

National Women's Soccer League (NWSL) Case Study

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NWSL Overview : The League

- NWSL - 9 years in operation, 2013-2021.
- The NWSL has succeeded where two previous attempts at professional women's soccer leagues have failed.
 - Women's United Soccer Association 2000-2003
 - Women's Professional Soccer 2008-2012
- Ten-team League with two new expansion teams in 2022.
 - Chicago Red Stars, Houston Dash, Kansas City Football Club, North Carolina Courage, Orlando Pride, Portland Thorns FC, OL Reign (Tacoma), Racing Louisville, NJ/NY Gotham FC, and Washington Spirit.
 - The Los Angeles - Angel City FC and San Diego Wave joining the league next year
- 24 game season (12 home & 12 away), May through November. 6 teams make the playoff. Nov. 20th Championship Game.
- League is a franchise model with teams privately owned

NWSL Overview: Revenue & Expenses

- Industry professionals estimate that only 5 of the teams in the league are profitable
- The greatest expense for the teams are player salaries
 - \$682,500 salary cap per team
 - Min. 20 players /Max. 22 players per team
 - Max. salary is \$52,500
 - Min. salary is \$22,000
 - US Soccer Federation subsidizes salaries of players that are on the US National Team
- Average attendance per match in 2021 is 5,528
- The Portland Thorns averages 14,391 in attendance and is one of the more successful franchises and is constantly at the top of the league in wins
- The teams rely on revenue from the gate. Financial information is private.

NWSL Overview: Revenues & Team Disparity

- **Back of The Napkin Math**
 - Tickets range from \$15 for GA to \$80 for Field Sideline
 - Estimate \$30 as average ticket price
 - Portland Thorns Avg Attendance $14,391 \times \$30 = 431,730 \times 24 \text{ games} = \$10,361,520$ **Gate Revenue for the Season**
 - Average Team Attendance $5,528 \times \$30 = \$165,840 \times 24 \text{ games} = \$3,980,160$ **Gate Revenue for the Season**
- **League Disparity**
 - Some teams making over \$10M but average is \$3.9M
 - Kansas City is building a new \$70M Soccer only stadium while Tacoma plays at a minor league baseball field

NWSL Overview: “Breakout Season”

As the first major sports league to go back to fully fan attended games in 2021,
The NWSL was building momentum and owners were expecting a “**breakout season.**”

However, crisis hit the NWSL. But before that’s SWAT.



NWSL STRENGTHS

Star Power: Alex Morgan, Megan Rapinoe, Carli Lloyd, and Rose Lavelle are NWSL athletes with huge social followings and are A-plus talent in the world of sports. Athletes that appeal to a family audience.

Brand Image: Female empowerment, World Cup level of play, family friendly, positions the NWSL as the premiere women's professional sports league in the USA.

Lisa Baird: NWSL CEO from 2020-2021.

- Leadership--brought professional executive sports management to the league
- Help negotiate CBS / Paramount + media rights providing national exposure for NWSL games broadcasting on CBS, streaming on Paramount +, and available on Twitch
- Solidified national sponsors including Budweiser, ally, Deloitte, IHeart Radio, Master Card, Nationwide, Nike and Verizon
- Negotiated league expansion in L.A. and San Diego with high profile ownership groups with resources (new owners with deep pockets)
- Guided the NWSL through Covid and into the 2021 season



Alex Morgan @ Movie Premiere

NWSL WEAKNESSES

Lisa Baird: Lack of Leadership--Under her watch, a sexual assault scandal arose that may kill the league
More on this under threats

Limited Finances: While owners are taking along term approach, losses mount and teams work with limited operating budgets

Team Disparity creates a league of haves and have nots

Lack of Diversity in Management: Majority of team owners and executives are male

Player Mistrust: The NWSL Players Association has become increasing critical of the league over low wages and sexual harassment.

Brand Equity is Fragile: While the league has been in existence for 9 years, the NWSL's brand equity is fragile, and sponsors and media partners are relatively new to get on board. No margin of error.

NWSL OPPORTUNITIES

Marla Messing: Named new CEO of NWSL in October

- New executive leadership to manage the crisis caused by the sexual assault incidents
- Opportunity to forge new relationship with the players
- Opportunity to restructure league operations and ownership

Expansion/ New Ownership: High profile ownership groups with deep pockets bring resources and new ideas to the league. For example, L.A. Angel City is instituting gate revenue bonuses to players in 2022.

New Emerging Media: While CBS broadcast of NWSL games brings much needed national exposure for the league, new emerging media OTT / Streaming platforms also offer opportunities for greater exposure.

New Audiences: Increased outreach and marketing to the LGBTQ community can build upon a growing interest among this demo.

NWSL Threats: Common Threats & The Crisis

International Women's Soccer: FA Women's Super League (affiliated with the UK's Premiere League) and the new WE League (Women's Empowerment League) in Japan, can steal players, media partners, sponsors and fans

Limited Finances: Could cause teams to fold and jeopardize the league

Player Boycott: Fed up with lack of pay and working conditions, players stop playing

THE BIG THREAT: The Sexual Assault Crisis



NWSL Threats: The Crisis

The Sexual Assault

- In 2015, the coach of the Portland Thorn, Paul Riley, sexually assaulted and harassed two Thorn players.
- When the players informed Thorn ownership and management, no charges were brought up against Riley, Riley was fired however the league allowed him to take a new job coaching with the North Carolina Courage.
- When players objected to Paul Riley's continued coaching in the NWSL League, **Lisa Baird, then CEO of the league, dismissed the complaints.**
- October 2021, *The Athletic* reported on sexual assaults by Coach Paul Riley and the NWSL dismissal of the accusations.
- NWSL players start speaking out to the media about the sexual assaults and the NWSL's hostile and sexually abusive environment
- Lisa Baird is forced to resign in October 2021.

NWSL Threats: The Crisis

If not addressed and acted upon, the sexual assault crisis may destroy the league.

NWSL's brand image of female empowerment, World Cup level of play and family friendly can be lost.

- CBS and national sponsors will not partner with sexually predatory organizations
- Fans may stop going to games and have already protested against the league actions
- Players have spoken out and demonstrated against the league

New CEO, Marla Messing: Has taken actions to rectify the toxic environment, however the next six months are critical.



5 Ps

Product: The Players, only Profession Women's Soccer League, World Cup Level Play

Price: \$15 to \$80 per ticket appeals to families

People: Families, Young Females 7-35, Diverse

Place: Large to mid-market cities, CBS, Paramount+ and Twitch

Promotion: Large social media following of players and teams.

Note: Regardless of the Ps, crisis management and restructuring the league work environment is the main focus for the immediate future.

Next 6 Months

New CEO, Marla Messing, and the league must take steps and actions to eliminate and prevent sexual assault and harassment. These actions must be transparent and observable by CBS, sponsors, players and fans.

Steps already take:

- 5 Member Investigation Committee with two members from the NWSL Players Association is investigating assault allegations, taking action to punish any perpetrators, and establish public league policies to prevent future abuse.
- Paul Riley was fired, as well as league executives and team executives who knew about the assaults but did not act.
- Ownership changes in Portland Thorn and L.A. Angel City removing owners suspected of sexual misconduct.
- Rhian Wilkinson hired as Portland Thorn new coach. New female ownership in LA and Washington DC.

It is only after the fans, players, sponsors and media partners are assured that the NWSL is providing a safe work environment that the league can build up its brand again and survive.

Thank You