

THE FOOTBALL TRANSFER MARKET: TOWARDS SUSTAINABLE PRACTICES

Author:
Bastiaan Smilde

email:
bastiaansmilde@hotmail.com

Co-authors:
Tom Bason

University:
Coventry University

Faculty:
Sport Business Management

Methodology, research design and data analysis
This study uses quantitative data on the striker transfers in the UK Premier League over the 2007-2008 season. Information is gathered on the relative on-field value of the player over the course of the preceding seasons, neutralizing the effects of playing for a successful team that for example provides more goal scoring opportunities. Twelve strikers have been taken out of the database for practical reasons, the remaining 35 players are assessed on the following attributes: appearances, minutes per goal, percentage of team goals, price per goal, assists, and individual awards. Points between +5 and -5 have been awarded to each player for every attribute, developing a ranking for player's on-field value. These statistics have been compared with the purchase prices, providing the opportunity to position every transfer within a BCG matrix (for a detailed description of this methodology: see Smith, 2002). Conclusions are drawn on the basis of this matrix: a vast sum of players within the high-cost / low-value segment will give support to the research question posed.

Results and implications

We see an interesting dichotomy in our preliminary results. Roque Santa Cruz cost Blackburn Rovers £4.4 million and has scored 25.6% of the team goals over two seasons (£191,000 per goal), whereas John Utaka cost Portsmouth £8.8 million and has only scored 6.7% of the total team goals within a three season period (£1.1 million per goal). It has to be taken into consideration that part of a player's transfer fee is determined by his commercial value, but in terms of on-field performance many players have not justified their price. An implication of this research is that clubs have to reconsider its practices in light of the financial fair play regulations that UEFA is about to implement from the 2012-2013 season on. Overspending on players is not allowed since that season, and therefore clubs are more constrained to making the right choices when buying new playing talent. We suspect that the future transfer market will show more considerate practices.

Abstract

Research aim and preliminary research question
The aim of this research is to find evidence for the hypothesis that football clubs overestimate the on-field value of football players when they buy them on the transfer market, despite the potential commercial worth these players possess. More specifically, in many cases a player's on-field performance is disproportional to the financial consequences of the transfer. A database of the all the central attackers that have moved towards or within the UK Premier League in the 2007-2008 season is assembled and analyzed on the basis of a number of performance attributes. An alternative BCG matrix is used to answer the research question: Do strikers generally justify the transfer fee that is being paid for them?

Theoretical background

Despite the vast sums of money being spent on football players, there is little theory being written on the process. The most notable piece of work is 'Moneyball: The Art of Winning an Unfair Game', which, using sabermetrics, looks at the opportunities available to baseball managers looking to sign unheralded players (Lewis, 2003). This theory has been expanded to football, with the rise of Olympique Lyonnais being attributed to it (Kuper & Szymanski, 2009). It has also been noted that the new transfer regulations hinder the smaller clubs, giving larger clubs an advantage in the transfer market (Camatsos, 2005), enabling them to sign the more expensive and, in theory, better players.

References:

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