided me with a firsthand view of the global reach of soccer, that in many ways we now take for granted, and how it impacts nearly every country in the world.

In the past, the clearest example of soccer's global reach and popularity was the fact that the entire world would watch the World Cup together once every four years. Now, with the widespread availability of satellite television, on any given day a single English Premiership, Spanish La Liga, Italian Serie A, or UEFA Champions League match can be enjoyed by

hundreds of millions of people simultaneously in Europe, Asia, Africa, Australia, South America, and North America.

This paper takes a brief look at the present state of soccer, both around the world and in the United States. It traces the motivations behind the international development of the game in the twentieth century, and explores how, over the last 30 years, and especially in the last 10 to 20 years, soccer around the world has become much more commercialized. The ability to deliver the game, or product, to audiences around the world through satellite television, coupled with the desire among the game's leaders to develop the commercial aspect of the game, led to this change. Clubs now tour the world in an effort to grow their "brand" and sell replica shirts. However, the gulf between the soccer "haves" and "have nots" is widening, which creates the potential for future health problems for the business side of the world's game.

At the same time, one of the final frontiers of the game's globalization is the United States. Over the last 20 years, the growth of the Hispanic population has helped bring the game into greater prominence in the U.S., and we have seen signs of an emerging participation of the general U.S. population in this global soccer world, first as a result of U.S. serving as the host country of the 1994 FIFA World Cup, and later the 1999 and 2003 FIFA Women's World Cups, and also thanks to the United States' impressive performance in the 1999 FIFA Women's World Cup and the 2002 FIFA World Cup. The well-chronicled 1999 FIFA Women's World Cup final drew 90,185 fans to the Rose Bowl in Pasadena, California, and as the U.S. surprisingly advanced to the quarterfinals of the 2002 FIFA World Cup, excitement began to build and people other than die-hard soccer fans began to get up in the middle of the night to follow the team's amazing run on television and radio live from Korea and Japan. However, to what degree the international game has taken hold in the U.S., and will take hold in the future, is still debatable.

Franklin Foer provides some interesting ideas in his book, *How Soccer Explains the World: An Unlikely Theory of Globalization*, and ultimately even he admits the difficulty of explaining the complexities of the U.S. soccer market, and its Hispanic component in particular.

II. A Historical Look At the Growth of International Soccer

The sport of soccer began to spread around the world at the end of the nineteenth century thanks to the travels of British sailors, merchants, and businessmen, during the golden age of the British Empire. One way to look at how the game has changed over time is to examine the growth of international club tours, and how the purposes of these trips have evolved from teaching others about the game and building friendships among nations, to healing post-war wounds, to making money, and most recently, to marketing and establishing a club's brand.

In the early years, international tours raised the profile of the game, introducing its rules, strategies, clubs, and players to different parts of the world. In *The World's Game, A History of Soccer*, Bill Murray notes that the game first spread from England to those countries closest to it in commercial, economic, educational or moral terms, which he identifies as Argentina and Uruguay in South America, and Switzerland and Denmark in Europe.¹

Around the start of the 20th century, the first National Team and club tours began to take place. Murray notes that the first England select team visited Central Europe in 1899, and 1901 saw the first South American international friendly match between Argentina and Uruguay.² Throughout the early 1900s, English clubs toured the European continent, and in 1905 Southampton became the first European team to tour South America.³ In 1907, British club The

¹ Bill Murray, *The World's Game: A History of Soccer* (Urbana and Chicago, Illinois: University of Illinois Press, 1996) 22.

² Murray 24, 31.

³ Murray 38, 39.

Corinthians went on a twenty-five match tour of South Africa, and in 1910, 1913, and 1914, they visited Brazil. In spite of high travel costs, English teams, such as Everton in 1909, even began to financially profit from these post-season tours of South America.⁴

Following World War I, Murray points out that European clubs from Spain, England, Scotland, Hungary, and Italy, among others, began to tour South America more regularly, and after Uruguay's surprising gold medal at the 1924 Olympic Games, three South American clubs, Boca Juniors of Argentina, Nacional of Uruguay, and Paulistano of Brazil, toured Europe in 1925. Clubs from Britain, Europe and South America also toured the United States during the 1920s, and select teams from Canada and China both visited Australia on separate occasions during this era.⁵ All of these international tours facilitated the introduction and expansion of the game, enabling it to reach all the corners of the world, and helped strengthen connections between different countries.

In the aftermath of World War II, international soccer tours became a way to try to heal war wounds and improve relations between countries. One such tour, described in the January 2005 edition of *Four Four Two*, brought Moscow Dynamo to England and Scotland in November, 1945, the first tour by a Russian team to the birthplace of the game. Although the tour was not without its problems on and off the field, and to what degree political relations between the two countries were actually improved as a result of this experience is debatable, Dynamo defeated Cardiff and Arsenal, and tied Chelsea and Rangers. The English crowds were impressed by the quality of Dynamo's soccer, and in this way, two different countries and cultures at least had an opportunity to develop a better post-war relationship.⁶

⁴ Murray 39.

⁵ Murray 56, 58.

⁶ Leo Moynihan, "Take That, Comrade," *Four Four Two* January 2005, 104-110.

Throughout the 1960's, with the growth of international air travel, Brazilian club Santos became known around the world through the international tours they took with their best-known player, Pelé. More than before, money became a primary reason for a club to tour different parts of the world. According to Bill Murray, Pelé claimed that one year he played in 121 matches and, "it was nothing for him to travel over 20,000 miles through several countries to play a dozen friendlies in a month."⁷ During these tours Pelé would meet heads of state, and in 1969 Nigeria and Biafra even called a cease fire in their war so that the people could watch him play in a game.⁸ Through these tours, Pelé and Santos helped raise the international profile of Brazil, and Pelé became perhaps the most universally recognized person in the world. As legend goes, in 1969 John Lennon of the Beatles arrived in Japan, and upon seeing a crowd of photographers and fans, told airport officials that he would not grant interviews. Lennon, who once claimed that he was more famous than Jesus Christ, then realized that the crowd was actually there to see Pelé, and no one gave him a second glance.⁹ In any case, clearly the popularity of Pelé transcended national divisions and cultural differences, and he became in many ways the symbol of the global reach and popularity of soccer.

Over the next thirty years, soccer grew exponentially and solidified its status on the world stage thanks to two main factors. The first was the delivery of the sport to the masses. Satellites and television revolutionized how the world communicated with each other, and one of the instigators, and beneficiaries, of this growth was soccer. The 1966 FIFA World Cup in England was televised live across the Atlantic, and by 1970, fans all over the world were able to enjoy Pelé's magic and Brazil's record third World Cup victory, live from Mexico.¹⁰ Since then,

⁷ Murray 122.

⁸ Murray 122.

⁹ "Pelé," *ISTOE – o Brasileiro do Século – 1 – Esporte* March 1999, 10-11.

¹⁰ Murray 154.

obviously satellite television has continued to raise the international profile of the game, not only with the delivery of the World Cup to more and more countries around the world, but also with the broadcast of top domestic matches, such as the English Premiership, the Italian Serie A, the Spanish La Liga, and the UEFA Champions League, into homes and commercial establishments throughout the world.

The second factor that contributed to this growth was the commercial changes that took place during the tenure of Brazilian João Havelange as the President of soccer's world governing organization, FIFA (Fédération Internationale de Football Associations), from 1974 until 1998. The changes that occurred during his Presidency are things we now take for granted, such as official sponsors and commercial partners, signage on the field, the placement of company logos on shirts, etc. One of Havelange's campaign promises was the development of the game in third world countries, and the resulting effort to expand and market the game successfully raised the sport's profile around the world, and proved to be quite profitable for many players, clubs, National Associations, and FIFA as well.

The convergence between television's global reach and the commercialization of the game is now seen daily. Satellite television has enabled fans around the world to watch the world's best players in the world's top leagues, and companies are able to utilize the popularity and global reach of the game to market their products to audiences around the world. For example, the 2004-2005 shirt sponsor of the English Premiership's Everton Football Club is Chang Beer of Thailand, who signed a one year agreement with the club. During the 2002-03 and 2003-04 seasons, Keijian, a Chinese cell phone company, paid a reported total of GBP £1 million pounds (approximately USD \$1.6 million dollars at the time) to put their company name,

in English and Chinese, on Everton's jersey.¹¹ In February 2005 *Soccer Investor* reported that the club was in talks with Asian budget airline AirAsia to sponsor the shirt during the 2005-06 season.¹² In regards to the 2004-05 sponsor, obviously most pubs around Everton's stadium in Liverpool do not specialize in selling Chang Beer, and the company is targeting the Asian audience, and Thai soccer fans in particular, by sponsoring a club based 6,000 miles away from Bangkok. Clearly, satellite television and the commercialization of the game helped raise the stature of the sport around the world, and brought new sources of money into the game.

The tradition of international tours has continued, although now for a new reason: branding. The goal of touring clubs is not only to make money through appearance fees, but also to establish the club's brand in a specific market outside of their home country or region, in order to create and build new revenue streams, such as merchandising or shirt sales in particular. For example, top European clubs such as Spain's Real Madrid and Barcelona; England's Manchester United, Chelsea, Liverpool, and Newcastle; Italy's Inter Milan; and Holland's PSV Eindhoven; just to name a few, have all commanded substantial appearance fees in Asia over the past several years. The appearance of a big-name club, however, does not automatically mean a successful turnout at the games. Barcelona's August 2004 game in Shanghai, for example, attracted less than 10,000 fans to the stadium.¹³

Individual players are now perhaps the important part of these branding tours, as fans want to see their favorite players and buy replica shirts with the players' name and number on the back. The obvious example here is David Beckham, perhaps the best known athlete in the world at present. His high-profile transfer from England's Manchester United to Spain's Real

¹¹ Alex Frew McMillan, "China's Premier League debut," CNN.com, 2 August 2002 <<http://edition.cnn.com/2002/business/asia/08/02/china.everton>>.

¹² "AirAsia still keen on shirt sponsorship deal with Everton," *Soccer Investor* 24 February 2005, 1.

¹³ Toni Frieros and Javier Miguel, "La Contracrónica: El Barca no merecía una organización tan nefasta," *Diario Sport* 2 August 2004.

Madrid in 2003 was claimed by some to be motivated more by marketing and merchandising factors rather than sporting reasons, particularly since Real Madrid already had two of the best midfielders in the world on its squad, previous FIFA Player of the Year winners Luis Figo and Zinedine Zidane. Tony Karon of *Time*, in “Never Mind the Goals, Focus on the Brand,” points out that, “Marketing concerns also explain the reason a club like Real Madrid chooses David Beckham over the Brazilian midfielder Ronaldinho, a infinitely superior player. A Real official explained the decision thus: ‘(Ronaldinho)’s so ugly that he’d sink you as a brand. Between Ronaldinho and Beckham, I’d go for Beckham a hundred times. Just look how handsome Beckham is, the class he has, the image. The whole of Asia has fallen in love with us because of Beckham. Ronaldinho is too ugly.’”¹⁴

Brand-building tours are not limited to European clubs, as Argentina’s Boca Juniors have also found it lucrative to take the team on a world tour, visiting the United States, Asia, and England in the summer of 2004. Many top clubs from Europe and Mexico have also recently explored the United States market, which will be discussed in the next section.

Essentially, while international tours initially sought to expand the game and make money, many large soccer clubs now focus on the global market, placing a priority on the growth of the brand outside of their home country and even region. However, as Karon points out, “But as globalization accelerates the concentration of economic power in the hands of a small elite of corporations who swallow up the rest, so too is the dynamic in world soccer putting a breaking strain on many of the clubs that make up the also-rans of Europe’s domestic leagues.”¹⁵ Indeed, on a global basis, while there have always been large clubs and small clubs, the globalization of soccer made many large European and South American clubs larger, while many small clubs,

¹⁴ Tony Karon, “Never Mind the Goals, Focus on the Brand,” *Time* 20 July 2004
<http://www.time.com/time/world/article/0,8599,670660,00.html?promoid=rss_world>.

¹⁵ Karon.

who have found it difficult to compete in this global economy, are suffering, thereby creating a disparity of “haves” and “have nots.” How this tension of the rich getting richer, and the poor getting poorer, will play out in the future, and how it will affect the game around the world, remains to be seen.

III. The State of International Soccer in the United States

This section explores a different aspect of the game, the state of the most popular sport in the world in one of the countries it has penetrated the least, the United States. Since the United States hosted the 1994 FIFA World Cup, international soccer in the U.S. has of course grown. More games can be seen on English and Spanish language television, and heard on Spanish-language radio, than 10 years ago, and certainly the commercial aspect of the game is correspondingly better as well. At the same time, there is still plenty of room for improvement.

In *How Soccer Explains the World: An Unlikely Theory of Globalization*, Franklin Foer points out that distinct attitudes among the American public toward globalization itself may help explain why some people in the U.S. embrace soccer, and others actively and loudly hate the game. He says that the so-called “anti-soccer lobby” has, “a phobia of globalization.”¹⁶ To use his words, they believe in, “‘American exceptionalism’, an idea that America’s history and singular form of government has given the nation a unique role to play in the world; that the U.S. should be above submitting to international laws and bodies.”¹⁷ Conversely, Foer writes that international soccer fans in the U.S. believe, “in the essential tenets of the globalization religion

¹⁶ Franklin Foer, *How Soccer Explains the World: An Unlikely Theory of Globalization* (New York: Harper Collins, 2004) 244-5.

¹⁷ Foer 245.

as preached by European politicians, that national governments should defer to institutions like the U.N. and W.T.O. These tend to be people who opposed the war in Iraq.”¹⁸

Foer raises an interesting point and I believe his idea has some merit. However, even he admits that the U.S. soccer market is very complex, particularly when he utilizes an example of a 2002 FIFA World Cup qualifying match between the United States and Honduras which took place in Washington DC in 2001, and drew as many supporters of the visiting Honduras team as fans of the U.S. team.¹⁹ To expand on his thoughts, to what degree the country’s biggest soccer fans, Hispanics, as a group would fit into this characterization of believing, “in the essential tenets of the globalization religion as preached by European politicians,” is debatable, particularly since many Hispanic immigrants come to the U.S. because of a lack of economic opportunities in their home countries, a situation that in some cases is at least in part a consequence of globalization itself. Ultimately, differing attitudes toward globalization do not explain why the U.S. Hispanic soccer market has been relatively successful in recent years, while the non-Hispanic, or general U.S. soccer market, has encountered difficulties during the same period.

In many ways, the recent growth of international soccer in the United States has followed the rise of the U.S. Hispanic population. As immigrants came to the U.S. from Mexico, Central America, and elsewhere in Latin America, they brought their culture with them, which of course included their passion for the world’s favorite sport. According to U.S. census data, the U.S. Hispanic population, excluding Puerto Rico, rose from 14.6 million people in 1980 to 22.4 million in 1990, and then to 35.3 million in 2000. During this period, national Spanish-language television networks emerged and regularly brought Hispanics live soccer matches from Mexico

¹⁸ Foer 245.

¹⁹ Foer 246-7.

and throughout Latin America. At the same time, promoters, clubs, and others in the business of soccer began to recognize the potential to tap this aspect of the market, and started to organize different friendly matches involving clubs and National Teams from Latin America in U.S. cities with large Hispanic populations.

The current attraction and power of the U.S. Hispanic soccer market can be perhaps best illustrated by two recent acquisitions by Soccer United Marketing, or SUM, a company formed in 2002 whose initial investors included Anschutz Entertainment Group (AEG), The Hunt Sports Group, and Dentsu, Inc., and later included Robert Kraft and Stan Kroenke.²⁰ A few years ago, SUM obtained the exclusive right to promote and market the Mexican National Team in the United States. This not only included the right to organize friendly matches, but also the right to market sponsorship packages of these friendly matches.

In December 2003, SUM announced the acquisition of the right to organize the qualifying matches that determined a portion of Mexico's representatives in the 2004, 2005, and 2006 Copa Libertadores tournaments, South America's most prestigious club championship. Called Interliga, these qualifying matches feature eight Mexican first division teams divided into two groups of four. A round-robin series of matches determines first and second place teams in each group, who then enter a playoff round for the right to enter the Copa Libertadores. These games take place in January throughout California, Texas, and the southwest, where the Hispanic population is high and the weather is relatively mild at that time of the year.

While the jury is still out on the ultimate success of each initiative, each one has done reasonably well thus far. SUM notes that Mexican National Team games in the United States average more than 30,000 people per match, and SUM has been able to attract at least nine major

²⁰ "MLS Unveils Soccer United Marketing," 5 March 2002 <<http://www.sumworld.com/display.php?id=20020305001&set=1>>, and, "SUM Announces Interliga," 8 December 2003 <<http://www.sumworld.com/display.php?id=20031208001&set=0>>.

sponsors of the Mexican National Team games thus far, including three who are new in 2005.²¹ At the same time, Interliga is an actual competition for places in a championship tournament, as opposed to a series of friendly matches, and fills a void on the soccer calendar, but the announced average attendance fell from 22,192 people in the inaugural year of the tournament, 2004, to 18,853 people in 2005.

In contrast, the general U.S. international soccer market has continued to face difficulties over the last few years. One problem has been the difficulty of marketing the U.S. Men's National Team. After a surprising march to the quarterfinals of the 2002 FIFA World Cup, some felt that the popularity of soccer among the general U.S. market may have turned a corner. While the team has improved on the field, thanks in part to a younger generation of players who have built on the success of the trailblazers in the 1990s, who have developed in the domestic league, and ultimately who have gained international experience by playing for clubs in the top European leagues, National Team games often go somewhat unnoticed except among the most die-hard fans. Admittedly, while the road to the 2006 FIFA World Cup is long and somewhat complicated given the various preliminary and final rounds of competition spread over 18 months, casual American sports fans are not educated as to what the U.S. National Team must do in order to qualify for the World Cup, and when these games occur. Furthermore, while the number of sponsors of the Mexican National Team in the U.S. is growing, U.S. Soccer recently had one of its sponsors decline to renew its contract for 2005, after nine years of involvement with the sport.²²

International friendly matches and club tours targeted at the general U.S. market have grown in recent years, but to mixed results. Perhaps the best-publicized example over the last

²¹ "SUM Announces Three New Partners For 2005 Mexican National Team Tour," 15 February 2005 <<http://www.sumworld.com/display.php?id=20050215001&set=>>.

²² "Chevrolet Exits Soccer World," *Cal South Soccer Magazine* v1 n5, October/November 2004, 28.

two years were the games organized by Champions World, who designed a series of friendly matches in the late summer that brought many top clubs from Europe to different U.S. and Canadian cities. The 2003 and 2004 editions were anchored by England's Manchester United, whose games drew the highest crowds of each year's series.

The business of international friendly matches in the United States, however, is very difficult. The high cost of organizing a series of matches, coupled with the fact in the end these games were preseason, exhibition matches, which in some cases did not feature either a club's best or most recognizable players, led to problems for the promoters and the teams. For example, regarding Manchester United's first game in the U.S. in 2004, the England-based newspaper *The Daily Telegraph* brought Manchester United fans in Great Britain the criticisms of the tour in the U.S. media, saying that, "The *Chicago Sun-Times* said of Sunday's match: 'This was awful.' The newspaper added that fans had paid up to \$150 (GBP £84) for a ticket, yet the match was 'more about pageantry and financial profitability for the participants than it was about quality soccer.'"²³

After a very good start in 2003, when Champions World games drew an announced average of 52,821 fans in 9 games, attendance for 2004's 11 matches fell to an announced average of 39,182. While this is still much higher than Interliga's announced average attendance, for example, Champions World filed for Chapter 11 bankruptcy protection in January 2005. The *New York Times* reported that the company lost \$2 million dollars in the 2003 inaugural edition, and had revenues of \$25 million in 2004,²⁴ but *Soccer Investor* reported that

²³ Sam Wallace, "Ferguson is forced to fly in big guns," *The Daily Telegraph* 29 July 2004 <<http://www.telegraph.co.uk/sport/main.jhtml?xml=/sport/2004/07/29/sfnman29.xml>>.

²⁴ Jack Bell, "Promoter Files Chapter 11," *New York Times* 19 January 2005.

the 2004 series cost over \$30 million dollars,²⁵ signifying a loss of at least \$5 million dollars in the second edition, and a total loss of at least \$7 million dollars over its two year history.

Perhaps the best illustration of the differences between the current state of the U.S. Hispanic soccer market and the U.S. general soccer market took place in the Los Angeles area on Wednesday, March 9, 2005. On that evening, the Mexican National Team played an international friendly match against Argentina's National Team at the Los Angeles Memorial Coliseum, a stadium with a capacity of 92,000 people, and drew an announced crowd of 51,345 people. That same evening, in the Los Angeles suburb of Fullerton, approximately 30 miles away from the Coliseum, the U.S. National Team played an international friendly match against the Colombian National Team, in a stadium with a capacity of 9,500 people, and drew an announced attendance of 7,086 people. Admittedly, the likely motivation behind the U.S. match was that it was probably just a low-cost way to help prepare the team for its next World Cup qualifying game, especially since the team was behind in its preparations due to a labor dispute earlier in the year, and the Fullerton location was convenient since the team was in the midst of a training camp in the Los Angeles area at that time. Nevertheless, the huge difference in the stadium capacity required to host each game and the disparity in the announced attendance helps illustrate the current differences between these two markets in the United States.

IV. Conclusion

Clearly, after more than a century of growth, soccer stands uniquely alone on the international stage and has a worldwide following never seen before in sports. Satellite television and commercial opportunities have driven the growth of the sport over the last thirty years. At the same time, the negative consequences of globalization are also now seen in the

²⁵ "ChampionsWorld files for Bankruptcy," *Soccer Investor* 20 January 2005, 3.

game, as the disparity between the large clubs and the small clubs, or the clubs who have effectively positioned themselves in the global market, and those who have not or have not been able to, has grown substantially.

Without a doubt, soccer in the United States has come a long way in the last ten years, thanks in part to the globalization of the game. The country has hosted three FIFA World Cups and numerous international friendly matches involving teams from all over the world during this time. More games from Europe, Mexico, Central America, South America, and Asia are available on television than ever before. The number of professional teams in the country is growing once again. One of these new teams, C.D. Chivas USA, co-founded by the owner of Mexico's most popular team, Chivas of Guadalajara, even represents an attempt to reintroduce Hispanic soccer fans to the general U.S. soccer market, i.e. the league, and to introduce the passion that Hispanics have for the game to more of the general U.S. soccer market.²⁶ Nevertheless, there is still room for improvement, and hopefully, through this continually increasing exposure to the game in the rest of the world through television and friendly matches, coupled with the strengthening of the domestic league, the sport in the U.S. will continue to grow.

²⁶ For an interesting look at Hispanic attendance at Major League Soccer games, see "An Evaluation of the Relationship between Hispanics and Major League Soccer," R. Todd Jewell and David J. Molina (University of N. Texas Department of Economics, August 2000) <http://www.econ.unt.edu/research/Papers/0013.html>.