

EXAMINING SPECTATOR ATTENDANCE: A COMPARISON OF MAJOR
LEAGUE SOCCER TO OTHER SELECTED PROFESSIONAL SPORTS LEAGUES

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ABSTRACT

EXAMINING SPECTATOR ATTENDANCE: A COMPARISON OF MAJOR LEAGUE SOCCER TO OTHER SELECTED PROFESSIONAL SPORTS LEAGUES

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Spectator attendance is a significant indicator of the success of a professional sports league. There are many different factors that can potentially impact spectator attendance rates, including competitive balance, star players, and the stadiums being used. The impacts of these factors on spectator attendance rates differ in various professional sports leagues. Major League Soccer (MLS) started in 1996, and has emphasized creating higher spectator attendance rates. Information on spectator attendance was gathered using a best practices comparison guide. Findings of this study showed that star players positively impact attendance in the MLS and strategies put in place for creating high competitive balance in the MLS are working. This study recommends that the MLS continue to use the strategies regarding competitive balance, and that they allow for the addition of one more start player per team. The purpose of this study was to examine spectator attendance strategies for major professional sports leagues in an effort to assess and improve the strategies employed and adopted by the MLS.

Keywords: Major League Soccer, spectator, attendance, competitive balance, star player, stadium

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Chapter 1

INTRODUCTION AND REVIEW OF LITERATURE

Background of Study

Major League Soccer (MLS) has historically struggled to keep up with the high spectator attendance rates of other major professional sports leagues, such as the English Premier League (EPL), the German Bundesliga, the National Basketball Association (NBA), the National Football League (NFL), and Major League Baseball (MLB). Parrish (2013) stated that ticket sales are one of the most significant factors in making profit for sport organizations. With this being the case, the MLS has emphasized creating higher spectator attendance rates and ticket sales using different methods and strategies since its start in 1996. MLS spectator attendance rates have primarily gone up since its inaugural season in 1996. Although the inaugural season attendance average was 17,406, which is one of the highest season averages, the following year it dropped to 14,619, and remained relatively close to that number for the next several seasons (Miller & Washington, 2012). With the most recent 2013 MLS season average attendance being 18,611 (Botta & Karp, 2013), Major League Soccer attendance rates have risen, but are still inferior to other major sports leagues, possibly due to how much longer other leagues have been around. This being said, there are vast differences in other major professional sports leagues compared to the MLS in terms of rules, regulations, stadiums, and formats of how the leagues work. The MLS has taken aspects from both popular European soccer leagues and other major American sports leagues to try and create higher spectator attendance rates.

With spectator attendance being an important part of a leagues' success, it is imperative for the MLS to use different methods and strategies in an attempt to increase spectator attendance rates. The purpose of this study was to examine spectator attendance strategies for major professional sports leagues in an effort to assess and improve the strategies employed and adopted by the MLS.

Review of Literature

Research for this review of literature was conducted at Robert E. Kennedy Library on the campus of California Polytechnic State University, San Luis Obispo. In addition to books and other resources, the following online databases were utilized: SPORTDiscus, PsycINFO, and Google Scholar. In this review of literature, the topics of spectator attendance in different major sports leagues, as well as different methods and strategies being used to gain higher spectator attendance rates will be discussed. The overview of spectator attendance will include information on both American sports leagues as well as European sports leagues. Background information about factors and motives that create higher spectator attendance in sports leagues will be discussed.

Spectator attendance is an important part of the success of a professional sports league. Different major professional sports leagues use different methods and strategies in an effort to raise attendance rates. Common factors that are believed to impact spectator attendance rates are the competitive balance of a league, the existence of star players in a game, and the age and type of the stadium being used (Berri, Schmidt, & Brook, 2004; Levin & McDonald, 2006; Feddersen & Maennig, 2008; Borooah & Mangan, 2011).

According to Levin and McDonald (2006), “Certainly fans enjoy seeing their team win, but they also enjoy the excitement of a close game, where the opponents are evenly matched” (p. 10). This parity of teams in a league is known as competitive balance. Major American sports leagues utilize different methods in order to keep the competitive balance. These methods include the reserve clause, the rookie draft, payroll caps, salary caps, revenue sharing, and luxury taxes (Berri et al., 2004). These rules and regulations are put in place to try and prevent teams from dominating and losing the competitive balance in a league. Welki and Zlatoper (1999) found in their study of the NFL that games that are expected to be close in score are more highly attended than those that are not.

The MLB, unlike most of the other major professional American sports leagues does not have a salary cap, but instead employs a luxury tax. The existence of a luxury tax results in a vast disparity of MLB team player payrolls. Hall, Szymanski, and Zimbalist (2002) stated that in 1999 the difference in revenue between the leagues richest and poorest team was \$164 million dollars, with the New York Yankees operating on revenues of \$176 million and the Montreal Expos operating on just \$12 million. However, according to Berri and Schmidt (2001), the widening gap of spending habits between rich and poor teams has not yet significantly affected the competitive balance of the league. This finding differs from Hall et al. (2002) who found in a study that, since 1995, there was a positive correlation of team payroll and team performance in terms of wins and losses.

In comparison to American professional sports leagues, European soccer leagues have little to no regulations in regards to competitive balance. While looking at the EPL compared to the MLB, Hall et al. (2002) stated:

Restrictive agreements that limit player spending, player mobility, roster sizes, the right to trade players, and so forth have made it less likely that teams can fully use their financial muscle to buy success in baseball. The absence of any of these restrictions in English soccer make it more likely that teams can buy success. (p. 166)

The EPL has a low competitive balance, yet is one of the most popular sports leagues in the world. The disparity in the EPL is explained by the differences in team spending. Hall et al. (2002) found in their study of the relationship between player spending and performance that a team participating in the EPL that spends only 50% of the average would expect to achieve a winning percentage of .423, whereas a team spending 50% more than the average would expect to achieve a winning percentage of .614. Borooah and Mangan (2012) explain the success and popularity of the EPL, despite having a low competitive balance, by stating that currently the EPL is split into three separate non-competing groups of teams: the top five teams that are competing to win the league and to play in top-level European tournaments, the group of teams that are competing to get to play in lesser European competitions, and the group of teams that are just aiming to stay in the league and not get relegated. These different groups are present because of the existence of a relegation and promotion system in the EPL. A relegation and promotion system means that at the end of the season the top three teams from one division below

the EPL get promoted and participate in the EPL the following season, whereas the bottom three teams in the EPL get relegated to the division below the EPL.

Another potential aspect that impacts spectator attendance is the existence of a star player on one of the performing teams. The results of different studies on this subject, however, show differing results in different sports leagues. Berri et al. (2004) found in their study regarding the impact of star players on NBA spectator attendance that the existence of star players did not positively impact gate revenue in and of itself. Instead, it was the star players ability to help the team that they play on win that impacted gate revenue, showing that the teams probability of winning was the primary factor in attracting fans. However, a later study by Berri and Schmidt (2006) found that the existence of a star player positively impacts the spectator attendance and gate revenues while playing away games. In other words, a star player in the NBA makes more of a difference in away game spectator attendance rather than their home game spectator attendance. In a study of the MLB, Rivers and DeSchraver (2002) found that the existence of players that were considered stars in the previous season, as well as the previous five seasons, had no impact on attendance. This differs from Brandes, Franck, and Nüesch (2007), who found that in the case of the German Bundesliga, star players do have a statistically significant impact on both home and away attendance. In a study regarding star players impacts on MLS spectator attendance, it was found that league matches involving multiple star players were, on average, attended by at least 2,565 more spectators than league matches in which no star players were present (Parrish, 2013).

When researching spectator attendance in sports leagues, the stadium in which a team plays is a factor in all sports. Sport organizations and management will often build

new stadiums with the hopes of raising game attendance. Howard and Crompton (2003) found in their study of the effect of new stadiums on attendance in all four of the Major sports leagues in the United States, which are the NBA, the MLB, the NFL, and the National Hockey League (NHL), that there is an average increase in spectator attendance of 22.2% during the stadiums first year of operation. However, 63% of the teams moving stadiums experienced a decline in spectator attendance between the first year and second year of the stadiums operation. According to Leadley and Zygmunt (2005) “The initial increase in attendance demand for a new basketball arena is approximately 15% to 20%” (p. 217). However, they also founds in regards to NBA arenas, spectator attendance will increase through the first four years of opening a new stadium, after the fourth year that effect will start to decrease, and by the tenth year it will have gone away. This short-lived spike in spectator attendance due to the opening of a new venue is known as the stadium “novelty effect”. Clapp and Hakes (2005) stated with regards to the MLB, “a new stadium results in increased attendance in and of itself, likely caused by casual fans attending baseball games after a stadium is built to see the new ballpark and enjoy its amenities” (p. 259). Going along with the “novelty effect”, Rivers and DeSchriver (2002) found that a newly built MLB stadium will increase attendance about three times more in the first year of opening compared to the second through fifth year of opening. Feddersen and Maennig (2008) found in their study of the type of stadiums effect on spectator attendance that a “novelty effect” of having a new stadium does exist in the German Bundelsiga. It was concluded by Feddersen and Maennig that, “A newly built or renovated stadium leads to a novelty effect of around 2,150 spectators per game” (p. 188).

Another issue concerning stadiums and spectator attendance, particularly in the sport of soccer, is whether a stadium is built as a one-sport facility or if it is a multifunctional stadium. This issue exists both in professional European soccer as well as the MLS. Many stadiums in Europe that are used as home stadiums for soccer teams are also used for events such as track and field, and therefore have a track surrounding the field. In the MLS, it is not uncommon for a team to use a NFL or MLB stadium for their home matches. Parrish (2013) stated:

Since 1999, MLS and its member clubs have sought to leave the confines of existing large football/baseball stadiums and are continuing to aggressively seek avenues to finance and develop intimate soccer specific venues. (p. 66)

However, Parrish did not find any evidence in his study to support the idea that soccer specific stadiums increase spectator attendance rates. The case of the Columbus Crew was looked at as an example. The Columbus Crew was the first franchise to open a soccer specific stadium in 1999. Originally, it was a success, averaging spectator attendance rates of over 22,000 spectators per match for the first year of operation. However, this number started to decline, and during the 2011 season, the Columbus Crew only was only averaging 12,185 spectators per match. These findings differ from those of the German Bundesliga. Feddersen and Maennig (2008) found that in the German Bundesliga a total of 49 teams participated in the league between the 1963-1964 season to the 2005-2006 season. During this time period, 14 of the 49 total teams had home venues that were soccer specific stadiums during all seasons, 20 teams used multifunctional stadiums during all seasons, 13 teams changed from multifunctional to soccer specific stadiums, and 2 teams changed from soccer specific to multifunctional

and then back to soccer specific. In the German Bundesliga, there is a statistically significant difference in soccer specific stadiums versus multifunctional stadiums with regards to spectator attendance. Soccer specific stadiums generated 2,773 more spectators per game on average than multifunctional stadiums.

Purpose of the Study

The purpose of this study was to examine spectator attendance strategies for major professional sports leagues in an effort to assess and improve the strategies employed and adopted by Major League Soccer.

Research Questions

This study attempted to answer the following research questions:

1. Do the selected professional sports leagues around the world have different methods and strategies for gaining attendance?
2. How does competitive balance impact attendance rates of selected leagues versus the MLS?
3. How does the age of the stadium impact attendance rates of selected leagues versus the MLS?
4. How does the type of stadium impact attendance rates of selected leagues versus the MLS?
5. How does the existence of star players impact the attendance rates of selected leagues versus the MLS?

Delimitations

This study was delimited to the following parameters:

1. Information on soccer attendance was gathered from league officials and statistical analysis of different sports leagues.
2. Different methods, rules, and stadium types of different soccer leagues were analyzed.
3. The data were collected during Winter of 2014.
4. Information for this study was gathered using a best practices comparison guide.

Chapter 2

METHODS

The purpose of this study was to examine spectator attendance strategies for major professional sports leagues in an effort to assess and improve the strategies employed and adopted by Major League Soccer. This chapter includes the following sections: description of context, description of instrument, and description of procedures.

Description of Context

A comparison best practices study of Major League Soccer (MLS) spectator attendances versus the English Premier League (EPL), the German Bundesliga, the National Basketball Association (NBA), the National Football League (NFL), and Major League Baseball (MLB) was conducted. The MLS is the highest-level soccer league in the United States. It first started in 1996. In its inaugural season there were ten teams, and it has currently grown to 19 teams in 2014 (MLS Soccer, n.d.). The MLS is split into the Eastern Conference and the Western Conference. Unlike many other professional soccer leagues, the MLS does not employ a relegation and promotion structure. The MLS uses a playoff system in which the top five teams from each conference qualify. The first round is a single elimination game between the fourth and fifth place teams. The following rounds are two-game series, with the exception of the final (called the MLS Cup Finals), which is single elimination. Since its first season in 1996, 12 teams have appeared in the MLS Cup Finals, with 10 different winners (MLS Soccer). There are only seven teams to

have not made an MLS Cup Finals appearance, and of those seven teams, five are expansion teams that have played five seasons or less in the league. Nineteen of the 18 teams in the league have made playoff appearances. MLS competes against many other professional sports leagues in the United States, primarily the NBA, NFL, MLB, and the National Hockey League (NHL). In comparison to those leagues, the MLS is very new, having been around for much less time than the aforementioned professional sports leagues. The MLS is also competing on a global scale for viewership and popularity against soccer leagues all around the world. The most popular soccer leagues in the world are in Europe. This includes the German Bundesliga, which has been around since 1963-1964, and the EPL, which in its current form has only been around since 1992, but professional soccer in England has been prevalent since the late 1800s.

Description of Instrument

The instrument utilized in this study was a best practices comparison guide developed by the researcher (see Appendix A). The instrument was developed for the researcher to find information regarding attendance numbers of a professional sports league. The researcher began by coming up with questions asking what the attendance rate of the league was, what would generate a higher spectator attendance rate, how many teams had won the league in previous seasons, how many teams had made it to the playoffs (if there were playoffs) in previous seasons, and what the league was doing specifically in regards to several different factors impacting spectator attendance. These factors included league rules and regulations, financial restrictions of player payrolls, stadiums, competitive balance, and the existence of star players. These questions allowed

the researcher to document qualitative and quantitative information of a selected professional sports league.

The pilot study was conducted on several other professional leagues, of both soccer and other sports. After the pilot study, several adjustments were made with regard to the questions being asked by the researcher. More specific questions about leagues' financial restrictions were added, as well as more questions regarding the success of teams in previous seasons. These adjustments further allowed the researcher to gather and analyze necessary information about league spectator attendance rates.

Description of Procedures

A comparison best practices study of MLS spectator attendances versus the EPL, German Bundesliga, the NBA, the NFL, and the MLB was conducted. The instrument developed in this study was a comparison best practices guide developed by the researcher. The research for this study started in January, 2014 and completed in February, 2014. The results were analyzed in March 2014. The MLS was systematically analyzed using the instrument. Both qualitative and quantitative information was gathered, and was organized into what the MLS was doing well, and what the MLS needs to improve on in comparison to other leagues.

The results in Chapter 3 will include the selected professional sports leagues spectator attendance numbers, the rules and regulations they employ, the impact of factors such as star players on a leagues spectator attendance rates, and information on the type and age of stadiums being used. This information was accessed and analyzed from the various leagues official websites.

Chapter 3

PRESENTATION OF THE RESULTS

A best practices approach was used to examine the selected leagues: Major League Soccer (MLS), the English Premier League (EPL), the German Bundesliga, the National Basketball Association (NBA), the National Football League (NFL), and Major League Baseball (MLB). This chapter includes the following: relevant background information of the aforementioned leagues, what methods are being used to gain higher spectator attendance rates, and the strategies employed by the selected leagues to raise attendance rates.

Background Information for Selected Professional Sports Leagues

The EPL is the highest-level professional soccer league in England. It is also the oldest professional soccer league in the world. Under various different names, the league has been around since 1888. It was known as the Football League from 1888 until 1992. In 1992 the top 22 teams in the Football League broke off to create the Premier League. In 1995 the Premier League was reduced to 20 teams and has remained like that until today. The EPL is the second highest attendance drawing professional soccer league in the world. The 2012-2013 season average attendance was 35,921 spectators per match. The EPL runs a 38 game season, with each team in the league playing all the other teams in the league twice, once home and once away. The EPL uses a relegation and promotion system between the five-tier pyramid of total leagues in the association. This relegation and promotion system means that at the end of the season the top three teams from the Football Championship (the league one division lower than the EPL) get promoted and

participate in the EPL the following season. The bottom three teams in the EPL get relegated and participate in the Football Championship the following season. This same format is used between all the leagues in professional soccer in England. There is no playoff system in the EPL. The team with the most points at the end of the season is awarded the title. The top four finishing teams are rewarded with playing top-level European competitions the following season. The fifth and sixth place teams are entered into lesser European competitions the following season.

The German Bundesliga is the highest-level professional soccer league in Germany. It has been around since 1963 and currently has 18 teams. It is the most highly attended professional soccer league in the world. The 2012-2013 season averaged 42,622 spectators per match. The German Bundesliga runs a 34-game season, with each team playing all the other teams in the league twice, once home and once away. The German Bundesliga is run on a relatively similar relegation and promotion system as the EPL. The bottom two finishing teams automatically get relegated to the second division in German soccer, called 2. Bundesliga. The top two finishing teams in 2. Bundesliga get promoted to the German Bundesliga automatically as well. The third to last finishing team in the German Bundesliga and the third placed team in 2. Bundesliga have a playoff and the winner gets to play in the German Bundesliga the following season. The top four finishing teams at the end of the season get awarded with playing in top-level European competitions the following season. The fifth and sixth place teams are entered into lesser European competitions the following season.

The NBA is the highest-level professional basketball league in the United States. Its inaugural season was the 1946-1947 season. It currently consists of 30 teams, 29

located in the United States and one in Canada (the Toronto Raptors). Each team plays 82 games in the regular season, 41 home and 41 away. The league is split into the Eastern Conference and Western Conference. Each of the two conferences are split into three divisions. Each team plays the other four teams in their division four times. Each team also plays six of the teams from the other two divisions (but within their conference) four times, and the remaining four teams from the other two divisions (but within their conference) three times. And finally each team plays all the teams in the other conference twice. The winners of each division are entered into the conference playoffs, as well as the team in the conference with the next best record. The playoffs are best of seven elimination tournament among 16 teams (eight from the Eastern Conference and eight from the Western Conference). The NBA Playoff Final is played between the winner of the Eastern Conference playoffs and the winners of the Western Conference Playoffs. During the 2012-2013 season it had a league wide average attendance of 17,348 spectators per game.

The NFL is the highest-level professional football league in the United States. Its inaugural season was in 1920. It currently consists of 32 teams. It is split into two conferences, the National Football Conference, and the American Football Conference. Each conference is split into North, East, South, and West divisions. It has the highest average attendance of any professional sports league in the world (excluding auto racing). In the 2012 season it had a league wide average attendance of 67,579 spectators per game. The NFL has a 17-week regular season, with each team playing 16 games and having one bye week. Each conference sends the four winners of each division and two wild card teams to the playoffs. The NFL playoffs are a single elimination tournament.

The season is wrapped up with the Super Bowl, the final game of the NFL playoffs in which the winner takes the title.

The MLB is the highest-level professional baseball league in the United States. Professional baseball started in the United States as early as 1869, going through different variations and set ups. In 2000, all leagues (the American League, the National League, and Minor Leagues) merged into a single organization. In 2013 the MLB average attendance was 30,504. The MLB consists of 30 teams, and is split into two leagues, the American League and the National League. Each team in the MLB plays 162 regular season games. The top five teams in each division after the regular season advance to a four round postseason tournament, ending with the World Series, a seven-game series between the final two remaining playoff teams.

Competitive Balance

Competitive balance is the equality and parity of teams in a sports league. Competitive balance is an important aspect when considering leagues' spectator attendance rates because spectators are more inclined to attend games where the outcome is unsure. Currently the NBA and NFL have similar strategies for creating parity in the league in terms of the competitive balance. The two leagues have salary caps and rookie drafts that allow the lowest finishing team from the previous season to get the first pick, or opt to make a trade of some sort. The NBA currently employs a salary cap, however, the salary cap in the NBA is a soft cap. This means there are rules in place that allow teams to make exceptions and potentially go over the standard salary cap and player contract rules. The NBA also employs a rookie draft. The draft is set up with a lottery

format. Teams that missed the playoffs in the previous season are put into a lottery process in order to determine draft order. The draft is weighted so that teams with worse records the previous season have a better chance of getting higher draft picks. This lottery format determines the first three picks of the draft, with the rest of the first round draft picks being allocated in reverse order of the teams win-loss record. Since the NBA's inaugural season in 1946-1947, there have been 17 franchises that have won the NBA title. Only seven of the current 30 teams that participate in the league have failed to make it to the NBA Finals. In the last 10 seasons, six different teams have won the title.

The NFL also employs a salary cap, however the NFL uses a hard salary cap, meaning teams have to stay under the salary cap at all times. The NFL also employs a rookie draft. Teams are put in order based on how they did the previous season, with the worst team getting the first pick in the draft. Teams can either draft a player or select to trade their position in the draft for players, draft picks, or a combination of both. Since the NFL took on its current form in the 1966-1967 season there have been 19 different Super Bowl winners. Only four of the 32 current teams have never reached a Super Bowl.

The MLB does not have a salary cap, however it does have what is called a luxury tax. This rule is put in place in an attempt to improve competitive balance. The luxury tax rule taxes teams that spend too much money. In 2014, the threshold for amount of money able to be spent before being punished by the luxury tax will be \$189 million. Teams that spend more than that will be taxed 17.5% of the amount they are over in the first year, 30% for the second consecutive year, 40% for the third consecutive year, and 50% for four or more years over. The MLB also employs a rookie draft, similar to that of the NFL. The draft pick order is determined by where teams finished the previous season,

with the last place team getting the first pick. Compensatory picks may also be awarded to the teams that lost the most free agents during the off-season. Since the MLB started the World Series in 1903, there have been 28 winners, with all but two of the 30 participating teams having made an appearance in the World Series. Although a significant number of participating teams have made appearances in the World Series, the New York Yankees have won substantially more titles than any other teams with 27 titles.

The EPL has less financial restrictions on teams than the professional sports leagues in the United States. The EPL is governed by the Union of European Football Associations (UEFA). UEFA employs a rule called Financial Fair Play, in which teams that spend more money than they make get punished. This rule is put in place in order to encourage big budget teams to spend less money on player wages and player transfer fees. Punishments include prevention of playing in European competitions, fines, player transfer bans, and withholding of prize money. These punishments were announced during the 2011-2012 season, however it remains to be seen if these threatened punishments will be followed through with. The EPL also employs a salary cap of 52 million pounds for player wages. However this cap is only relevant for money coming from television revenue. This allows teams to use income from ticket sales and sponsorship deals to pay higher player wages. The EPL does not employ any sort of draft. Since the EPL took on its current form in 1992, only five of 46 teams that have competed in the league have won the league. In these 21 seasons, Manchester United have won the league 13 times, Arsenal have won the league 3 times, Chelsea have won the league 3 times, and both Blackburn Rovers and Manchester City have won the league one time.

Although the EPL has a low competitive balance because of the way it is structured, with their being rewards and punishments for finishing in either the top four spots, fifth and sixth spot, or in the bottom three positions, there is high competitive balance within these groups.

The German Bundesliga is similar to the EPL in its rules and format with regards to competitive balance. It also is a part of UEFA, hence also employs the Financial Fair Play rule. There is no salary cap in the German Bundesliga, and there is no implementation of any sort of draft. Since the German Bundesliga's inaugural season in 1963-1964, there have only been 12 winners, with one team (FC Bayern Munich), dominating the competition, winning 22 titles out of a possible 49.

Types of Stadiums

With regards to spectator attendance of professional sports leagues, the stadium in which a match is played can have a big impact. The age of a stadium as well as the type of stadium can affect the spectator attendance rates of a team participating in the league. In the EPL, all 20 current home venues are soccer specific stadiums. In general, EPL home venues are quite old. Of the twenty home venues, only six were built within the last 15 years. Ten of the current home venues in the EPL were built over 100 years ago. In the German Bundesliga, results show that soccer specific venues attract more spectators per game than multifunctional stadiums. The distance between a fan and the field, as well as the atmosphere of a stadium, were essential factors for spectator attendance. In recent years many German Bundesliga franchises have either built or renovated their stadium in order to make it soccer specific.

In the NBA, NFL, and MLB all teams have home venues that are specific to their sport and in most cases franchise. They may at times be used for other mega events, but they were built and designed specifically for their respective sport. In the NBA, there are 29 home venues. Every team has their own stadium except for the Los Angeles Lakers and the Los Angeles Clippers, who share a home stadium. Of the 29 venues, 15 of them were built and opened within the last 15 years. In the NFL, there are 31 home venues. Every team has their own stadium except for the New York Giants and the New York Jets, who share a home stadium. Of the 30 home venues, 16 of them were built and opened in the last 15 years. In the MLB, there are 30 home venues, with every team in the league having their own home stadium. Of the 30 home stadiums, 15 of them were built and opened in the last 15 years, and three of them are 50 years old or older.

Star Players

The existence of a star player has differing impacts on spectator attendance of the selected professional sports leagues. The salary cap for the NBA in the current 2013-2014 season is \$58.679 million. The NBA also has designated player rules that allow teams more opportunity to obtain players of high ability and star quality. In the NBA, a designated player is one who was signed as a rookie to a five-year contract, as opposed to being held to the standard four-year contract. Each team can have a maximum of two designated players on their roster, however only one can be a player in which they signed as a designated player. In order to have a second designated player, a team has to sign a player who was under a five-year contract on a different team. The NBA also has the Fifth Year 30% Max Criteria rule, more commonly known as the “Derrick Rose” rule.

This rule states that a player can be eligible to be paid up to 30% of the salary cap if they were voted to two All-Star Games, named to the All-NBA Team twice, or voted MVP of the league. The NBA as well has what is know as the “Larry Bird” rule, which allows teams to exceed the salary cap in order to retain the rights to a player who was already on the team.

In the NFL, the 2013 salary cap was \$120 million dollars, at least 88.8% of which must be spent on player wages and compensation. The luxury tax threshold in the MLB was \$178 million dollars in 2013. The EPL employs a 52 million pound (\$86 million) salary cap, however teams can get around the restrictions put in place and pay higher player wages. The German Bundesliga does not employ a salary cap. The exceptional size of player wages and payrolls in these leagues, as well as rules put in place in order for teams to be allowed to have star players on their team, allow for teams to attract and afford the biggest star in the world in their respective sport.

Chapter 4

DISCUSSION AND CONCLUSIONS

Spectator attendance is a very important factor with regards to the success of a professional sports league, and therefore it is imperative that Major League Soccer (MLS) use different methods and strategies in order to increase spectator attendance rates. This concluding chapter will include the following: a summary of the study, a discussion of the findings, limitations, conclusions based on research questions, implications of the findings, and recommendations for future research.

Summary

Spectator attendance is an important aspect and indicator of success in professional sports leagues. Since the MLS started in 1996, attendance numbers have been growing, but are still currently lower than certain professional European soccer leagues and other professional sports leagues in the United States, such as the German Bundesliga, the National Football League (NFL), and Major League Baseball (MLB), among others. The purpose of this study was to examine the best practices for spectator attendance in selected professional sports leagues, with the intent to provide comparison information helpful to the MLS. Five different organizations were compared to the MLS in this study: the English Premier League (EPL), the German Bundesliga, the National Basketball Association (NBA), the MLB, and the NFL. Competitive balance, existence of star players, and the type of stadium a team plays in are all factors that have an impact on spectator attendance of professional sports leagues.

A best practices comparison guide was developed by the researcher to analyze the different organizational methods and strategies for gaining higher spectator attendance. The instrument made it possible to collect data and information from each organization and compare results between organizations, by providing a system in which to ask and answer questions regarding the leagues spectator attendance numbers, information on a leagues competitive balance, information on the impact of a star player in a league, and information about the type and age of stadiums a league uses. The researcher systematically analyzed the organizations by accessing their websites.

The findings of the study show different leagues to have different methods and strategies in place to gain higher spectator attendance rates. The MLS, NBA, and NFL have similar strategies in terms of the competitive balance aspect. They all have salary cap restrictions, and rookie drafts that are put in place to create parity in the league. The EPL, German Bundesliga, and MLB have less strict salary caps or different financially restrictive rules put in place. The type of stadium also makes a difference in professional sports leagues in terms of spectator attendance rates. The existence of star players as well has different impacts on spectator attendance rates in the selected professional sports leagues.

Discussion

The competitive balance of a league is a crucial aspect in gaining higher spectator attendance rates. The selected leagues have different methods and strategies for creating a competitive and compelling league for spectators to watch. The MLS is currently using similar methods as the NFL and the NBA in terms of competitive balance. In these

organizations there are rules put in place that are meant to balance the quality of the leagues' teams. These rules include salary caps and rookie drafts with the first pick allocated to the team that finished the lowest the previous season. Findings show that these methods and strategies being put in place in the MLS, NBA, and NFL are creating good parity and a good competitive balance in the league.

The EPL and German Bundesliga have a relatively low competitive balance, yet still have very high spectator attendance rates. This is because currently the EPL is split into three separate non-competing groups: the top five teams competing to win the league and play in the top European competitions the group of teams competing to get to play in lesser European competitions and the group of teams aiming to stay in the league and not get relegated to a lower league. This explains the high attendance rates despite the overall low competitive balance. Similarly, in the case of the German Bundesliga, because of European competition rewards and relegation, there is a competition between different subgroups in the league, which explains the low competitive balance yet high attendance rates. This study finds that the MLB also has relatively low competitive balance, because the financial restrictions put on teams are not effective. The difference in competitive balance of the different leagues is apparent and these findings are consistent with most previous literature. Although the EPL, German Bundesliga, and MLB all have very high attendance numbers, because the way the MLS is run (with no relegation and promotion) it is important for the MLS to continue to enforce the rules they have in place with regards to making the league competitively balanced.

The impact of the type of stadium on spectator attendance was also examined in this study. The age of a stadium and whether a stadium is built for a specific sport both

have impacts on spectator attendance in the selected leagues examined in this study. In all of the selected leagues (with the exception of the EPL, which was not examined for this variable because the lack of newly built stadiums) the stadium “novelty effect,” meaning the short-lived spike in spectator attendance due to the opening of a new stadium, was present. Building a new stadium will attract more fans, however this immediate spectator attendance surge of the first year will not last. This is consistent with findings in previous literature.

The impact of soccer specific stadiums was also examined in this study. It was only a relevant factor in the German Bundesliga and the MLS, as a vast majority of stadiums in the EPL, MLB, NBA, and NFL are stadiums built specifically for their respective sport. Results show different impacts of soccer specific stadiums in the Bundesliga compared to the MLS.

In the German Bundesliga, there is an enduring impact on spectator attendance increases in newly built or renovated soccer specific stadiums compared to multifunctional stadiums. In the MLS there was no evidence found to support the theory that soccer specific stadiums increase spectator attendance rates other than the short-lived “novelty effect” of a new stadium starting operation. The lack of empirical evidence is consistent with previous literature. There is an assumption that soccer specific stadiums would boost spectator attendance in the MLS, however Parrish (2013) is the only study on the impacts of soccer specific stadiums on spectator attendance in the MLS, which found no evidence that soccer specific stadiums generated higher spectator attendance rates.

In the MLS many teams have recently either built or have plans in the near future to build new soccer specific stadiums. Although there is no evidence that soccer specific stadiums create a long lasting spectator attendance boost in the MLS, it is important to also look at evidence from the German Bundesliga. Studies on the German Bundesliga have shown that soccer specific stadiums create a lasting increase in spectator attendance. Because the MLS is a very young league, and all of the soccer specific stadiums are even younger (with the oldest one being opened in 1999), it is difficult to draw conclusions on the long lasting impact of attendance changes with regards to the type of stadium. Feddersen and Maennig (2008) conducted a study on the effect of soccer specific stadiums in the German Bundesliga. Information collected for this study reaches back from 1963 until 2006. This is a significantly longer time period than that of any study done on the impact of stadiums in the MLS, because the MLS has only been around since 1996. Findings from the German Bundesliga show that there is an enduring increase in spectator attendance when playing in soccer specific stadiums. Based on these long-term results from the German Bundesliga, it may be suggested that if the MLS wants to aspire to have successful and increasing spectator attendance numbers, MLS team owners and franchises should continue to consider investment in soccer specific venues. This will not only create an immediate surge in spectator attendance due to the “novelty effect,” but may also continue to attract more fans and raise spectator attendance rates in the long run, as shown by the case of the German Bundesliga. This recommendation to continue to build soccer specific stadiums differs from those of Parrish (2013).

When looking at the impact of star players on spectator attendance, there are differing results for the selected leagues. Findings reveal that the existence of star players

in the MLB do not directly have an impact on raising spectator attendance rates if the star players are not contributing to an increase in the teams' performance (Rivers & DeSchraver, 2002). Similarly, in the NFL it was found that the quality of the team as a whole impacts spectator attendance rates more than the mere existence of a star player (Welki & Zlatoper, 1999). In the NBA, it was shown that the existence of star players has a greater impact on spectator attendance rates while playing away games, as opposed to home games (Berri & Schmidt, 2006). That being said, it was also found in the NBA that, similarly to the MLB and NFL, the teams' performance as a whole impacts spectator attendance rates more than the existence of star players (Berri et al., 2004). However, in the German Bundesliga there is evidence that the existence of a star player enhances spectator attendance for the league. In the MLS, the existence of star players boosts attendance as well. These findings are consistent with previous literature.

Apart from the MLS, the selected leagues from the United States examined in this study showed little to no evidence for the existence of star players raising spectator attendance. The MLS is different in that the existence of star players does in fact significantly boost spectator attendance rates. Therefore the implementation of the Designated Player Rule is an important rule in raising spectator attendance numbers. It is key that MLS officials continue to make an effort to get more star players in the league, while continuing to maintain the competitive balance of the league.

Due to the best practices approach, this study was limited to online research only. Because of this, no information was gathered via any other avenues, which may have lessened the quality and quantity of data collected. Another possible limitation was that because there are a vast number of variables that could potentially impact spectator

attendance, only specific selected variables were considered. Variables such as ticket price, game-day weather, franchise market size, and others were not considered, but could have potential impacts on spectator attendance of sports leagues. Similarly, there are a vast number of professional sports leagues in the world, but this study was limited to the best practices of six leagues overall. The impact of variables on leagues other than the selected leagues for this study could have useful information, but were not considered.

Through this study of selected professional sports leagues, the researcher examined spectator attendance best practices with intent to provide comparison information helpful to the MLS. Spectator attendance is a significant factor in terms of professional sports leagues' success and profit, and is considered by all professional sports leagues. Every league has some sort of method and strategy employed in an attempt to gain higher spectator attendance rates. The study showed that the impacts on spectator attendance of various factors differed among the selected leagues. The MLS is a unique league, being structured similarly to other professional sports leagues in the United States as opposed to other major soccer leagues around the world. For this reason, it is imperative and beneficial that the MLS look at various types of successful professional sports leagues around the world, and implement certain aspects of each league with regards to spectator attendance.

Conclusions

Based on the findings of this study, the following conclusions are drawn:

1. The selected professional sports leagues have methods and strategies that are put in place in order to gain higher attendance rates.
2. The NBA, NFL, and MLS all rely on high league-wide competitive balance and parity among teams in the league for higher spectator attendance rates, whereas the MLB, EPL, and German Bundesliga all have relatively low competitive balance.
3. In all selected leagues, when a team starts playing in a new stadium there is an immediate, yet short-lived, boost in spectator attendance.
4. Evidence shows no support that soccer specific stadiums in MLS generate long-lasting spectator attendance boosts, however in the German Bundesliga there is evidence (from a much longer sample period) showing there is an enduring increase in spectator attendance for teams playing in soccer specific stadiums.
5. Star players in the MLB, NFL, and NBA primarily impact spectator attendance if they are raising the level of team performance, however in the German Bundesliga as well as the MLS the existence of star players in a game raise the spectator attendance.

Recommendations

Based on the conclusions of this study, the following recommendations are made:

1. The MLS should continue to implement rules that are put in place to create high competitive balance.
2. The MLS should raise the number of Designated Players allowed on a team from three to four because there is evidence to show that the existence of star players raises attendance in the league.
3. MLS owners and franchises should continue to consider building soccer specific stadiums.
4. Future research should examine greater number of organizations, including organizations that are not considered to be the top in the world.
5. Future research should examine variables such as franchise market demographics, game-day weather, and ticket prices.

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APPENDIXES

Appendix A

Instrument

1. What are the organizations current attendance numbers like?
2. How many teams play in the league?
3. What is the format and structure of the league?
4. What factors lead to higher attendance rates for the organization?
5. What is the organization doing to create a more equal competitive balance?
6. Does the league have some sort of financial restrictions of player payrolls?
7. What is the organizations salary cap number if they have one?
8. How many different teams have won the competition in the last 10 seasons?
9. How does the existence of star players affect match attendance of the organization?
10. What types of stadiums are the organizations using and how are they affecting attendance rates?