
ECONOMIC ANALYSIS OF THE BRAZILIAN STATE CHAMPIONSHIP

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Abstract

INTRODUCTION

Only few researchers have yet demonstrated any interest in the study of the Brazilian football. It is remarkable that the Brazilian's sports calendar is different from those of European countries. The teams compete on the League, the National Cup and on continental tournaments. However, there are also the State Championships, which have already been the main competitions in the country, for over 50 years. These championships are disputed by clubs from the same state, but from different national divisions. The greatest attractions of these tournaments are the matches between traditionally big rivals, but they have been facing a loss of interest from clubs and fans nowadays. The press has proposed alternatives to drive more attention, such as changes in the model of the competition, a decrease on the number of participant clubs, the removal of the largest clubs, among others. However, no one has ever proposed a deeper investigation on the issue before the decision-making process. Thus, the present study aims to investigate the subject, approaching the issue through an economic perspective.

STUDY FOCUS

By the definition of DeJongh, van Hoof, Lagae & Verschueren (2010) for the Netherlands and Belgium, and Crolley & Roa (2010) for Mexico, Brazil could also be stated as an established market in football. Its clubs have had international success in the past, likewise the Europeans, but there is still an urge for further professionalization. Besides, it is possible to identify a serious problem: the organizational structure. Therefore, the increasing loss of interest in state championships could be justifiable. In Brazil, 85% of the 684 professional clubs spend six months without playing a singlematch, as they play only on State Championships and those are disputed exclusively during the first half of the year. Therefore,

investigating the economic situation in the state tournaments could generate conclusions for a better organization of these Brazilian competitions.

METHODS, RESEARCH DESIGN AND DATA ANALYSIS

This study uses an exploratory empirical-analytical method. The data analyzed derives from three Brazilian State Championships (Rio de Janeiro, Sao Paulo and Mineiro) of the season of 2013. Each tournament has its different competition model and number of participants. As a whole, the study comprises 400 matches from 48 clubs. There was a regression conducted, in which the normal logarithm of incomes serves as a dependent variable, explained with the attendance of each game, the average price of the entry, the type of match played, the home-team, the away-team and the expenditure with the match. To investigate the kind of matches and the influence of the biggest teams on the matches we used Dummy variables. The definition of a big club has been made by analyzing their tradition in Brazil and considering those that have won at least one title in the League. Furthermore, we have done the Spearman's correlation between the financial results for the matches, the kind of game, the home and away clubs.

PRELIMINARY RESULTS AND DISCUSSION

As a result of the study, we have seen that the adopted model explained 96.3 % of the income of the clubs in the tournaments investigated. As expected, the variable with the most influence on the income was the match attendance. The expenditure with the game also had a high coefficient of correlation with the income and with the attendance, a fact that highlights that the matches with the most attendance have more revenue, but the costs involved are also higher. The financial results have presented statistically positive correlations with the playoffs and negative correlations with regular season matches, a situation confirmed by Krautmann & Ciecka (2009), which asserted an improvement of \$11 million in the revenue of the teams that have reached the playoffs on the MLB. Lee & Fort (2008) show, in their work, a significant statistical growth on the attendance of the playoffs. Moreover, we have found positive statistical correlation between the financial performance and the presence of big teams playing as local and visitors. In addition, the coefficient is highest when they play as visitors. The results of this work allows us to infer that there should be more decisive matches and that the big teams should play more often as visitors, because these are the matches which enhance the financial results. Further studies could be used to evaluate different variables, as well as other state championships and more seasons.

References

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