

Policy Brief: An Examination of the Top 100 Most Expensive Football Transfers

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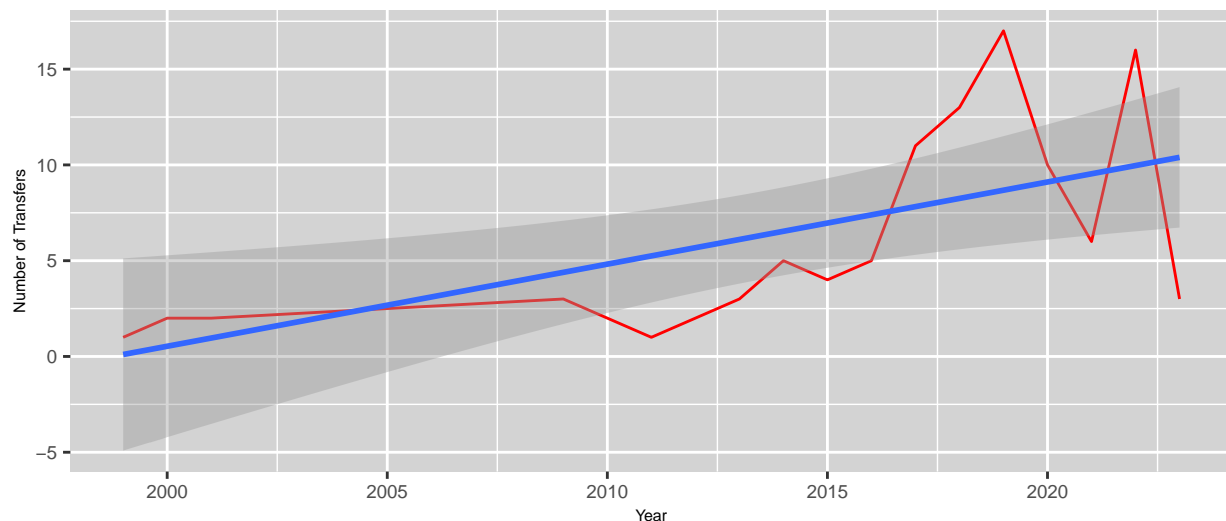
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Executive summary:

Football, often known as soccer, has risen in popularity in recent years, thanks to events such as the 2018 World Cup and major announcements such as North America hosting the 2026 World Cup. The UEFA Champions League, an international professional soccer competition, on the other hand, has also contributed to the growth of football, with its success and popularity boosting demand for top-level players. This policy brief examines the impact of the Champions League on the global football industry, with a focus on how the competition influences and drives demand for elite players. The Champions League has become a major motivator of player transfers and spending in the football industry, with teams investing heavily in top-tier talent in order to improve their chances of winning the prestigious competition. This policy brief aims to give industry stakeholders with insights and ideas in order to optimize the benefits of the Champions League and continue the worldwide growth of football.

FIG 1: Annual Number of Football Transfers



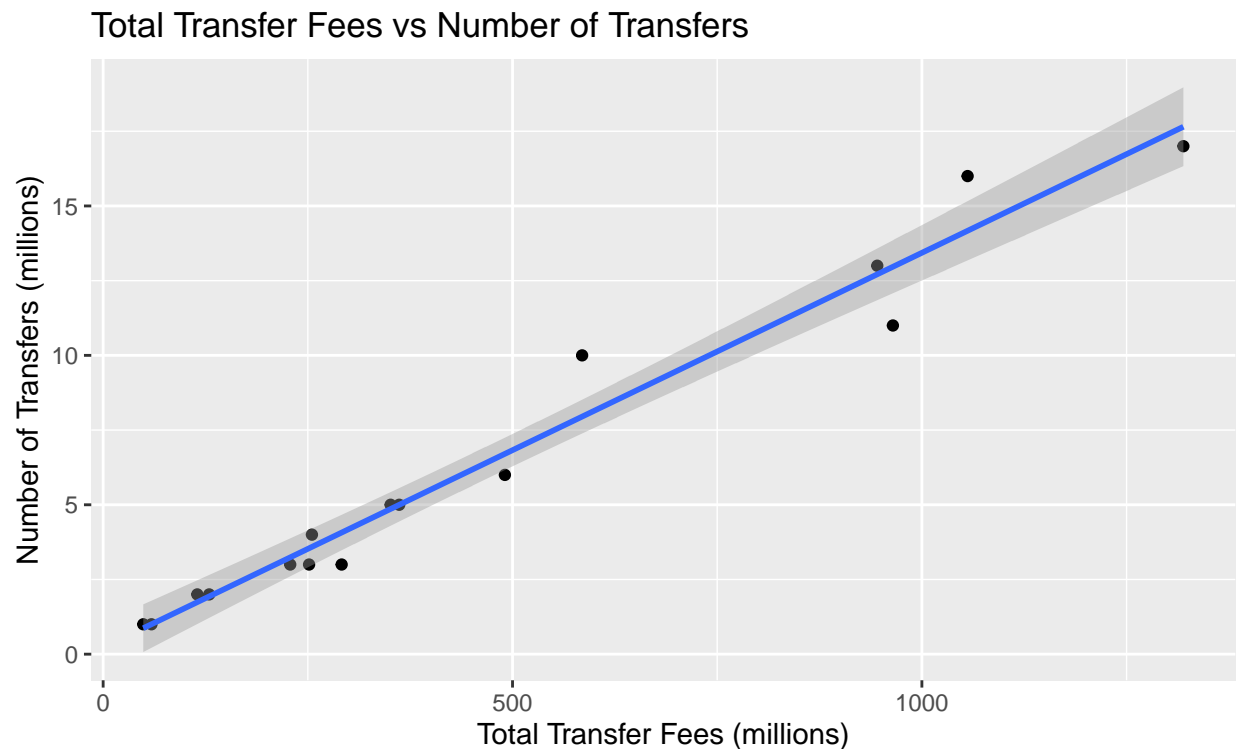
Overview:

Football is a global sport that continues to captivate fans and enthusiasts all around the world. The graph shows a clear upward trend in the number of player transfers per year, indicating an increasing demand for high-level soccer players. As a result, massive investments and player transfers have become routine in the football industry, with teams striving to better their chances of winning the prestigious Champions League event.

Total transfer fees have a positive impact on the number of soccer transfers: A regression analysis of European soccer transfer data:

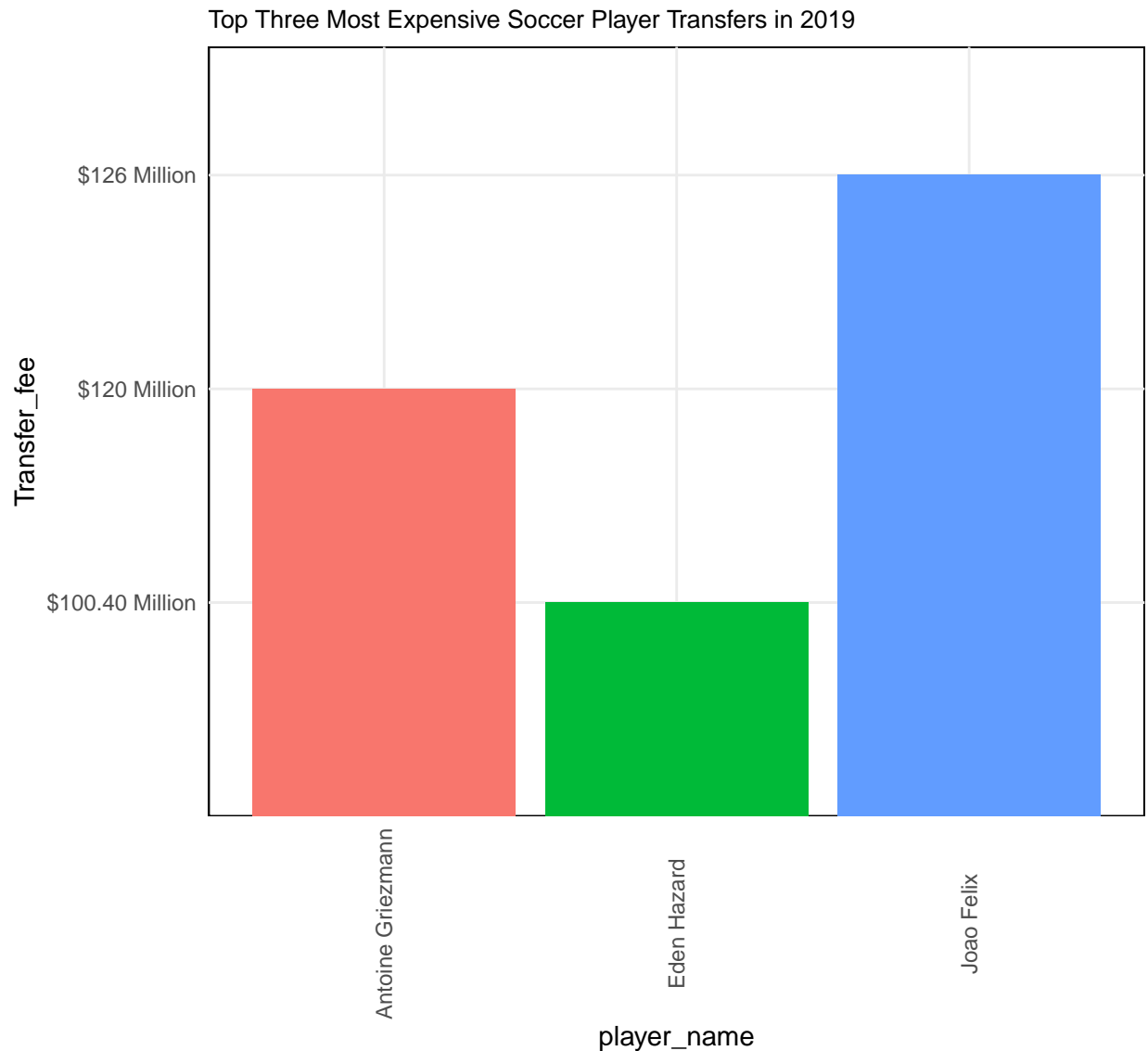
```
# Perform a linear regression to determine the relationship between total transfer fees and the number
lm_model =lm(number_transfers ~ Total_Transfer_Fee, data = soccer_regression_group)
summary(lm_model)
```

```
##
## Call:
## lm(formula = number_transfers ~ Total_Transfer_Fee, data = soccer_regression_group)
##
## Residuals:
##      Min       1Q   Median       3Q      Max
## -1.96428 -0.57102  0.03429  0.26614  2.04993
##
## Coefficients:
##              Estimate Std. Error t value Pr(>|t|)
## (Intercept)    0.2220235  0.3962615     0.56   0.584
## Total_Transfer_Fee 0.0132099  0.0006571    20.10 1e-11 ***
## ---
## Signif. codes:  0 '***' 0.001 '**' 0.01 '*' 0.05 '.' 0.1 ' ' 1
##
## Residual standard error: 1.007 on 14 degrees of freedom
## Multiple R-squared:  0.9665, Adjusted R-squared:  0.9641
## F-statistic: 404.1 on 1 and 14 DF, p-value: 1.003e-11
```



According to my understanding, there is a strong positive relationship between the Total_Transfer_Fee and the number of transfers. In other words, as the Total_Transfer_Fee increases, so will the number of transfers.

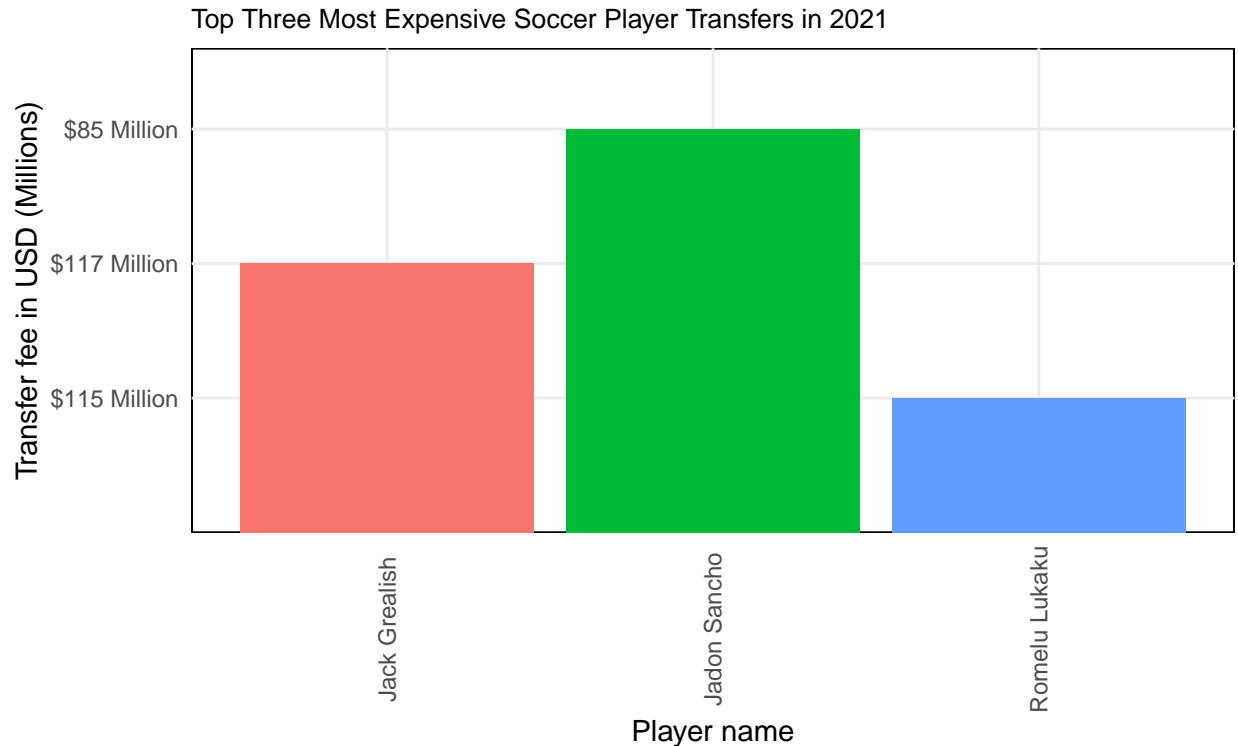
Analyzing the Top Three Most Expensive Soccer Player Transfers in 2019 and 2021



What are some of the factors that have been identified as crucial in influencing transfer fees for soccer players in 2019?

According to the amount of transactions by year, 2019 appears to be the most active year, with at least 17 transactions. Furthermore, it was the year with the biggest transfer expenses. The graph above displays the top three soccer signings in terms of transfer fees in 2019. Transfer fees are displayed in millions of US dollars. The highest transfer fee paid was \$126 million for Joao Felix, followed by \$120 million for Antoine Griezmann and \$100.40 million for Eden Hazard.

But what truly affected these transfer prices? In my perspective, it was after the 2018 World Cup, when most players like as Antoine Griezmann, Eden Hazard, and others performed wonderfully for their respective teams. Because of these factors, the buying club's focus was on the player's current form and ability, age, and market value after the World Cup. The financial strength of the buying club, as well as the length of the player's current contract with their current club, influenced the transfer market in 2019.



As seen by the line graph, the number of transfers decreased dramatically in 2021, from 17 to 6. According to the graph above, the top three most expensive soccer player transfers in the year 2021 are Antony, who was transferred for \$117 million, Romelu Lukaku, who was transferred for \$115 million, and Jadon Sancho, who was transferred for \$85 million.

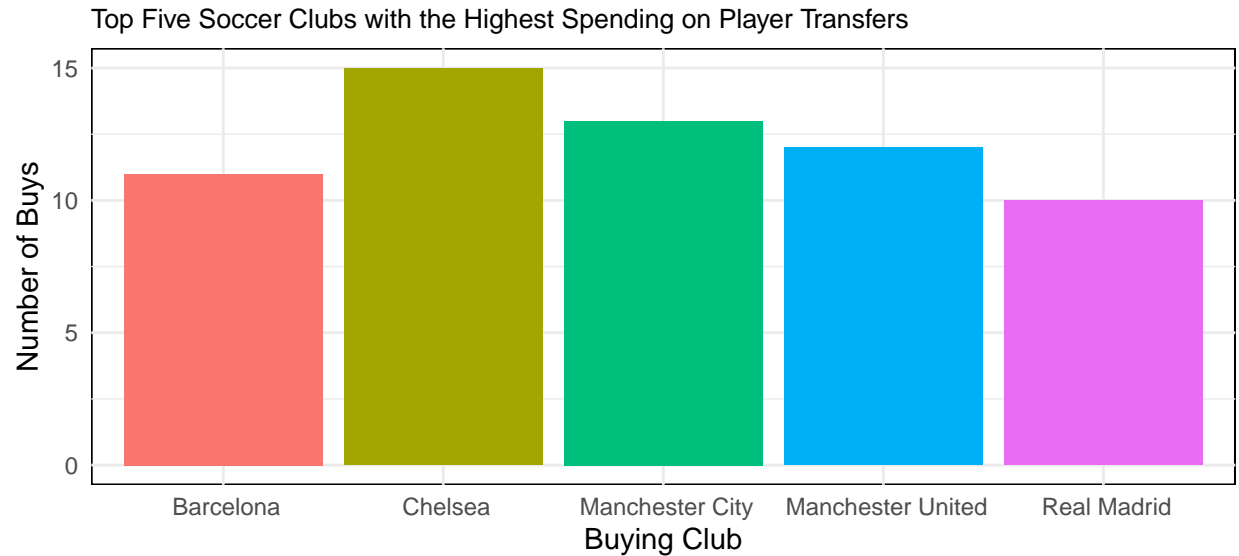
What do you think contributed to the decrease in soccer transfers in 2021?

As is generally known, the 2021 impacted numerous industries, including the transfer market. As a result, I believe that the COVID-19 outbreak is one of the factors that may have led to the huge fall in the number of soccer transfers in 2021. The pandemic's impact on the global economy and soccer industry, which caused financial problems for several teams and caution in putting money on transfers.

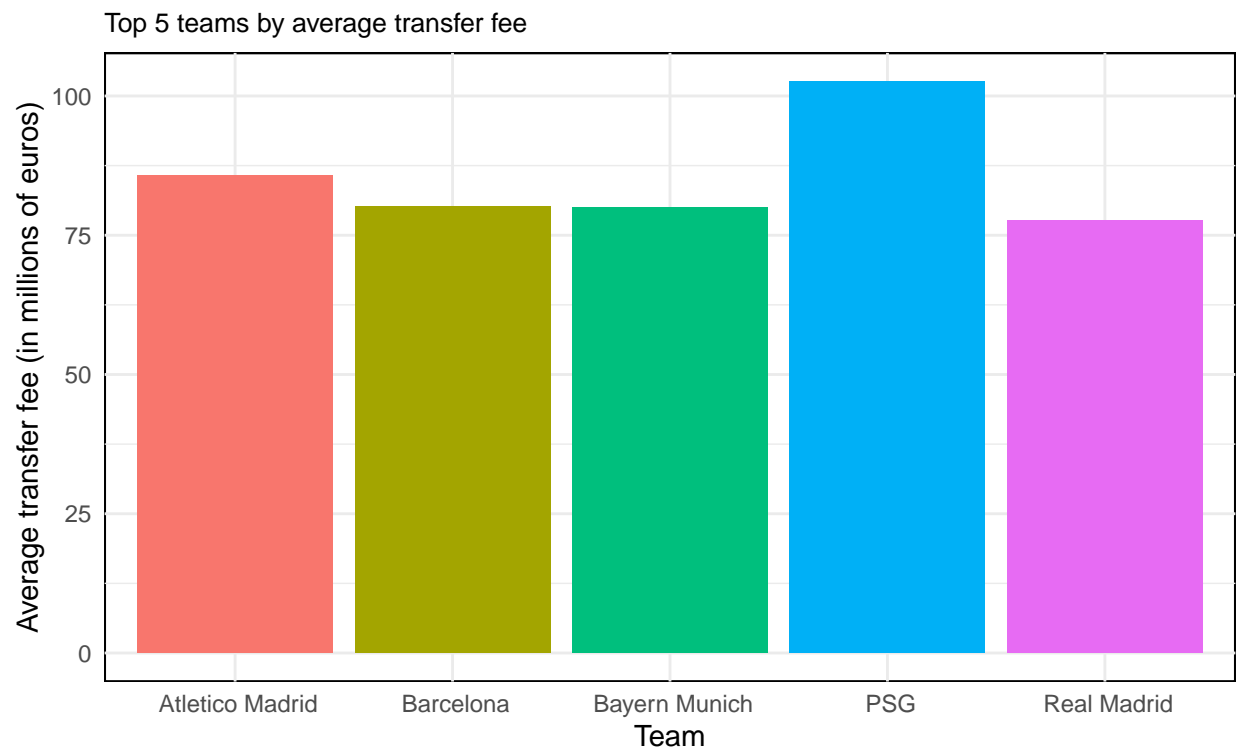
The Champions League:

The Champions League, which features 32 best clubs, is a respected championship that every football team aims to win. During normal seasons, however, just a few teams consistently dominate the league, reaching at least the semi-finals and posing a considerable threat to their opponents. Their transfer market strategies, which are critical to their domination, are the secret to their success.

Unveiled: The Secret to Champions League Domination for These 5 Clubs Lies in Transfer Spending!



Chelsea, Manchester City, Manchester United, Real Madrid, and Barcelona are among the world's best football clubs. These are the most prestigious football clubs that have ever existed. What do these clubs all have in common? They are all active buyers on the transfer market. In other words, they spend a lot of money on players who can help them win the prestigious championship competition and dominate such a league season after season. Real Madrid holds the record for the most Champions League titles due to this strategy. According to the data, Chelsea has been the most active in the buying market, with the most purchases. They are closely followed by Manchester City, who have also made significant transfers.

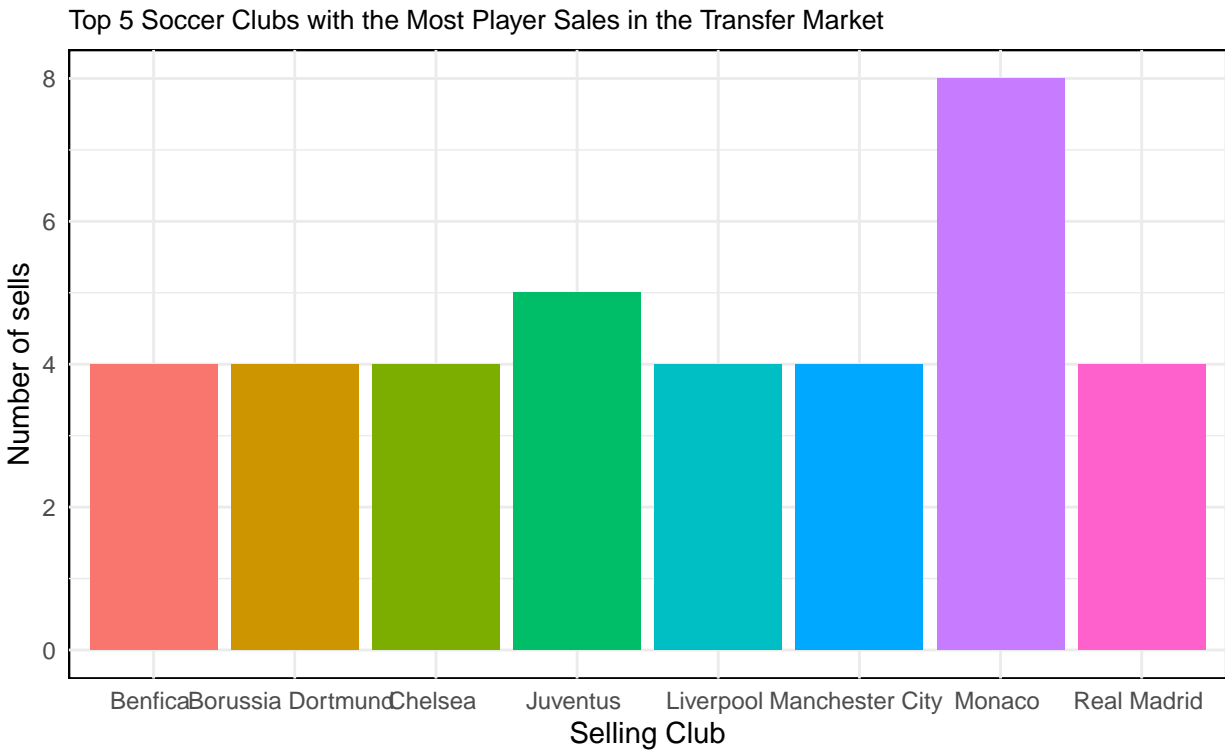


Embracing Change: Welcome to a New Era:

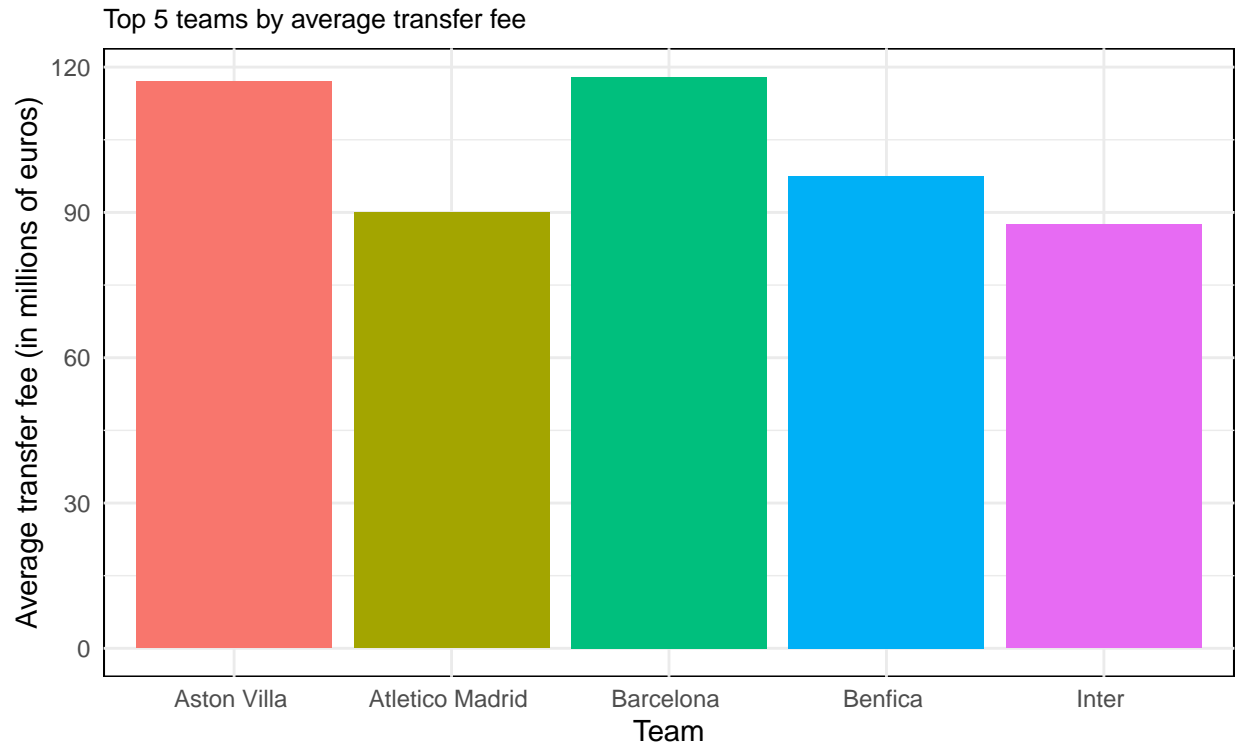
Many soccer records, particularly in the Champions League, are held by Ronaldo and Messi, two of the best football players to ever play the beautiful game. However, soccer fans have been watching and continue to

await a new era that will replace Messi and Ronaldo as they retire, given that age will not enable them to play this game forever. The new era is represented by Kylian Mbappé and Erling Haaland, who have left many football fans, including myself, astonished as to how they are dominating such a competitive league at such a young age. Interestingly, Kylian Mbappé and Erling Haaland both come from the top five selling teams in the transfer market.

Revealed: The Top 5 Biggest Selling Clubs that Produce Football’s Elite Players:



According to the graph, Monaco is the club that is most active in selling players. For example, in 2017, Monaco sold Kylian Mbappé to PSG, who is currently regarded as one of the greatest players in the world, smashing records in the Champions League. Another active selling club is Borussia Dortmund, which has produced several fantastic players, notably Ousmane Dembele. However, they recently created Erling Haaland by selling him to Manchester City, who most people believe, along with Mbappé, will take over after Messi and Ronaldo.



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Recommendations:

Invest in long-term talent development: Instead of spending lots of money on top performers, teams should invest in the long-term development of their talent. This can include things like investing in training programs and hiring skilled coaches.

Foster a team-oriented culture: Teams should aim to create a culture that values collaboration and teamwork over individual performance. By creating an environment in which players feel supported and encouraged to collaborate, teams can achieve greater achievements and establish a more long-term framework of success.

Balance short-term aims with long-term sustainability: While winning championships is important, clubs should also consider the club's future stability. This might include things like investing in infrastructure, building a solid recruiting network to uncover future potential, and gradually cultivating a brand that draws top players and sponsors. By integrating short-term objectives with long-term sustainability, teams may establish a solid foundation for long-term success.

References:

<https://www.kaggle.com/datasets/thitiwat/top-100-most-expensive-football-transfers>