The Four Year Trend of Competitive Balance in Three First Standing Countries in 2010 World Cup

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Abstract: Hosting 2002 world cup in Asia and 2010 world cup in South Africa demonstrated the interest of football all over the world. The European superior football leagues receive up to 30% of their total income from competitions in the UEFA Champions League (UCL) and FA cup. In 2004-2005 season, UEFA distributed 33.9 million Euros between European clubs. The gross budget has been 560 million Euros up to 2005. Unpredictability of results is one of main reasons to attract spectators' attention. The higher the CB is between teams in a league, the harder it is to predict matches and it results in a more attractive league. This study was descriptive based on secondary data derived from the final standing of the superior leagues in the 3 medal winners at world cup in 2010 in South Africa; Spain, Netherland and Germany since 2006-2007 season to 2009-2010 season. The purpose of this study was to examine the changing trend of CB for these best 3 national teams in 2010 world cup since 2006 Germany world cup up to 2010 South Africa world cup. Two models were used to analyze data; C5 and C5ICB. Any increase in these two indexes means a reduction in CB and vice versa. Spain won world cup when had the lowest balanced league among three leagues in this study. Barcelona and Real Madrid, 2 best teams in Spain, had a great difference of score in comparison with others in Spanish league. But, it is prominent that 10 main players of national team belong to these 2 teams resulting in a high strength and coordination for national team. The only country supporting this part of the theory is Germany and the reason for this might be that the income of the German league is distributed much more even than for the other leagues in Big 5.

Key words: Uncertainty % CB % Spain % Netherland % Germany

INTRODUCTION

Today football is the most popular sport in the world [1]. In most European countries, football broadcast is worth as much as all other entertainment expenses. Football leagues are important for TV broadcasters in Europe to attract viewers. The big 5 European leagues are broadcasted partly or fully all over the world [2]. Hosting 2002 world cup in Asia and 2010 world cup in South Africa demonstrate the interest of football all over the world [3]. Football industry benefited 3 percentage of universal exchange [4]. The European superior football leagues receive up to 30% of their total income from competitions in the UEFA Champions League (UCL) and FA cup. In 2004-2005 season, UEFA distributed 33.9

millions Euros between European clubs. The gross budget has been 560 millions Euros up to 2005. Unpredictability of results is one of main reasons to attract spectators' attention. Other reason is the win of great teams. Moreover, a country would have a team or teams in the final 4-8 teams in the UCL.

In some leagues, the best 2-4 teams are dominant on league in consecutive seasons [5] whereas the leagues lack competitive balance (CB). In order to increase the number of spectators coming to stadiums, it is significant for sports marketers to be aware of the factors that influence the spectators' attendance [6]. CB means balance between sport capabilities of teams [7]. Some CB is required to keep the fan's interest however in Europe it is less than in the North American Leagues [8]. CB is

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important in the design of a league to achieve some important goals such as to attract spectators, fans, sponsors and media. Uncertainty of results in football has been presented in different models. Szymanski [9] examines CB based on three models: 1) match uncertainty refers to uncertainty of results in a match (between two teams), 2) season uncertainty refers to uncertainty of results in competitions of a season and 3) it is preponderance of one team or only some teams against others in consecutive seasons [9]. Increasing competition resulting in presence of more spectators probably is not desirable for some clubs or fans especially those from the strongest teams [10]. Demand for football can be defined as the number of spectators in the stadium plus TV viewers. Both have been increasing in recent years resulting in football as a major entertainment industry [5]. The higher the CB is between teams in a league, the harder it is to predict matches and it results in a more attractive league [11]. A higher CB results in increasing ticket selling, investments in TV broadcasting and sponsorship. Whenever conditions are stable, higher CB creates more appeal in competitions. CB has been analyzed in several researches lately. Goossens [2] calculated CB in European leagues. CB has decreased in Belgium, England and several other counties. CB is unchanged in Germany and France. The only country with a higher CB is Portugal. So, European leagues in general might have a lower dynamic CB [2].

Michie and Oughton [7] examined CB in England, Italy, Germany, France and Spain. Up to 1987, CB has been stable in England for 40 years. After that, CB has been considerably less with the same 4 teams in the top of the league. In Spain, CB has increased during 1956 to 1976 however after it decreased. The trend of CB was not clear in France but increased after 1992. CB has been considerably lower in Serie-A since 1992. Italy had the lowest CB among 5 European superior leagues at the end of 2004 [7]. CB has increased slightly in Germany but in general decreased in 10 recent years. But, Germany is the league of the top 5 leagues in Europe with the highest CB and is managed well [8].

Quirk and Fort [12] concluded that CB has considerably decreased in the football league of Netherland in the 2ed half of '60s, increased in the 1st half of '70s and then had no clear trend. Moreover, they measured CB in 5 American professional leagues {AL (American League), NL (National League), NBA (National Basketball American), NHL (National Hockey League) and NFL (National Football League)}. The CB among the North American Leagues is in general higher than in the European leagues [13].

The money from UCL to the big teams and the market pool has been a big advantage for t he big leagues and especially the big teams in the big leagues. They might get up to 40% more income from UCL when all effects are taken into consideration [8].

Hann, Koning and Van Wittelostuijn [13] found that CB has decreased in England. Weak evidence confirmed decrease in Belgium and Netherland too. Furthermore, they reported that Germany, France, Italy and Spain had no clear trend about CB.

According to Eckard's research [14], CB has decreased in AL and increased in NL since 1975 to 1999. Mizak, Stair and Rossi [15] found that CB has considerably decreased in MLB (Major League Baseball) especially since 1990. This is because of a soft salary cap with a luxury tax allowing big teams to invest in teams with no limit. The lowest CB has been in the Eastern conference of American league since 1998 to 2003. Zimbalist [16] showed that NBA was the most imbalanced league among five American professional leagues. Moreover, he has indicated in his book "may the best team win (baseball economics and public policy)" that CB has gradually increased in MLB since 1903 to 1950.

CB has been examined in several big and important sports leagues during different years. The leagues are putting a lot of efforts into managing and designing leagues with a high CB.

This study examined the changing trend of CB in superior football leagues of Spain, Netherland and Germany (three first standing teams in 2010 world cup) since 2006 Germany world cup up to 2010 south Africa world cup.

Methodology: This study was descriptive based on secondary data derived from the final standing of the superior leagues in the 3 medal winners at world cup in 2010 in South Africa; Spain, Netherland and Germany since 2006-2007 season to 2009-2010 season. The purpose of the study was to examine the changing trend of CB for these best 3 national teams in 2010 world cup since 2006 Germany world cup up to 2010 South Africa world cup. Two models were used to analyze data; C5 and C5ICB - both statistical models to measure CB. These statistical models are often applied in research [7, 11, 17-26] to measure CB. If the number of teams changes, C5 will change too. C5 is efficient whenever leagues have the same number of teams. However, C5ICB is affected by the change in number of teams. In a completely balanced league, 5ICB equals to 100. It is never lower than 100.

The more than 100 it is, the less CB league has. In general, any increase in these two indexes means a reduction in CB and vice versa [7].

RESAULTS

Table 1 shows calculated C5 in leagues of Spain, Netherland and Germany from 2006-2007 to 2009-2010 season.

Table 2 shows calculated C5ICB in leagues of Spain, Netherland and Germany from 2006-2007, to 2009-2010 season.

As seen, the two different methods are giving more or less the same results.

Results of C5 and C5ICB showed that CB has decreased in the leagues in Spain and Netherland since the 2006 world cup and up to the 2010 world cup. However, CB has been stable in Germany during this period.

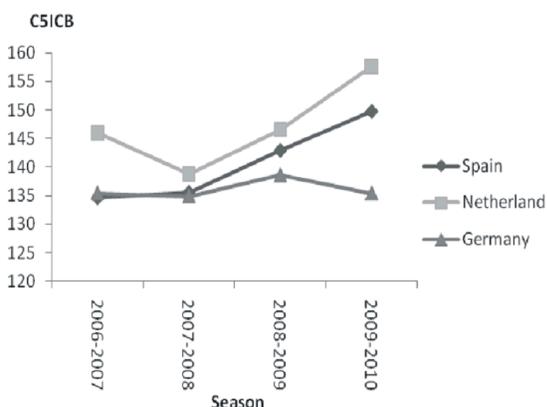As shown in Figure 1, CB is has considerably decreased in Spain and Netherland. Germany had an acceptable CB.

Fig.1:C5ICB in selected leagues

Table 1: C5 in the 3 selected leagues

League	2006-2007	2007-2008	2008-2009	2009-2010
Spain	0.337	0.339	0.357	0.374
Netherland	0.404	0.384	0.406	0.437
Germany	0.375	0.374	0.384	0.375

Table 2: C5ICB in selected leagues

League	2006-2007	2007-2008	2008-2009	2009-2010
Spain	134.7	135.6	142.9	149.7
Netherland	146	138.8	146.6	157.7
Germany	135.4	134.9	138.6	135.4

CONCLUSION

Can one league enjoying more CB support national team well? It was reported reversely about Spanish league. Spain won world cup when had the lowest balanced league among three leagues in this study. Barcelona and Real Madrid, 2 best teams in Spain, had a great difference of score in comparison with others in Spanish league. But, it is prominent that 10 main players of national team belong to these 2 teams resulting in a high strength and coordinate for national team.

The income generated from UCL and UEFA for the best teams in the Big 5 leagues is very important. Spain, as 1st team in 2010 world cup, is the 1st in the UEFA leagues too, Holland, as 2ed team in world cup, is the 6th in UEFA and Germany, as 3rd, is the 3rd in UEFA. So, these leagues can also support a strong national team. The only one lagging is England. But, CB is not important for supporting a strong national team. The only country supporting this part of the theory is Germany and the eason for this might be that the income of the German league is distributed much more even than for the other leagues in Big 5 [8].

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