

SPECIAL REPORT

SPECIAL RELATIONSHIP

DO THE US AND UK REALLY LOVE EACH OTHER'S SPORTS – OR ARE WE JUST BEING POLITE?



INSIGHT BEYOND DATA
SPORTS, SPONSORSHIP AND ENTERTAINMENT RESEARCH

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Welcome to our special report on the US/UK *'Special Relationship'* – the sporting version.

In this report we examine the progress of NFL and soccer in both the US and the UK, looking at whether the 'Special Relationship' between the two countries extends to these sports and how fans in America and the UK are different – and similar.

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This report touches on the deeper insight required to understand the complexities of today's sports audiences. To find out more about how SMG Insight's research capabilities can help your organisation, visit our website or get in touch.

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INTRODUCTION

SPECIAL RELATIONSHIP

Do the US and UK really love each other's sports – or are we just being polite?



Frank Saez
Managing Director and Founder
SMG Insight

When Winston Churchill first referred to the ‘*special relationship*’ between Britain (and its empire) and the United States, it is unlikely that he was thinking about sport.

Yet more than 60 years later, the closeness which Churchill fostered with daily letters to his US counterpart, now extends to a sporting, as well as a diplomatic, exchange.

Open the pages of the New York Times, America's paper of record, or turn on ESPN and you will find regular coverage of what, for the sake of this trans-Atlantic report, we will call soccer.

Likewise, regular readers of British papers are able to follow the fortunes of NFL players and teams, particularly when they are dispatched to London to distract Brits from their novel round ball game.

As a global company, with offices in New York and London, we at SMG Insight follow this sporting exchange with interest – as we know many others do too. So much so, that we decided to find out just how special this special relationship is.

We know that both nations have great pride not just in their sports but in the professional leagues that represent their showcases too. But after years of efforts to promote their home-grown sports to each other across the Atlantic, is that pride any more than patriotism – or is there more to the charms of NFL and the Premier League?

So we asked if US sports fans are really passionate about soccer or whether it is just a niche interest for eccentrics? How much interest does the NFL really command in the UK outside of its UK tours? And do sports fans in the US look and sound different to their British counterparts?

We used the data we collect every day on major leagues, on events and on sports fans to answer those questions and put together a fascinating picture. Read on to discover what we found.



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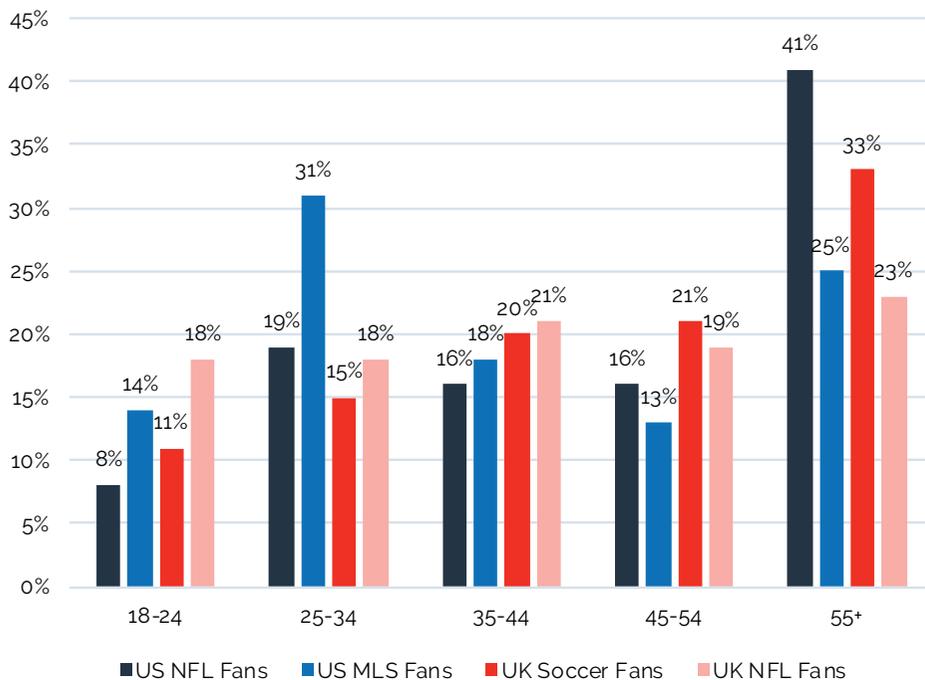
**Divided by an ocean,
united by sport?**
Are UK and US Sports
fans the same?

1 | ARE UK AND US SPORTS FANS THE SAME?

FANDOM BY AGE

Valued for its power to unite people of different backgrounds, sport has a currency which transcends borders. Across the world the names David Beckham, Serena Williams, Tom Brady and LeBron James provide a lingua franca like nothing else. But does that mean that all sports aficionados are created equal? Or is it the case that the American sports fan is a very different beast to his or her British counterpart?

NFL AND SOCCER FANS BY AGE



As you can see from the chart opposite, in terms of age, US and UK NFL and soccer fans break down fairly comparatively – our sports appeal across the age groups.

A couple of things leap out though. First, both NFL and soccer hold a significant appeal amongst US 25-34 year-olds, which then drops as Americans get older and then leaps up again amongst older Americans (MLS in the table stands for Major League Soccer, the US's premier soccer competition). This is likely to be driven – or at least supported – by the phenomenal rise in fantasy football, something played by 41m Americans, with an average age of 34.

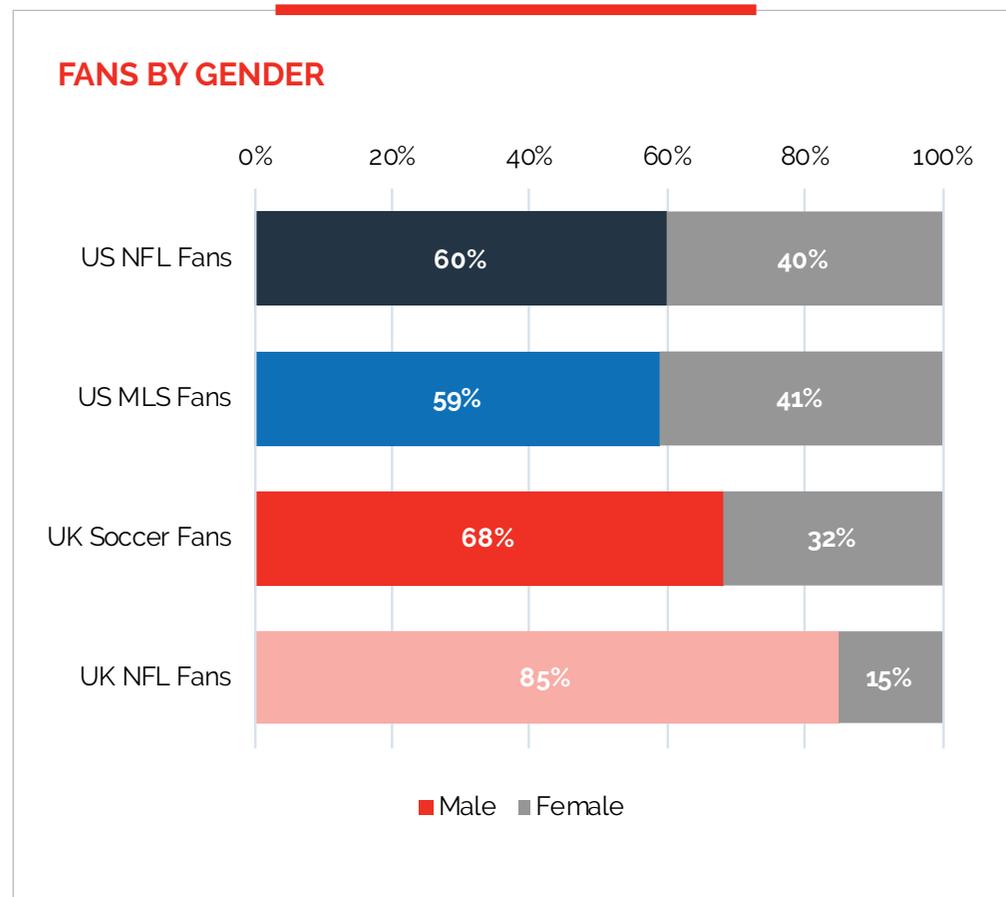
And second, amongst (an admittedly smaller group of) UK NFL fans, the sport skews towards a younger audience than that of soccer – meaning that if you are a UK NFL fan, you are likelier to be younger than you are if you are a soccer fan.

For British fans of soccer and NFL, interest remains steadier across the age groups, indicating an engagement which is less influenced by the passing of time and which, in fact, sharpens as fans pass into older age.

1 | ARE UK AND US SPORTS FANS THE SAME?

FANDOM BY GENDER

Our gender data tells us that both sports in both countries could be working harder to attract more female fans. In the US, whilst both sports are doing a much better job of appealing to women, they have some way to go to achieving an even appeal across the sexes. The Soccer Mom effect will have contributed to the relatively good showing that MLS makes amongst women – something which we will return to later in this report.



Title IX – which is the federal law which outlaws sexual discrimination in education – has also boosted the position of women in US sport by ensuring that sports participation opportunities are more equally provided, especially at college level. This is likely to have had a knock-on effect on the number of women who follow sport in general.

The NFL could be performing even better amongst women (and, indeed, men) had it not struggled with the issue of domestic violence against women in recent years. These public and prolonged problems will have turned many potential supporters off the sport.

Notwithstanding this important matter, it is also interesting that the NFL, which at home has a strong female following, does not enjoy the same appeal in the UK. Women are much less likely to describe themselves as fans.

Why is it that a sport which is relatively popular amongst women in the States does not achieve the same interest across the ocean?

Well, we can say that UK sports generally have a smaller proportion of women fans, which doesn't help.

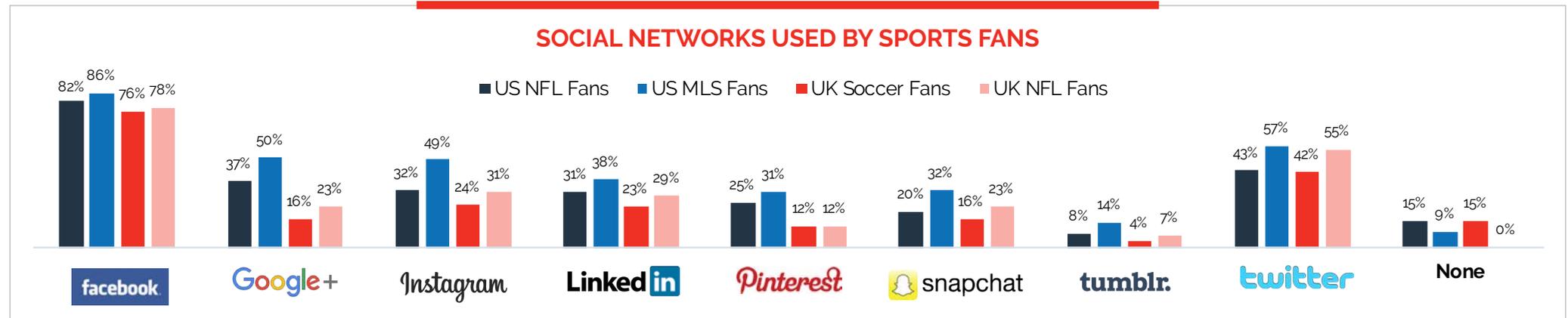
But even allowing for that difference, the proportion of female followers for the NFL is lower than we would expect. One factor is likely to be the absence of opportunities for British women either to play or watch other women play the sport.

What is clear is that these sports on both sides of the Atlantic have much to do to broaden their appeal to men and women equally. You can read more about how tennis has achieved a representative fan base on our recent blog*.

1 | ARE UK AND US SPORTS FANS THE SAME?

FANDOM BY DIGITAL FOOTPRINT

Fans of non-native sports are more likely to use social media across ALL platforms. A few factors are likely to be involved. Social media will be one of the ways they follow their sport, given the international footprints of these platforms compared to more nationally-grounded TV media.



Smaller sports are also more likely to have made quick and early moves onto social media. And given their smaller and less well-established communities, social media is likely to be a preferred way of finding like-minded fans.

Followers of our sports on both sides of the Atlantic are most likely to hang out on Facebook, with Twitter coming up a reasonably distant second. This is interesting, given Facebook's historic strategy as an advertising platform and its previous indications that it wouldn't actively pursue sports rights.

In fact, Facebook Live is already a home to many sports streamed there by rights-holders and the platform has this year snagged deals to broadcast Major League Baseball, Major League Soccer and World Surf League events.

Given its status as the preferred social platform for sports fans, it makes sense that Facebook should look to consolidate that audience and continue its land-grab for television advertisers by snatching more sports rights from traditional broadcasters. Its ownership of Instagram puts it in a strong place to reinforce those credentials, as the data shows.

Twitter, however, is not giving up without a fight – and neither should it since it is the only platform which is used more widely amongst all of our categories of sports fans, compared to the general population. It has relationships with the PGA Tour, the Women's NBA, the NFL, and Major League Baseball for sports shows, with more of a focus on highlights and analysis than Facebook.

In general, US fans across the board are more voracious users of social media. Fans of both sports in the States are uniformly more likely to use each and every platform than their UK counterparts, suggesting that acquiring broadcast rights in the US market should be the main focus for the social giants for some time yet.

This reflects the trend across the general public, too, that US residents are more likely to spend time across social platforms than their British counterparts.

It is clear that digital plays a key role in driving and sustaining interest in non-native sports. Some rightsholders are already prioritising digital channels for broadcast but it is clear that for sports seeking a foothold in a market, this is a pivot they should be considering.



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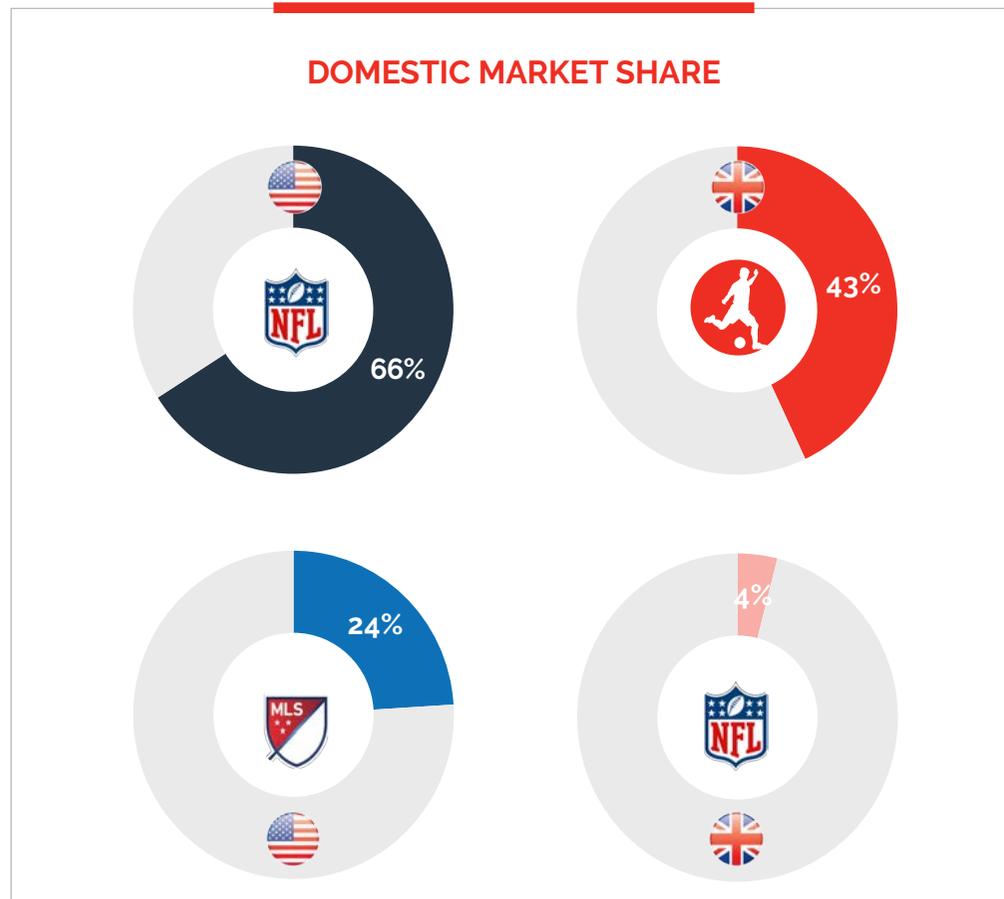
How deep is your love?
Market share of sports

2 | MARKET SHARE OF SPORTS

HOW DEEP IS YOUR LOVE?

MARKET SHARE OF SPORTS

So just how special is the special relationship? Well, we don't want to judge but actually, it all seems a bit one-sided. You know the kind of couple – one is all take, take, take. Will it last, you ask yourself?



Whilst US soccer has grown in the face of stiff opposition from the NFL, the NFL has made only a small dent against less strong opposition in the UK.

NFL enjoys a huge domestic market share, with 66% of Americans considering themselves fans of gridiron. That implies that NFL monopolises the sports market in the US but that is not the case. In fact, baseball and basketball both boast bigger market shares in America than soccer does in the UK.

And whilst soccer is very definitely the UK's national sport, fewer than half of the population consider themselves to be fans.

NFL's domestic popularity is partly driven by its scarcity. Its 16 regular season games per year is not even half of a domestic soccer season in England. As the showbiz saying goes, always leave them wanting more and that's what gridiron does for its fans.

2 | MARKET SHARE OF SPORTS



Another reason for its popularity is the parity which its governance promotes. The draft system (where lower placed teams get first priority when it comes to signing young talent), the salary cap and other rules are all designed to create a competitive league. That means that fans of all 32 sides can believe that their side has a realistic chance of success in the short to medium term.

Wildly popular fantasy leagues – the nearest most Americans can legally get to sports betting outside of Nevada – also drive interest in the league.

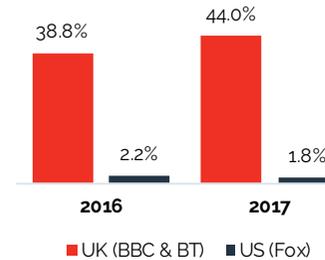
UK soccer has a long way to go before it becomes as popular as the NFL is to Americans. The market share of NFL at home, combined with the wide popularity of a number of other sports like hockey, basketball and baseball in the States, suggest that Americans are simply bigger sports fans than Brits.

This market share is also reflected in viewing figures for the sports season pinnacles (albeit allowing for the different formats of the competitions. For the uninitiated, the FA Cup is the blue chip cup competition in the English league, competed in by Premier League teams and others but not part of the Premier League. The final is contested at the end of the league season).

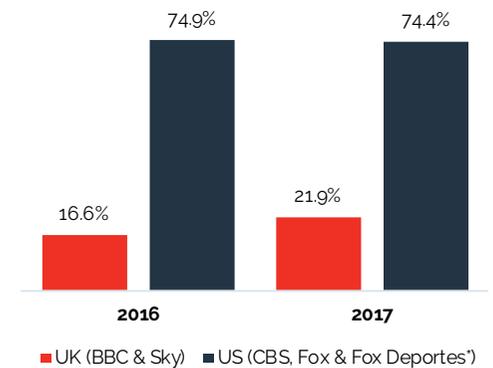
The appointment-to-view nature of the Super Bowl still runs very hot at around 75% of market share – in 2016 at almost twice the viewing share of the FA Cup in the UK. And the Super Bowl also enjoys a much bigger market share in its non-native territory than the FA Cup, commanding nearly 22% of viewers, compared to just 2% for the Cup in the States (although a deal of this can be put down to the time differences. In fact, both properties attract around 850,000 viewers in their non-native territories).

PROGRAMME SHARE, %

THE EMIRATES FA CUP
BBC + BT



SUPER BOWL
CBS/FOX

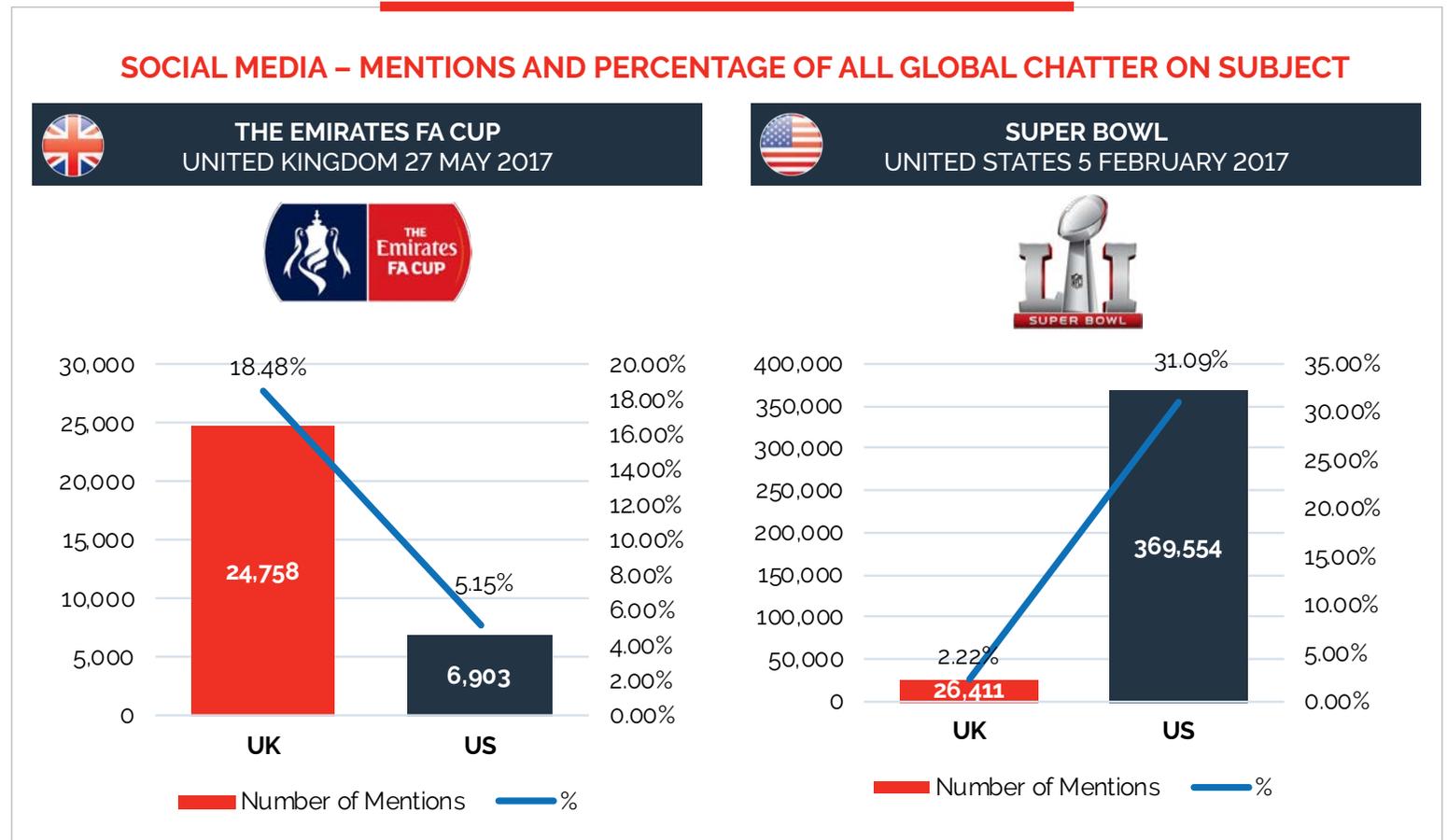


2 | MARKET SHARE OF SPORTS

But judging from our social data opposite, it looks very much like our special relationship isn't an exclusive thing just yet.

Neither country dominates social chatter about their own sporting events, with US mentions of the Super Bowl accounting for just 31% of all global chatter, and the UK mentions only accounting for a further 2%. That means that a whopping two-thirds of all social mentions of the event come from the rest of the world, making the Super Bowl a truly global occasion.

The bigger footprint of soccer in the US is reflected in a higher proportion of FA Cup chatter coming from the States (5%) with only a further 18.5% coming from domestic audiences – meaning that the FA Cup final is even more of an international talking point than the Super Bowl.



2 | MARKET SHARE OF SPORTS



Global sentiment towards the Super Bowl is higher than that for the FA Cup, perhaps indicating a more fervent US audience for the event.

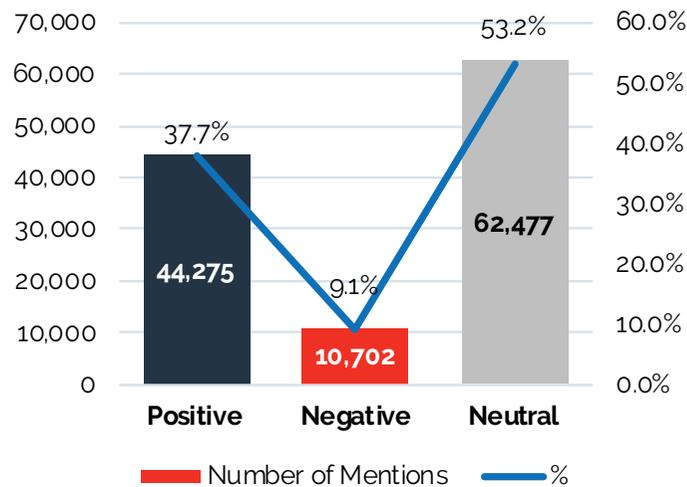
In terms of the penetration of non-native sports (soccer in the US, NFL in the UK), there are also substantive differences between the two countries.

Soccer has established a good foothold in the States, supported by a successful domestic league and growing opportunities to participate as a player. NFL's smaller penetration in the UK can partly be put down to the absence of those same opportunities to watch and to play gridiron in the UK, but also, we believe, because of the lively market which includes traditional sports with good leagues and participation bases in the UK. In short, NFL is trying to pierce a well-established and competitive market.

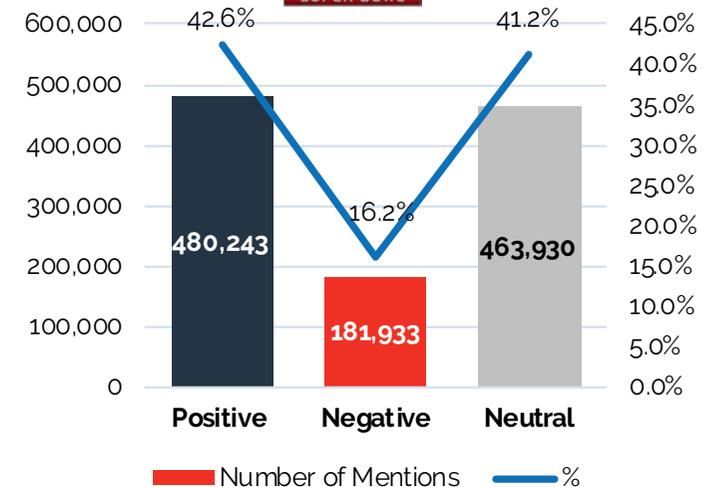
SENTIMENT



THE EMIRATES FA CUP
UNITED KINGDOM 27 MAY 2017



SUPER BOWL
UNITED STATES 5 FEBRUARY 2017



2 | MARKET SHARE OF SPORTS

But there is also the case to be made that British sports fans may simply not be as receptive to new sports as their US counterparts. American sports fans may be characterised as having strong relationships with a number of sports, whereas British sports fans, once they have found their special one, tend to stay with it.

This could be down to the shorter seasons of US sports – a rolling programme of five- to seven-month seasons, combined with play-offs, championships and college equivalents throughout the year gives a number of sports the time and space to court their fans. It would be credible to argue that a British sports fan faced with only a five-month soccer campaign would be much more likely to seek solace in the lonely months with another sport than he or she currently does.

In some respects, NFL in the UK is on an even-footing with other new sports – building a following from a low base, with a small footprint and low participation figures. But its global size, marketing clout and, of course, money mean that it is well-placed to grow in the UK.

THE FINAL PIECE

The final piece in a strategy which moves NFL into the big leagues of British sport may well be the creation of a British NFL franchise – something long-mooted but seemingly not yet imminent. Yet as time goes by, and as broadcasting sport becomes cheaper and more egalitarian, NFL will also find itself competing with other sport 'start-ups' looking to gain more of a foothold in the UK.

Whilst soccer is very well-established in the States, it should be noted that it is well behind the big four sports of (ice) hockey, basketball, NFL and baseball (hockey is the closest to being taken over by soccer in terms of market share).

As we note earlier, opportunities to both play and watch the game domestically will have made a significant contribution to this market share. Around 3m children now play in US youth leagues and, according to ESPN polling, soccer

became more popular than baseball amongst 12-17-year-olds in 2014, making it America's biggest youth sport.

'SOCCER MOMS' EFFECT

Indeed, its popularity has given rise to the 'Soccer Moms' effect – the middle class mothers who have supported soccer's growth by ferrying their children to practices and, in many cases, becoming fans themselves. Soccer's simple rules (compared to those of NFL) have made it an easy sell to children and parents alike.

Commentators also cite the sport's popularity with advertisers and its accessibility as factors in its growth. Indeed, there can be no doubt that the popularity of soccer in broadcast terms in the States has been driven partially by commercial interests. ESPN was quick to grasp the potential market for soccer and, with its early efforts, arguably did more to popularise the sport than did rights-holders.

Regardless of the reasons, soccer in the US is now big business. The World Cup in 1994 began a journey which in 2015 saw broadcaster Fox double its projected ad earnings from the women's equivalent. Big teams now regularly cultivate their fan bases with US tours. Former English League Champions Manchester City are owned by the same organisation as New York City FC. Some American sports franchise owners now also have interests in Premier League clubs (Fenway Sports Group – owner of Liverpool FC and the Boston Red Sox, the Glazer family – owner of both the Tampa Bay Buccaneers and Manchester United, for example).

The growth shows few signs of slowing. CNN reports that the average MLS team is now worth 185mUSD, up 80% in four years, with more teams in the pipeline – including David Beckham's in Miami.

ESPN was quick to grasp the potential market for soccer and, with its early efforts, arguably did more to popularise the sport than did rights-holders ... regardless of the reasons, soccer in the US is now big business.



3

Conclusion

3 | CONCLUSION

CONCLUSION

So what does that mean for our special relationship?

Well, Americans seem pretty smitten with the perky British immigrant. And although the feeling isn't quite yet mutual, it's much too early to write the romance off altogether. The NFL is a persistent suitor and with its resources and its razzmatazz, few would bet against its success.

And whilst the wooing of US fans by soccer may look like a whirlwind romance, it is not. Soccer has been played in the States since the 19th century. Pele signed for the New York Cosmos in 1975. It is more than 20 years since the USA hosted the World Cup on its soil. This has been a romance with more ups and downs than Brangelina. Soccer too has been patient and persistent and there is no doubt that today it enjoys the benefits of that tenacity.

What is clear from the absolute market numbers for each sport in their non-native territories is that both are making in-roads with their campaigns. But our knowledge of the market also tells us that they are pursuing different strategies.

Unlike soccer, the NFL's efforts are not supported by large global competitions like the World Cup. Soccer's tournaments have allowed Americans to rally around a national team, to some extent regardless of the health of soccer domestically, and to see their nation compete against the very best global talent. The NFL has no such platform.

Likewise, there are few opportunities for UK fans of NFL to play the sport at a grassroots level. Although the number of clubs is growing, they are dwarfed by the number of soccer clubs and camps already established in the US.

These two factors combined mean that our sports must pursue very different roads in their courtship of foreign audiences. To borrow a popular phrase, in 2017 'it's complicated'.

Soccer and NFL, as we have noted, are quite different propositions in terms of their strengths and the opportunities that those strengths create. Soccer is a world-wide sport, played by millions at an amateur level. The NFL lacks a global tournament and appears to many to be parochial by comparison.

But on the other hand, the NFL has created one the world's richest and most competitive sports, envied by sports administrators across the world for the way it manages its resources, marshals supporters and sponsors – and makes a profit. It is no wonder, then, that we are so passionate about our own sports but also so curious about each other's.

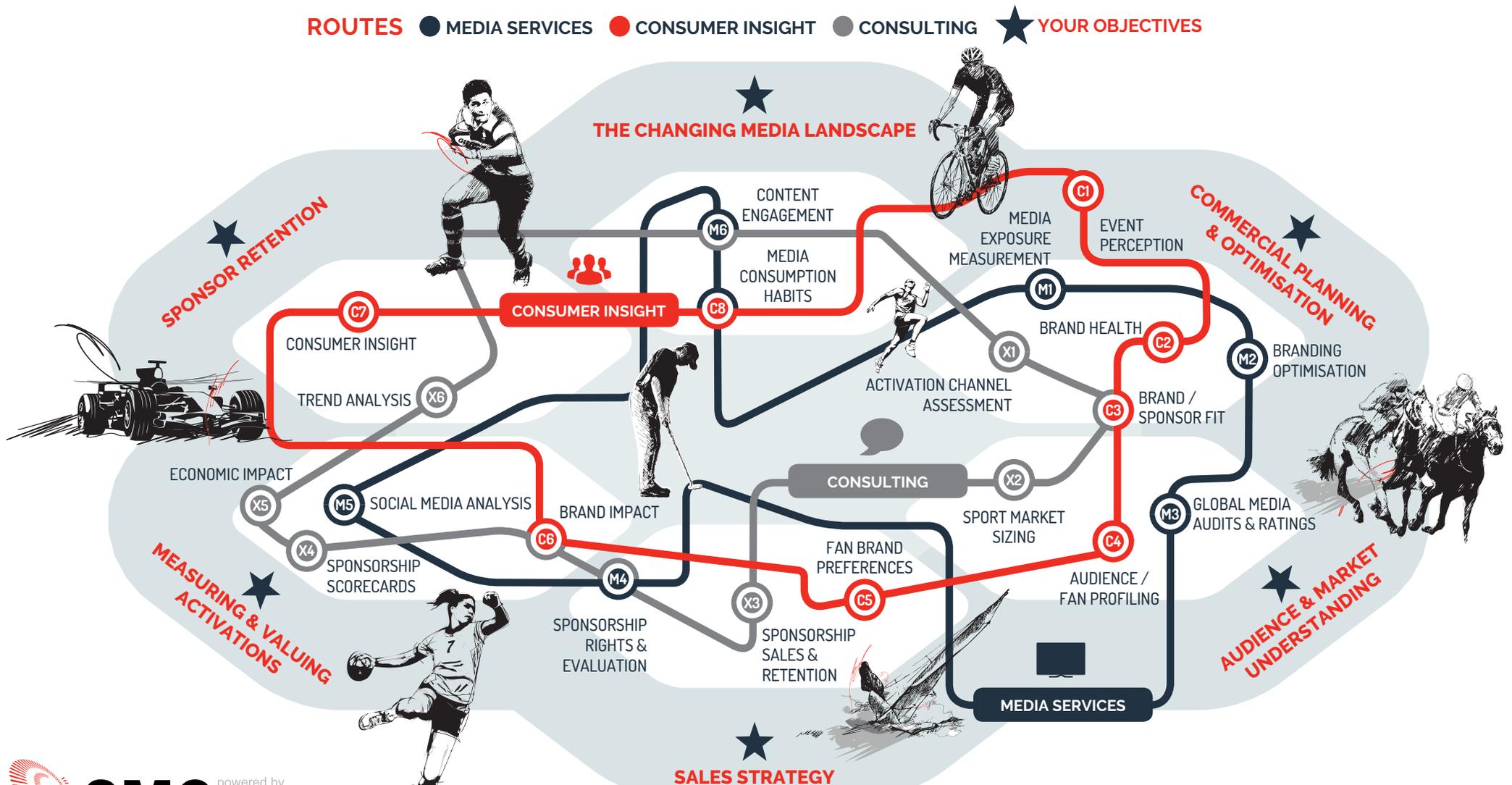
Shall we dance?

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WE BELIEVE IN THE STRATEGIC THINKING THAT IS ENABLED BY THE DATA. WE'RE COMMITTED TO DELIVERING MORE THAN JUST THE NUMBERS; **WE STRIVE FOR SOLUTIONS.**

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