

Putting a price tag on football players

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1 Introduction

The purpose of this paper is to predict the transfer value of football players in the five major European leagues. We use a variety of methods from the field of data science to gather, describe and lastly predict footballers' transfer value. The paper is structured into three sections: Data gathering, data description using different visualizations and prediction modelling.¹ In the first section we briefly describe how we scraped the data from different webpages, what type of data emerged and what ethical challenges we should consider. In the second section the dataset is described using visualization in order to get an overview of the data and the variables which seem to affect the transfer values. In the final section, we use statistical learning models to predict the transfer values of footballers. The emphasis will be on testing different models and comparing their predictive power on a test set.

2 Data Gathering

In order to do the analysis, we have to gather data. We gathered the relevant data from the website Transfermarkt.co.uk and Wikipedia.org. Transfermarkt.co.uk contains information on football transfers, player's information and statistics. We find all this kind of information highly relevant in order to predict the transfer value of a player. We used Wikipedia.org in order to find data about the table rankings in the five leagues, which also was available on Transfermarkt.co.uk but we could not succeed in scraping it from the webpage. The data was extracted by two web scrapers, one for Transfermarkt.co.uk and the other for Wikipedia.org. The two scrapers were built with the purpose of scraping the relevant data on both webpages. The scraper for Transfermarkt.co.uk ran through all transfers in the transfer windows "Summer 15" and "Winter 16" in the five biggest European leagues: Premier League, Bundesliga, La Liga, Serie A and Ligue 1. It also ran through the transferred players' data. This means that we had two dataframes from Transfermarkt.co.uk at first, which then were merged into one dataframe consisting of players' data. The scraper for Wikipedia.org ran through the different webpages with the ranking tables of the five leagues. At first we had 5 different dataframes, which we merged into one dataframe. The two different datasets were at first cleaned and then merged into one big dataset containing only the variables we find relevant in predicting

¹All calculations, graphics and writing was conducted using the programming language R and the IDE RStudio.

the transfer values of the players. We do not consider any ethical issues scrapping this data, because all the information is publicly available and not private in any way.

2.1 Data Cleaning

2.1.1 Cleaning The Player Dataset

As written earlier before merging the different dataframes into one final, we had to clean both the dataframe with the player data and the dataframe with the club data. Cleaning the player data, we first had to make all unavailable data into NA in stead of different signs. We also had to clean the transfer date and put it into the right format, which we also did with the variable containing remaining time under contract. Some of the data scraped from Transfermarkt.co.uk had some mistakes, which we had to fix by putting them to be equal to NA. We calculated the age of each player at the transferdate by first cleaning the birth date of the players and afterwards calculating the transferage in R by our selves. At last we divided the players into three different categories: Defender, Midfield and Attacker because we found it more appropriate in order to do our analysis. If we did not divide the players into these categories, we would have a dataset with a lot of different type of players, which could be categorized as we did. This categorization means that it is possible to do a reasonable vizualizaton considering that we “only” have 12 pages to write our project. We removed all duplicated observations, observations where transfer.fee was NA and the keepers. The reason for removing the keepers was because we scraped data on mostly offensive statistics, which obviously does not have an affect on the keepers’ transfer values. Also the number of variables concerning the keepers’ was different compared to the other three types of players, which meant that the observations did not fit into the right column for the keepers.

2.1.2 Cleaning The Club Dataset

Cleaning the club dataset we started with grouping the different clubs in 3 categories: Top Club, Middle Club and Bottom Club. Afterwards we renamed the clubs, so they matched the player datasetm which meant that we could merge the player dataset and the club dataset by using leftjoin. At last, before merging, we selected the variables that we found interesting and removed all other variables in our final cleaned club dataset.

2.2 The Final Dataset

The clean and merged data set contains the following descibtive variables of the transfered players:

Variable Name	Description
name	Name of player

Variable Name	Description
nationality	Nationality of player
birth__place	Birth place of player
birth.date	The date at which the player was born
transference	Age of player when transfer occurred

The clean and merged data set contains the following statistical variables of players:

Variable Name	Description
positions	Position on field of player
total.goals	Total amount of goals scored by player
penaltygoals	Total amount of penalty goals scored by player
total.assists	Total amount of assists made by player
substitutions__in	Total amount of matches where player gets substituted into the match
substitutions__out	Total amount of matches where player gets substituted out of the match
total.minutes.played	Total amount of minutes played by player
minutes.pr.goal	Amount of minutes played per goal scored by player

Variable Name	Description
yellowcards	Total amount of yellow cards the player got
secondyellow	Total amount of second yellow cards the player got
redcards	Total amount of red cards the player got
contract.left.month	How many month left of the transfered players' contract when transfer occurs

All the statistics above are from the season before the transfer happend, which means the season 2014/2015.

The clean and merged data set contains the following descibtive variables of clubs and transfers:

Variable name	Description
club.to	Which club player is transfered to
club.from	Which club player is transfered from
league	The league at which the buying club is playing
status	Status of the buying club, which is divided in "Top Club", "Middle Club" and "Bottom Club"
transfer.date	Which date the transfer happened

Variable name	Description
transfer.fee	The transfer fee in million of pounds

All the variables above, we think, are relevant in order to make the best prediction possible of a players transfer value.

3 Description of Data

3.1 Age/Transfers Graph

In this graph we see that most of the observations actually are in between 0 and 20 million pounds accross all ages. But in the age spectre from 22-28 we see that there are more expensive transfers made. We for example see that the most expensive transfer is for a player that it just below 25 years old, and we also see that in the age spectre emphasized above we see that there are most transfers in the 20-40 million pounds layer. Not surprisingly the number of expensive transfers decreases as the age increases. We can also see that there is only 1 transfer in the 20-40 million pounds layer as the age is 30 and none of these transfers for players 30+ years old. We see the same for young players. Transfers between 20-40 million pounds at first occur as the players gets about 22 years old. The graph also shows that there are a couple younger players that are more expensive than most of the young players, but these players must be very big talents and therefore are something special.

3.2 Time left on contract/Transfer fees

In this graph there is a clear correlation between the time left on a players contract and the transfer fee payed. The longer time there is left of the contract at the time of the transfer, the more expensive the player will be. When the period left of the contract is below 20 months, then the transfer fee does not exceed 30 million pounds. But if we look at when the period left of the contract is above 20 months we see that the transfer fees increases to above 30 million pounds - some transfer fees even increases to above 40 million pounds, especially when the contract is above 40 months. We actually also see that the transfer fees again decreases as the period of the contract left is above 50 months. At last the graph shows that the number of transfers decreases when the period of the contract is above 50 months. This is because the transfer fee demanded by the club selling is to high, and therefore the transfer won't be completed.

3.3 Spending across national leagues

The chart shows the spending on transfers in the 5 major leagues in Europe. We see that the spendings on average are lowest in the French Ligue 1, while the German Bundesliga, the Spanish La Liga and the Italian Serie A all have bigger spendings on average than Ligue 1. We also see that the English Premier League dominates the chart with the highest amount of money spent on average. It exceeds the second most spending league, Serie A, by a bit less than three times as much, spending as much as 60 BILLION POUNDS?!? We imagine that the reason for this among others is the TV-rights agreement in Premier League, which is more lucrative than in the other 4 leagues.

3.4 Spending by clubs across national leagues

Here we somehow see the same picture as in the former graph. Premier League clubs are spending most money on transfers on average compared to the clubs in the other leagues. But we see that the Spanish teams actually is closer to spending as much as the Premier League clubs compared to the former graph which showed that the difference between the two leagues is huge. This can be explained by the top teams in Spain: Real Madrid, FC Barcelona and Atlético Madrid. Those three clubs, especially the two first, spends a lot of money on transfers and tempts to have several transfer records.

3.5 Status of clubs/spending on transfers

Accross the five leagues we see that the top clubs are spending near double as much money on transfers compared to the middle clubs in the leagues. If we for example take a look at the Spanish top clubs Real Madrid and FC Barcelona, they are spending a lot of money every transfer window. Real Madrid even at the time of these transfers had the most expensive and second-most expensive player on their roster. This graph confirms that it is the case that the top clubs are spending most money. This is also correlated with their success. The more successful the club is in sport, the more money it earns and therefore has more money to spend on transfers. We also see that the promoted clubs actually are spending a bit more money than the bottom clubs. This is perhaps expected because they come with the intention to improve their roster in order to be able to establish themselves in the major league. Some of the bottom clubs are relegated, which means that they loose money and therefore do not have as much to spend. They perhaps also think that their roster is good enough to compare in the second best league and therefore has no big need for spending on transfers.

4 Prediction models for transfervalue

4.1 Prediction versus causality

The main purpose of this rapport is to find the best way of predicting the transfervalue of footballers. We therefore focus on finding the best way to estimate our dependent variable (Y) when we know the value of several different independent variables (X's) - hereafter called predictors. The issue of prediction stand in contrast to the regular goal in social sciences where we want to estimate the causal effect of one particular independent variable on the dependent variable. The key difference is that we don't care that much about the individual effect of a predictor (effects of causes) but instead focus the interplay between several predictors and how this interplay can help us predict the value of Y most efficient. Due to this scientific purpose we use the predictors as signals of a specific transfervalue and don't care about whether they come before Y in time or whether there is omitted variable bias (?). A good example of the above mentioned is our use of google searches as a predictor for the players transfervalue. The amount of searches are recorded in real time and therefore after the transfer was made. The number of google searches can not be the reason why the club bought the particular player for a given price but a high number of searches can signal that the players has had a succesful career or was part of a news generating transfer.

4.2 Evaluating prediction models using RMSE

To find the best way of predicting a football players transfervalue we will in the following make a comparative analysis of five different models where we compare the prediction accuracy of each model. The models we will use to predict the transfervalue are 1) simple average, 2) ordinary least square (linear model), 3) lasso model, 4) decision tree and 5) random forest.

We measure the models' prediction accuracy by finding the *out of sample error* (the prediction error when applying the models on a dataset on which the model was not trained). The first step of our comparative analysis is therefore to randomly split our data into a *training sample* and a *test sample*. We choose to put 70 percent of the observations in the training sample because we want a sufficiently large amount of observations to train our models.

We evaluate and compare the models by using the root mean squared error (RMSE) which is stated in the equation below. The RMSE gives us a measure for how well the model predict the observations in the test sample. We created a function in R to make the RMSE calculation for us. (We use the RMSE instead of the more basic mean square error (MSE) because RMSE reduces the influence of outliers.)

$$RMSE = \sqrt{\frac{\sum_{i=1}^n (y_i - \hat{y}_i)^2}{n}}$$

A basic trade-off to take into account when dealing with prediction is the *bias-variance trade-off*. The reason is that the prediction errors is the sum of errors due to bias and errors due to variance between the training and test sample. When we build our prediction models we do it on the available data in the training sample which also include standard noise. If we on the one hand build a model with only a few variables the model will not be able to comprehend the complexity of the real world. Due to this *underfitting* we therefore end up with a biased model whos estimates are quite far from the real world values. If we on the other hand increase the number of variables and thereby the models complexity alot then the models will adjust to much to the training sample. The result of this *overfitting* will be prediction errors due to the variance between the training sample and the real world. The take-away point is therefore that the most accurate models have found a balance between over- and underfitting so that the increase in bias is equivalent to the decrease in variance. The trade-off is illustrated below:

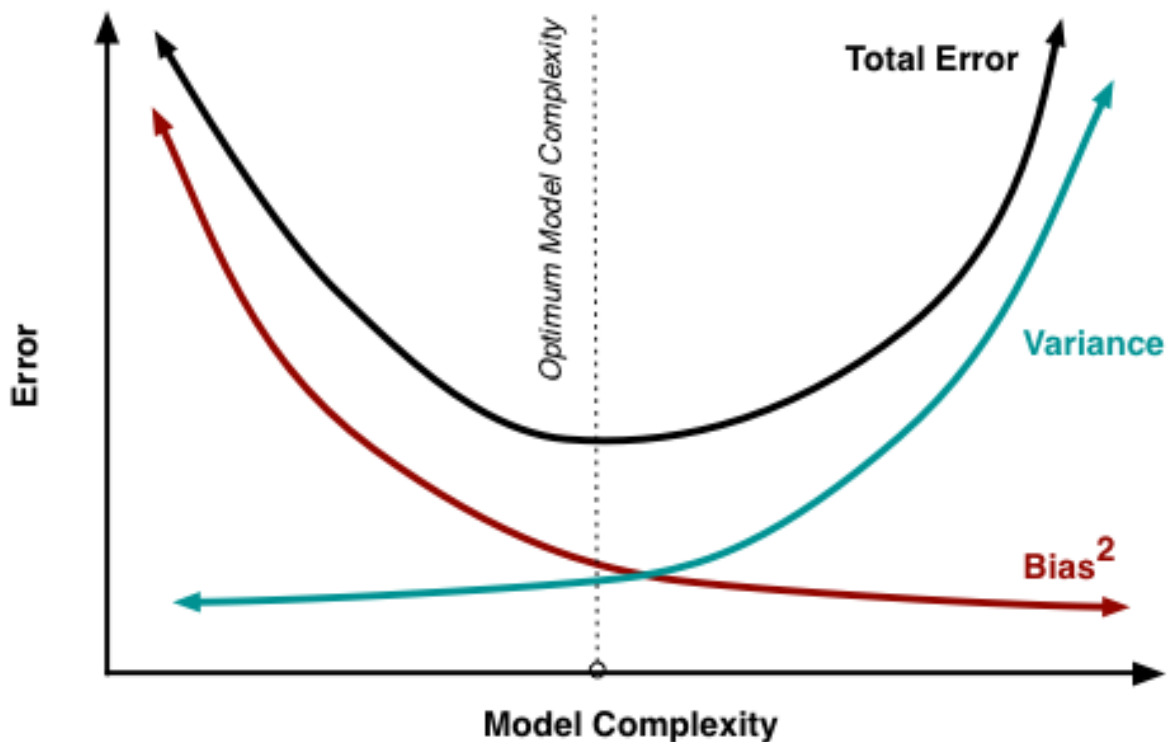


Figure 1: Image is from Roe 2016)

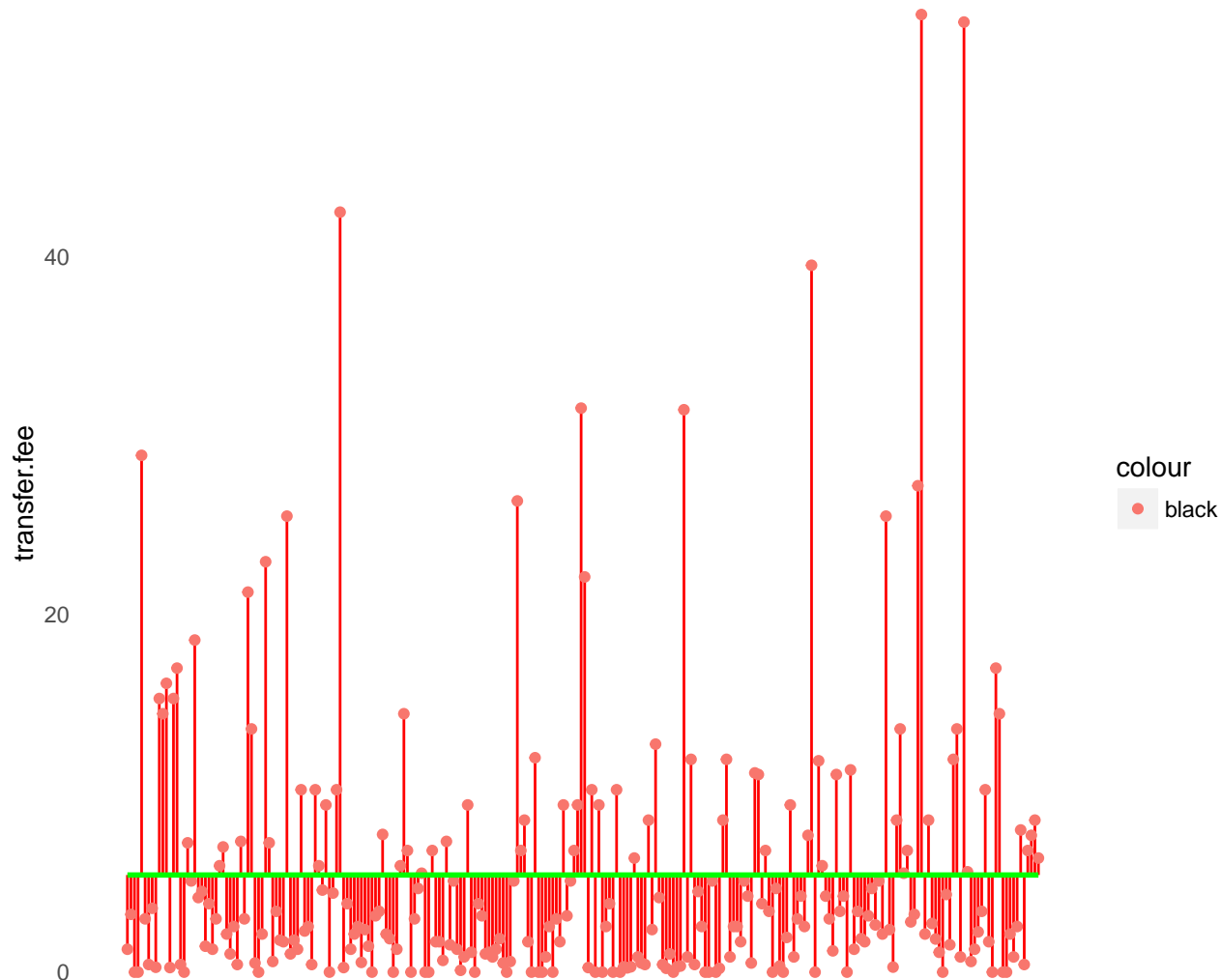
Find graph here: <http://scott.fortmann-roe.com/docs/BiasVariance.html>

4.3 Simple Average

As the first prediction model we use the simple transfer fee average. This is a good baseline model because it is the most simple way of estimating a players transfer value without using any predictors. When we use the

mean transfer fee in the training sample on the test sample we get a RMSE at 9.06.

Because the simple average is not using any predictor for the estimation we can not expect that it will do a very good job at predicting the player's individual transfer value. The high amount of prediction errors is illustrated below:



4.4 Ordinary least square

As the second prediction model we use the linear regression model - ordinary least square (OLS). OLS works by minimizing the *sum of squared residuals* (SSR) and is thereby also minimizing the bias. Unfortunately, the goal of minimizing the in-sample errors lead to a risk of overfitting and thereby increase the errors due to variance. Therefore, OLS is often not the best prediction methods. On the other hand OLS is very good method when inference is the goal because the model significance can be tested. When we apply our OLS model on the test sample we receive a RMSE of 6.34.

4.5 The Lasso model

One way to deal with the overfitting/complexity problem described earlier is the Lasso model. The Lasso model punishes complexity by including a loss function in the OLS minimization problem:

$$\underset{\beta_j}{\text{minimize}} : \sum_{i=1}^n (y_i - \beta_0 - \sum_{j=1}^p \beta_j x_{ij})^2 + \lambda \sum_{j=1}^p |\beta_j|$$

From the equation above we see a clear trade-off between minimizing the SSR and the penalty term. The penalty is given by the sum of the absolute β coefficients. For a given λ the model returns a corner solution of the most significant variables. The λ parameter weighs the penalty for model complexity, the larger λ , the heavier penalty and thereby exclusion of more variables. The Lasso is performing so-called *variable selection*. The optimal size of λ is decided by running the regression on our training data for different values of λ . For each of the estimated models we estimate the transfer fee for our test data. We then calculate the RMSE for all the models and find the λ which minimizes the RMSE in our test data. The model with the optimal λ has a RMSE of 6.34. Overfitting doesn't seem to be an issue for our OLS estimate since the weighting of the penalty term is very low ($\alpha = 0.0009$) and the Lasso gives a higher out of sample error.

4.6 Regression Trees

Decision trees is machine learning method which can be applied on both categorical and continuous variables. When used for predicting continuous outcomes it is called *regression trees*. The decision tree is grown by using our training data in the following way: First the predictor space (set of all the possible values for our explanatory variables) is divided into J different regions. For all observations in one region the prediction is given by the mean of the observed dependent variable. The regions are constructed in a way that minimizes the SSR:

$$\sum_{j=1}^J \sum_{i \in R_j} (y_i - \hat{y}_{R_m})^2$$

It is computationally infeasible to consider all possible partition of the feature spaces into J boxes why an approach called *recursive binary splitting* is used (*An Introduction to Statistical Learning*). In our case the first split is $\text{searchresults} > 50300$ which means that this division of the observations provides the greatest reduction of the SSR of all possible first splits across all predictors and all values.

There is a risk that this procedure will lead to overfitting. To avoid this we can use a procedure called pruning. To prune the tree we use the following equation:

$$\sum_{m=1}^{|T|} \sum_{x_i \in R_j} (y_i - \hat{y}_{R_j})^2 + \alpha |T|$$

$|T|$ is the number of terminal nodes in the subtree T , R_m is the subspace of the region M , and y_{R_m} is the

predicted response associated with R_m . When pruning the tree we obtain a sequence of the best subtrees as a function of α . We are then using K-fold cross-validation (that is we are dividing the training data into K folds) to choose the right α value. A new tree is grown on all but the k th fold of the training data, this is done for each value of α . All the grown trees are evaluated by calculating the MSE on the k th fold. The α value with the lowest average MSE across the folds are choosen. The subtree from the original tree corresponding to the found α is the best when pruning. As with the Lasso model overfitting wasn't an issue and the original tree produced a lower RMSE than the pruned. The RMSE was 6.60.

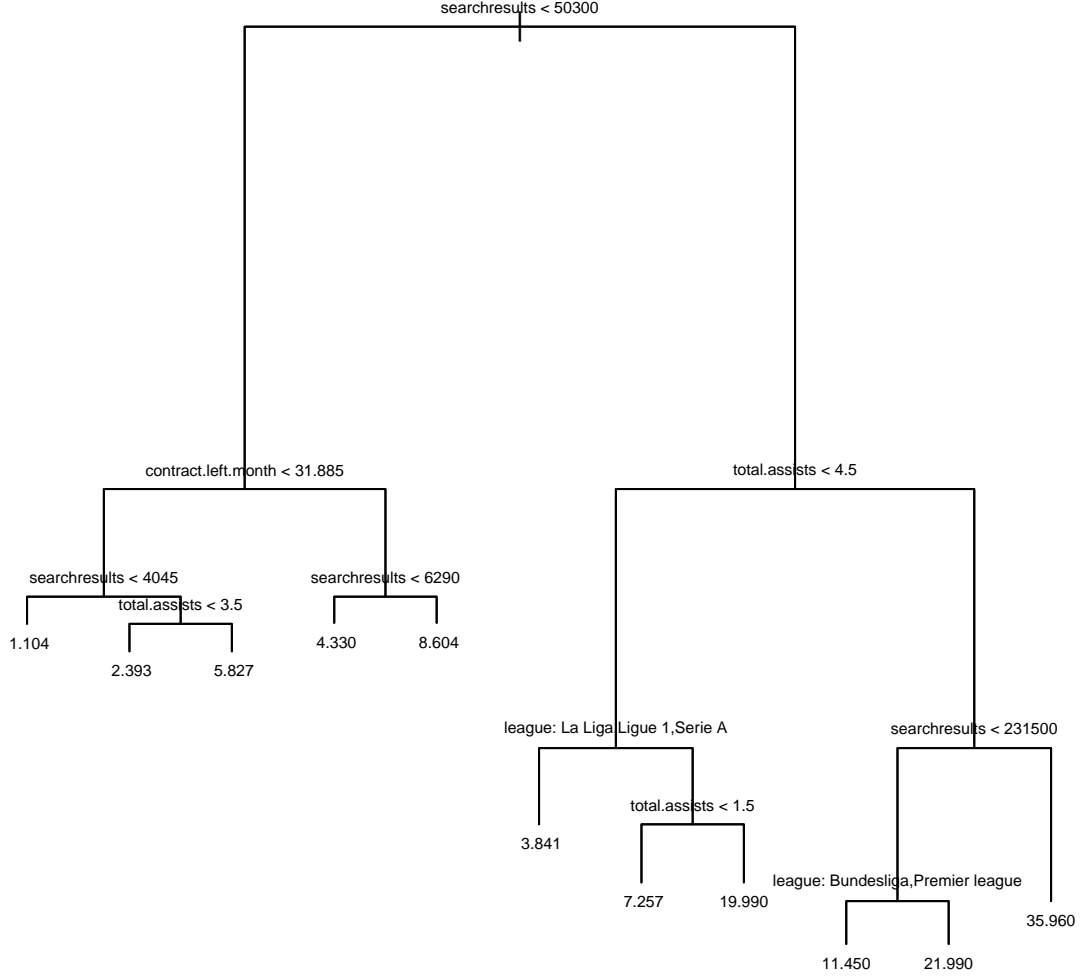


Figure 2: Decision Tree

The figure illustrates the regression tree made to predict the transfer fee. The first node assign observations with less than 50300 search results to the left branch. The next node of the left branch assign players with less than 31.885 month of the contract left to the left branch and so on. In our model the tree segments the players into 11 leaves and predicts a transfer fee for each of these subgroups. The variables at the top of the tree is the most important one and the lenght of a branch shows the relative importance of the split. Hence, in our model search results is the most important predictor of a players transfer fee.

4.7 Random Forest

As described above the decision tree has issues with overfitting which create errors due to variance. The issues can be reduced by another prediction method called *random forest* (RF). The RF is a so-called ensemble model which means that the model consists of several smaller decision trees (in this case regression trees). RF has great similarities with the concept of *bagging* or *bootstrap aggregating* (Breiman, 1996) where the core idea is to reduce the error due to variance from one model by building several models and use their average prediction. Random forest prediction can be divided into 4 steps:

- 1) First, each regression tree is constructed by randomly drawing and replacing (called bootstrap sampling) 63.2 percent of the observations in the training sample. This is in our report done 500 (?) times so we in the end have a forest of 500 different trees with randomly selected observations from the training sample.
- 2) In the next step each tree randomly selects m number of the predictor variables in the data set. All 500 trees use the same number of variables. The purpose of randomly choosing predictors is to prevent very important variables from overshadowing the effect of weaker variables. This often happens because the underlying algorithm searches for the split with the largest decrease in the loss function.
- 3) Thirdly, each tree calculates the out-of-bag error rate using the remaining 36.8 percent of the data.
- 4) In the last step the average prediction is calculated out of all predictions from each individual tree.

In theory, RF does not need a separate test sample to examine the validity of the results. The validity is measured internally by the out-of-bag error rate. In this report we have used a separate test sample. The reason is that we wanted to calculate the RMSE so we can compare the RF model's predictive power to the previous prediction models.

The RMSE of the RF on the test sample is 6.26.

We can also use the RF to calculate and rank the importance of each predictor in the data set. This is done by calculating `%IncMSE`. The `%IncMSE` states the percentage increase of the mean squared error (estimated with the out-of-bag error rate) if the particular variable is permuted (which means that the values are randomly shuffled). The higher the number the more important is the variable. The `%IncMSE` of different predictors are listed in the table below.

```
var.list
```

##	%IncMSE
## positions	0.348136
## appearances	7.995943
## total.goals	5.443399
## total.assists	2.667739
## total.minutes.played	5.870598
## contract.left.month	6.322509

## transferage	4.262816
## league	2.523587
## Status	5.673292
## searchresults	16.217479
## transferage_sq	4.794965

5 Conclusion

(Write conclusion)