The Competitive Balance and Attendance

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Abstract: Today, most sports are appealing because the results of their competitions are not predictable. The appealing matches are promising to a great attendance. The purpose of this study was to study the relationship between competitive balance and the attendance in Iranian football premier league since 2006/2007 up to 2010/2011. This study was based on secondary data derived from final tables of considered seasons to measure competitive balance. Moreover, the statistics of attendance was extracted from the statistics of Sepahan club (2011). Two indexes were used to analyze competitive balance; C5 and C5ICB. Any increase in these two indexes meant a reduction in competitive balance, and vice versa. Pearson correlation was to measure the relationship between competitive balance and the attendance. It seems that Iranian football is going on in a relatively balanced path. Disregarding 2009/2010 season, the attendance passed an ascending routine sine 2006/2007 season. However, there was not significant relationship between competitive balance and the attendance. In Iran, fans are more willing to go to games that can potentially influence teams’ standings in the league not games with vague results or games of teams with undesired standing.

Key words: Competitive balance; C5; C5ICB; Attendance; Spectator.

INTRODUCTION

In recent decades, football has changed to industry costing billions dollars so that according to Football Federation, there are more than 200 million footballers all over the world (Halicioglu, 2006). Football industry has allocated approximately 3% of world trade and exchange to itself (Szymanski, 2001). The world is unimaginable without football; members of FIFA (207 countries) are more than UN (192 countries). In most countries, this federation is the greatest sport federation. Football has allocated the most TV broadcast to itself. Considering holding 2002 World Cup in Asia and 2010 World Cup in Africa, it is supposed people’s attention and interest to football is increasing (Albert and Koning, 2008). Appeal of football match depends on several factors such as playing quality, performance of teams, facilities of gym and especially competitive balance and attendance.

Competitive balance means uncertainty of predicting results. Fans’ interest and demanding to watch matches will be increased if clubs have same situation. Unpredictability creates more attractiveness. Therefore, sport organizations try to create some rules and limitations to maximize ambiguity of results in competitions. In a league, if some teams have more power, the league will lose its appeal for being predictable. The more competitive balance is among teams comprising league, the harder predicting competitions is, leading to more appeal. In a balanced league, each team has equal chance to win therefore; all teams can win championship of league (Michie and Oughton, 2005).

Increasing attention and presence of fans resulted in more competitions may seem undesirable for some teams especially ones having high probability of success (Jennett, 1984). If the result is predictable, appeal of competition will be decreased. Committees holding football leagues must create conditions to increase competitive balance in their leagues (Koning, 2000). Sport leagues need some specific competitive balance to survive. If competitive balance is reduced in a league, spectators attending stadium and TV viewers will be decreased in longitude term.

The literature showed various results about the relationship between competitive balance and attendance in different sports (Borland and MacDonald, 2003; Lei, 2010; Levin and McDonald, 2009; Szymanski, 2003a; Szymanski, 2003b). Some found that competitive balance is associated with attendance, and some found otherwise. Moreover, competitive balance measures applied in the studies mostly test the relationship between competitive balance and attendance with one dimensional competitive balance measures and few studies examined the whole picture of how different dimensions of competitive balance correlate with game attendance (Lei, 2010).


Knowles, Sherony and Haupert (1992) estimated that fans put weight on two desirable traits of sporting events: their team winning and the uncertainty of outcome. Zuckerman (1979) believes that sport is appealing due to providing spectators with the stress they seek. Competition between teams creates stress leading to better sport performance and more sports spectators (attendance).

Uncertainty of outcome will increase attendance at sport events, and when the competitive pressure is absent, arrogance, laxity and inefficiency are fostered (Zimbalist, 2003). Uncertainty outcome helps to fulfill spectators’ needs for suspense, thus bringing a thrill to spectators and making the game more appealing (Knobloch-Westerwick, David, Eastin, Tamborini and Greenwood, 2009). Uncertainty of outcome also has incentive effects on an athlete’s performance, and therefore improves the game quality. Under the assumption that game quality and uncertainty are desired by the market, the more uncertain the result, the more spectators will attend the game (Fort and Quirk, 2004; Fort and Maxcy, 2003; Fort, 2003). Because increased attendance is desirable by all sport participants and it is commonly asserted that promoting competitive balance in sports leagues will increase attendance (Forrest, Beaumont, Goddard, and Simmons, 2005). Therefore, it continues to be a tension between the needs of the league being more competitive versus the spectator’s level of enthusiasm for the truly memorable teams (Quirk and Fort, 1992). Leeds (2008) argued that leagues may generate higher attendance and increased profits if the large market teams win more often. The same argument is made by Quirk and Fort’s analysis of league market equilibrium (Fort and Quirk, 2004) demonstrating that a league’s income decreases when the large market team is defeated in its games. Therefore, it is of greater incentive to the league’s teams to invest financially in more talent; especially those teams with the greatest market potential. Berri, Schmidt and Brook (2007) concluded that the relationship between team revenues and wins suggests that the perfect Competitive Balance would actually lower league revenues. At the same time, if the outcome is too random, the result of a game will be more like a gambling, therefore the spectators’ population structure will change because more the games may attract more audience that are interested in gambling. Moreover, researchers are not sure if sports leagues need more Competitive Balance. This is in part because researchers have a hard time finding empirical evidence about how uncertainty of outcome and thus competitive balance relate to game attendance or team revenue (Berri et al., 2007). Berri concluded that the economic significance of the relationship between competitive balance and attendance is not appealing; consequently, it is not clear whether spectators truly care about the level of competitive balance in a league (Berri et al., 2007). Utilizing Scully’s measure of competitive balance, the NBA is the most unbalanced sport in comparison with the MLB, NHL, and NFL. However, as Zimbalist (2003) pointed out, the popularity of basketball and the rate of increase in revenue is the fastest growing among all these sports; but this cannot be explained by our arguments of competitive balance, which would favor the trends of diminishing spectators’ support. Even as support is diminishing, it is hard to say if it is because of imbalance, the temporary retirement of Jordan, team and league pricing policies, or general macroeconomic conditions (Zimbalist, 2003; Quirk and Fort, 1992). Researchers also noticed that competitive balance is not a factor where “more is better” (Zimbalist, 2002). It is possible that too much competitive balance may harm attendance because spectators may feel bored if they know that the outcomes are completely random. These results support Davis’ (2009) study which assumes fans response differently to teams win, and estimates separate attendance models for each Major League Baseball team.

Davis (2009) used generalized autoregressive conditional heteroskedasticity (GARCH) models and finds that winning is an important determinant of attendance, and finds that interleague games have higher attendance. Levin and McDonald (2009) investigate the role of competitive balance among teams in a league in predicting attendance at spectator sporting events. They also controls for the demographic and economic characteristics of the league's markets, and changes in the number of teams in the league. The authors find that competitive balance and average income in the league's markets are significant predictors of league-wide attendance.

Lei (2010) studied the many dimensions of competitive balance and the attendance of major league baseball. He confirmed that competitive balance is multidimensional, and not every dimension of competitive balance is correlated with game attendance. Fans prefer changes, and they are not attracted by consecutive wins or losses. Rather fans are more like to go to games that can potentially affect teams’ standings in their divisions or league. Fans show no specific preferences to upset games.

Schmidt and Berri (2001) examined competitive balance and attendance in major league baseball. There was significant link between aggregate attendance and league competitive balance. Both the popular press and industry insiders have claimed that the growing gap between the “rich” and “poor” teams in major league baseball has led to a greater disparity on the field of play and that the eventual outcome of this gap will be lower attendance.
MATERIALS AND METHODS

This research was descriptive-correlational; the data of teams were secondary and collected from valid documents and football league tables of Iran. Moreover, the statistics of attendance was extracted from the statistics of Sepahan club (2011). Two economical indexes were used to analyze the data; concentration ratio (C5) and C5 Index of competitive balance (C5ICB). These are mathematical models. They were used in several research to measure competitive balances of several leagues. In a perfectly balanced league, C5ICB equals 100. It is never lower than 100. The more C5ICB is, the less competitive balance league has. Increase of C5ICB means decrease of competitive balance (Michie and Oughton, 2005).


\[
C5 \text{ ratio} = \frac{C5}{\text{total points won by the top five clubs}} \\
C5ICB = \left( \frac{C5}{N} \right) \cdot 100
\]

Where, N is the number of teams in the league. Furthermore, Pearson correlation was to measure the relationship between competitive balance and the attendance.

Result:

Table 1: C5 and C5ICB in the seasons

<table>
<thead>
<tr>
<th>Season</th>
<th>C5</th>
<th>C5ICB</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006/2007</td>
<td>0.412</td>
<td>132</td>
</tr>
<tr>
<td>2007/2008</td>
<td>0.417</td>
<td>133</td>
</tr>
<tr>
<td>2008/2009</td>
<td>0.333</td>
<td>120</td>
</tr>
<tr>
<td>2009/2010</td>
<td>0.369</td>
<td>133</td>
</tr>
<tr>
<td>2010/2011</td>
<td>0.359</td>
<td>130</td>
</tr>
</tbody>
</table>

Table 1 shows calculated C5 in the seasons from 2006/2007 to 2010/2011.

Table 2: Attendance in the seasons

<table>
<thead>
<tr>
<th>Season</th>
<th>attendance</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006/2007</td>
<td>2192550</td>
</tr>
<tr>
<td>2007/2008</td>
<td>2290850</td>
</tr>
<tr>
<td>2008/2009</td>
<td>3395320</td>
</tr>
<tr>
<td>2009/2010</td>
<td>2705870</td>
</tr>
<tr>
<td>2010/2011</td>
<td>3773150</td>
</tr>
</tbody>
</table>

Table 2 shows the attendance in the seasons from 2006/2007 to 2010/2011.

Table 3: The relationship between competitive balance and the attendance

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</thead>
<tbody>
<tr>
<td>C5</td>
<td>-0.85</td>
<td>0.06</td>
</tr>
<tr>
<td>C5ICB</td>
<td>-0.58</td>
<td>0.30</td>
</tr>
</tbody>
</table>

Notes: dependent variable: attendance.

As presented in table 1, there was not significant association between the C5 and C5ICB with the attendance despite a reversely strong magnitude of association (p<0.01).

Discussion:

In the present paper, we studied the competitive balance and attendance in Iranian football premier league since 2006/2007 up to 2010/2011. It seems that Iranian football is going on in a relatively balanced path. It means more and closer competition among teams. The more competitive balance leads to more appeal in competitions and finally develops the qualitative level of league. A high level league can support national team better. Disregarding 2009/2010 season, the attendance passed an ascending routine sine 2006/2007 season. Football is the most favorite sport in Iran and stadiums witnessed more than 100,000 spectators in appealing matches. However, there was not significant relationship between competitive balance and the attendance.

Our results reject Forrest, et al. (2005) who showed that outcome uncertainty had a significant, positive impact on TV audiences for Premier League football. However, attempts to show that outcome uncertainty affects matchday attendance in sports have yielded mixed results (Borland and Macdonald, 2003; Szymanski, 2003). It is not at all obvious that closeness of contest should affect matchday attendance when the spectator is overwhelmingly partisan and is primarily concerned with a victory for a team of its allegiance. Buraimo and Simmons (2006) presented that home-teams won 48% of the matches in England. So, home-team has home
advantage, and hence the mere rank difference may be an insufficient descriptor. But, the baseball authorities defended the reverse clause on the grounds that it was necessary to ensure an equal distribution of playing talent among opposing teams. Without the reserve clause, the rich teams (with the largest potential markets) would outbid the poorer ones for the best available players. This would tend to reduce uncertainty of outcome and spectator interest in the league competition as a whole, and depress the attendances and revenues of all teams (Dobson and Goddard, 2011).

At last, we can affirm that, more close contexts are important in determining the interest in sports events in Iran. It seems that fans’ loyalty determined a hardcore base of attendance aside from competitive contexts. It is essential to know that competitive balance must be regarded aside from individual preferences. However, we cannot neglect the fact that the constraint on the research was few seasons as sample because the data of previous seasons’ attendance did not exist. Maybe, a big size of data could determine the reality clearly.

REFERENCES


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