1   Trends in Major League Sports in the U.S. from 2000-2015

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Abstract

Marketing research has frequently used the context of sports to explore one facet of consumption. Additionally, the data within the sports realm is well-documented and detailed across time which allows for analyses to be tracked across time and different locations. While the current analysis is mainly exploratory in nature the goal of this project is to familiarize ourselves with this dataset prior to using it in future marketing studies. In this project specifically we look at how the 2008 financial crisis impacts ticket price for professional sports teams. However, in the future we plan to use this data in conjunction with other datasets that have unique time and location identifiers to look more specifically at how consumers engage with sports in reaction to other events occuring simultaneously, whether that be financial crises, political uncertainty, or natural disasters.

Keywords: sports, NBA, NHL, NFL, MLB, NCAAF

21   Trends in Major League Sports in the U.S. from 2000-2015

22   **Introduction**

23   Humphreys (2010) explores the impact of the global financial crisis on sport in North

24 America. He finds that while attendance and franchise values declined slightly, and a few

25 teams experienced notable financial problems, the nature of sports as a consumer product in

26 addition to institutional factors associated with the sports industry have, so far, insulted

27 professional sports from significant negative shocks as the result of economic uncertainty.

28 Coates and Humphreys (2007) investigate the demand for attendance at professional

29 sporting events using a data set that includes ticket prices and a price index reflecting prices

30 for ancillary goods associated with attendance. Both mathematical modeling and empirical

31 methodology are used in their research (see Coates & Humphreys, 2007).

```r
mlb <- import(here("Data", "MLB.xlsx")) %>%

  characterize() %>%

  clean_names() %>%

  select(sport, team, year, capacity,

         attend_tot, attend_avg, games,

         ticket_price, home_wins) %>%

  as_tibble()


mlb <- mlb %>%

  mutate(capacity = as.numeric(capacity),

         attend_tot = as.numeric(attend_tot),

         attend_avg = as.numeric(attend_avg),

         games = as.numeric(games),

         ticket_price = as.numeric(ticket_price),

         home_wins = as.numeric(home_wins))
```

```r
#is.character(mlb$capacity)


nba <- import(here("Data", "NBA.xlsx")) %>%

  characterize() %>%

  clean_names()%>%

  select(sport, team, year, capacity,

         attend_tot, attend_avg, games,

         ticket_price, home_win) %>%

  as_tibble() %>%

  rename(home_wins = home_win) %>%

  as_tibble()


nba <- nba %>% mutate(capacity = as.numeric(capacity),

                      attend_tot = as.numeric(attend_tot),

                      attend_avg = as.numeric(attend_avg),

                      games = as.numeric(games),

                      ticket_price = as.numeric(ticket_price),

                      home_wins = as.numeric(home_wins))


ncaaf <- import(here("Data", "NCAAF.xlsx")) %>%

  characterize() %>%

  clean_names() %>%

  select(sport, team, year, capacity,

         attend_tot, attend_avg, games,

         ticket_price, home_wins) %>%

  as_tibble()
```

```r
nfl <- import(here("Data", "NFL.xlsx")) %>%

  characterize() %>%

  clean_names()%>%

  select(sport, team, year, capacity,

         attend_tot, attend_avg, games,

         ticket_price, home_wins) %>%

  as_tibble()


nfl <- nfl %>% mutate(attend_tot = as.numeric(attend_tot),

                      attend_avg = as.numeric(attend_avg),

                      games = as.numeric(games),

                      ticket_price = as.numeric(ticket_price),

                      home_wins = as.numeric(home_wins))


nhl <- import(here("Data", "NHL.xlsx")) %>%

  characterize() %>%

  clean_names()%>%

  select(sport, team, year, capacity,

         attend_tot, attend_avg, games,

         ticket_price, home_wins) %>%

  as_tibble()


nhl <- nhl %>% mutate(attend_tot = as.numeric(attend_tot),

                      attend_avg = as.numeric(attend_avg),

                      games = as.numeric(games),

                      ticket_price = as.numeric(ticket_price),

                      home_wins = as.numeric(home_wins))
```

```r
sports <- bind_rows(mlb, nba, ncaaf, nfl, nhl)%>%

  as_tibble()

#creating a new variable, the percent of home wins for a team in a given year

sports <- sports %>%

  mutate(home_wins_pct = home_wins/games*100) %>%

  drop_na()


#creating new variables that are the averages of ticket price, home wins, average atte

sports_rev <- sports %>%

  group_by(team, sport) %>%

  summarize(avg_ticket_price = mean(ticket_price),

            avg_homewins = mean(home_wins),

            avg_attendance = mean(attend_avg),

            avg_homewinspct = mean(home_wins_pct))
```

```r
sports_rev %>%

  ggplot(aes(avg_ticket_price, avg_attendance, color = sport)) +

  geom_point() +

  geom_smooth(method = lm, se = FALSE) +

    labs(x = "Average ticket price (in USD)",

      y = "Average attendance",

      title = "The Relationship Between Ticket Price & Attendance",

      subtitle = "Examining major league sports in the US from 2000-2015)") +

  theme_minimal()
```
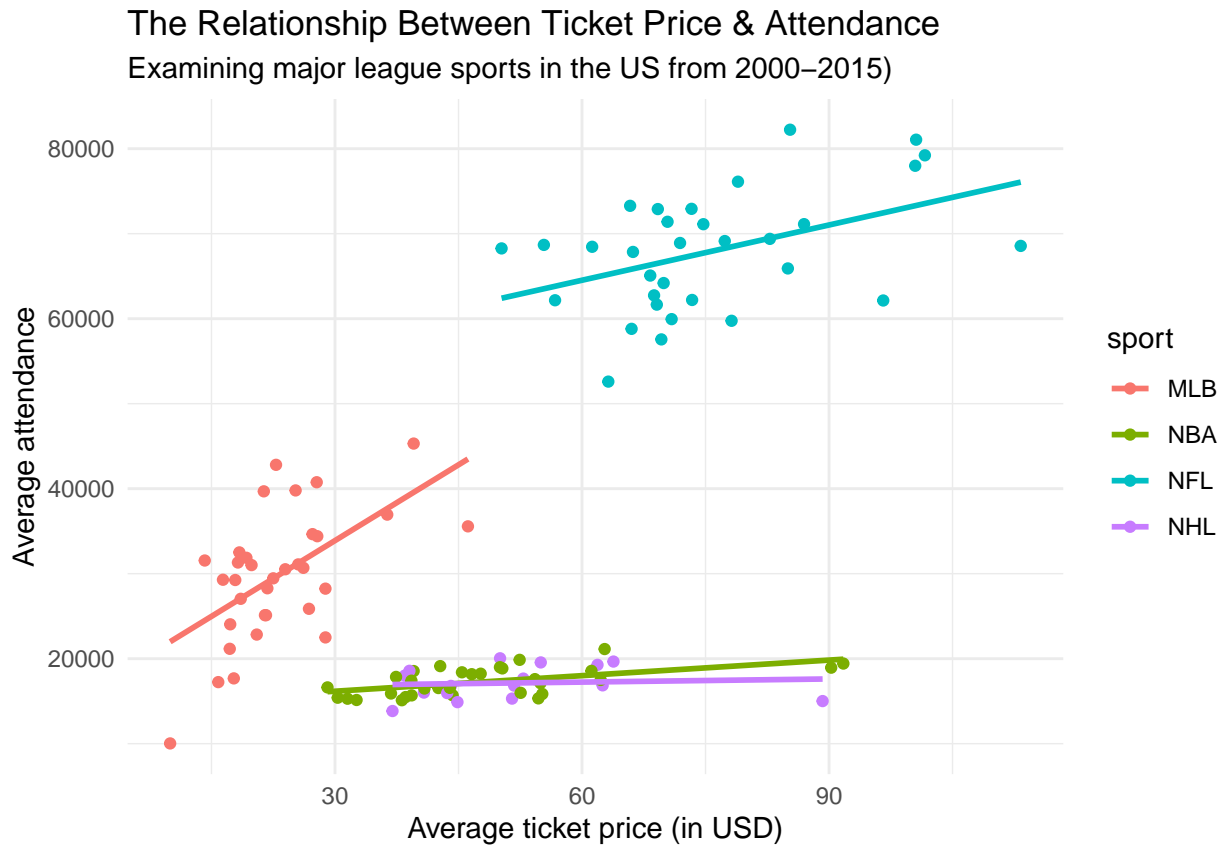
The Relationship Between Ticket Price & Attendance
Examining major league sports in the US from 2000–2015)

Figure 1

```
sports_rev %>%
  ggplot(aes(avg_ticket_price, avg_attendance, color = sport)) +   facet_wrap(~sport) +
  geom_point() +
  geom_smooth(method = lm, se = FALSE) +
  labs(x = "Average ticket price (in USD)",
       y = "Average attendance",
       title = "The Relationship Between Ticket Price & Attendance",
       subtitle = "Examining major league sports in the US from 2000-2015") +
  theme_minimal() +
  theme(legend.position = "none")
```
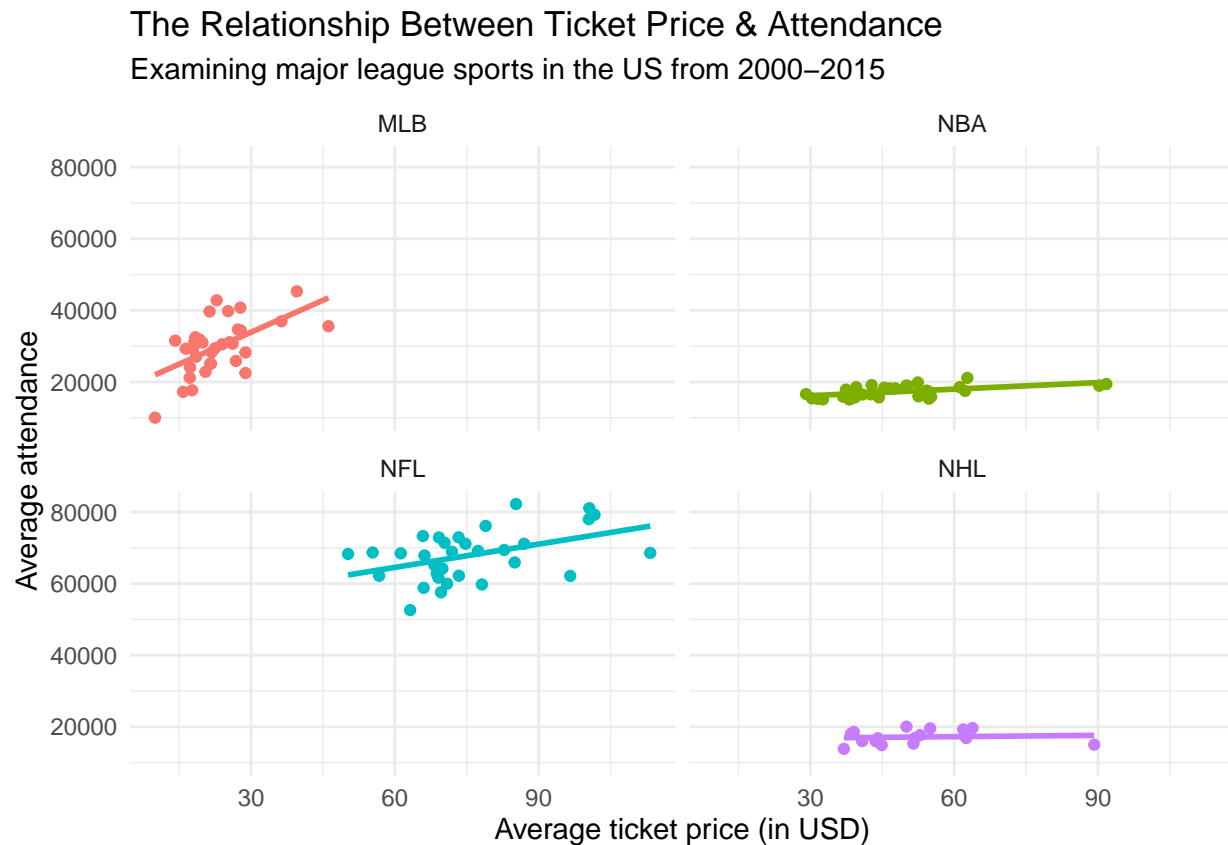
The Relationship Between Ticket Price & Attendance
Examining major league sports in the US from 2000–2015

Figure 2

```r
sports_rev %>%
  ggplot(aes(avg_homewinspct, avg_attendance, color = sport)) +
  geom_point() +
  geom_smooth(method = lm, se = FALSE) +
   labs(x = "Average Percent of Wins at Home Stadium",
       y = "Average attendance",
       title = "The Relationship Home Wins and Attendance",
       subtitle = "Examining major league sports in the US from 2000-2015") +
  theme_minimal()
```

The Relationship Home Wins and Attendance
Examining major league sports in the US from 2000–2015
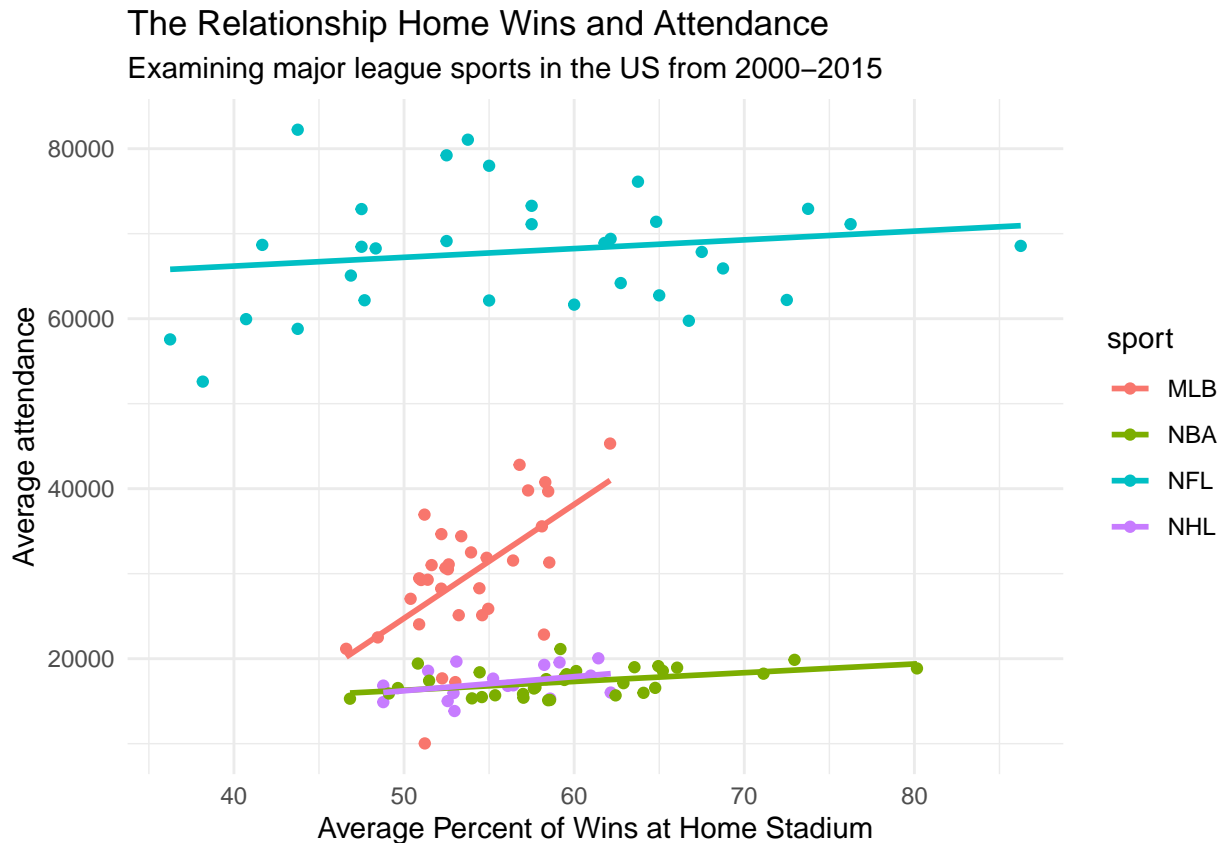

Figure 3

```
sports_rev %>%

  ggplot(aes(avg_homewinspct, avg_attendance, color = sport)) +

  facet_wrap(~sport)+

  geom_point() +

  geom_smooth(method = lm, se = FALSE) +

   labs(x = "Average Percent of Wins at Home Stadium",

       y = "Average attendance",

       title = "The Relationship Home Wins and Attendance",

       subtitle = "Examining major league sports in the US from 2000-2015") +

  theme_minimal()+

  theme(legend.position = "none")
```
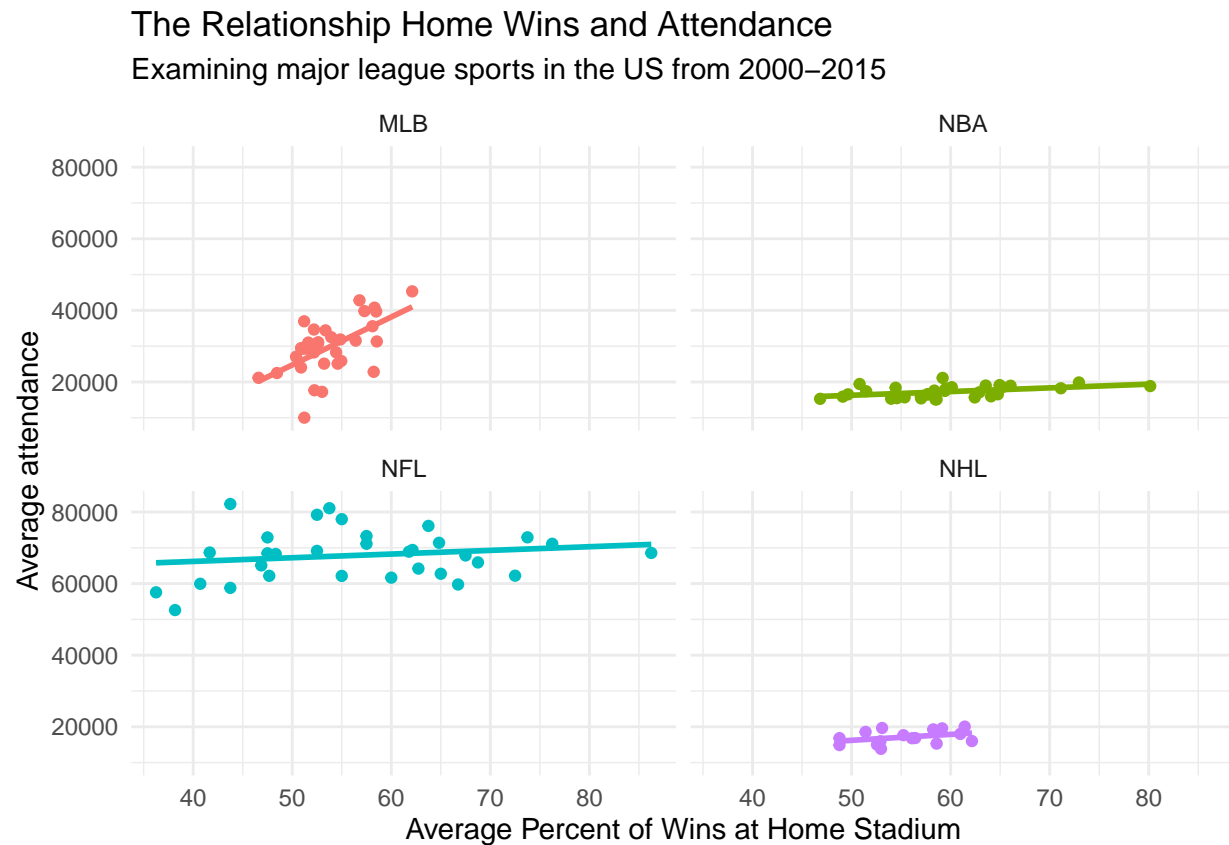
The Relationship Home Wins and Attendance
Examining major league sports in the US from 2000–2015

Figure 4

```r
sports_crisis <- sports %>%

  group_by(year, sport) %>%

  summarize(avg_ticket_price = mean(ticket_price),

            avg_attendance = mean(attend_avg))


sports_crisis %>%

  filter(year >= 2005, year <= 2013) %>%

  ggplot(aes(year, avg_ticket_price, color = sport)) +

  geom_line() +

  labs (x = "Year",

        y = "Average Ticket Price (in USD)",
```

```
        title = "Major League Sport Ticket Prices During a Financial Crisis",

        subtitle = "Prices in USD from 2005 to 2013") +

  theme_minimal()
```
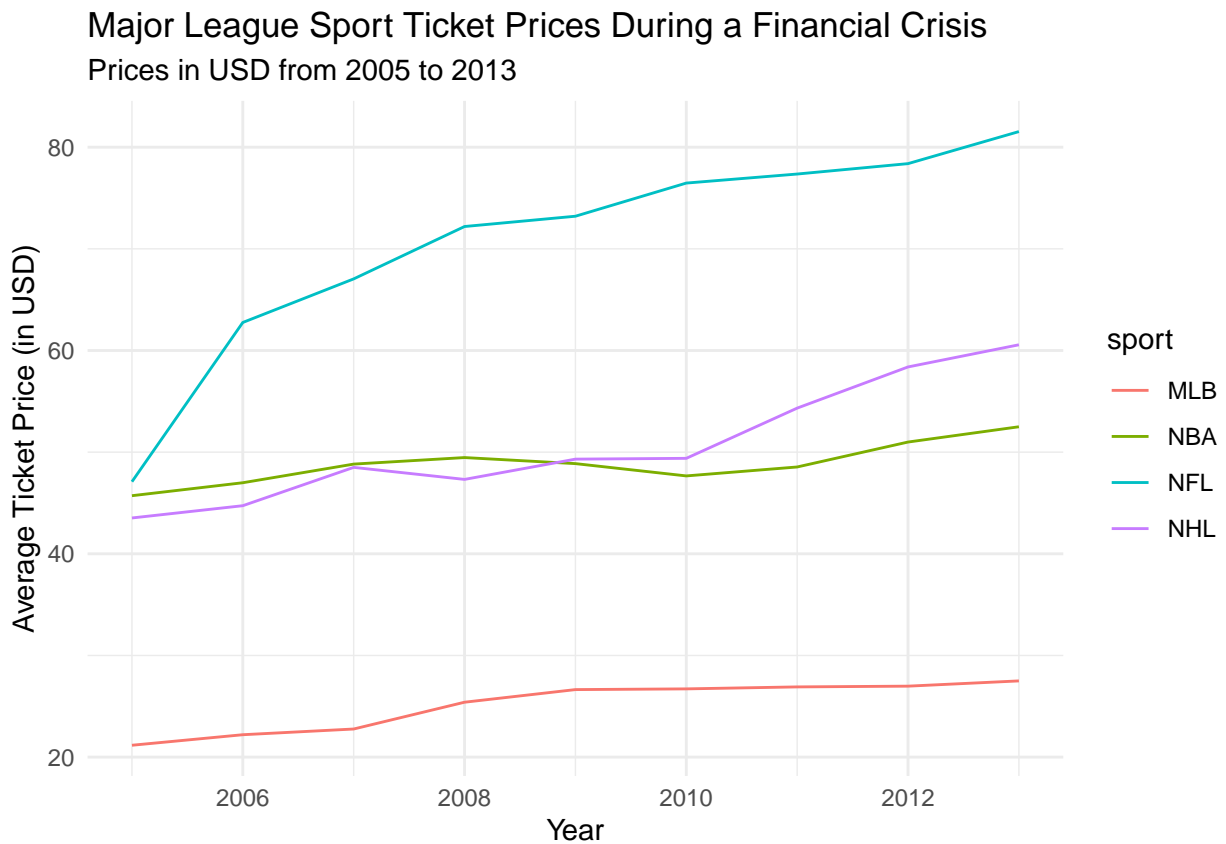

Figure 5

```
sports_crisis %>%

  filter(year >= 2005, year <= 2013) %>%

  ggplot(aes(year, avg_attendance, color = sport)) +

  facet_wrap(~sport) +

  geom_line() +

   labs (x = "Year",

        y = "Average Attendence",

        title = "Major League Sport Attendence During a Financial Crisis",

        subtitle = "Prices in USD from 2005 to 2013") +
```

```
theme_minimal()+

theme(legend.position = "none")
```

Major League Sport Attendence During a Financial Crisis
Prices in USD from 2005 to 2013
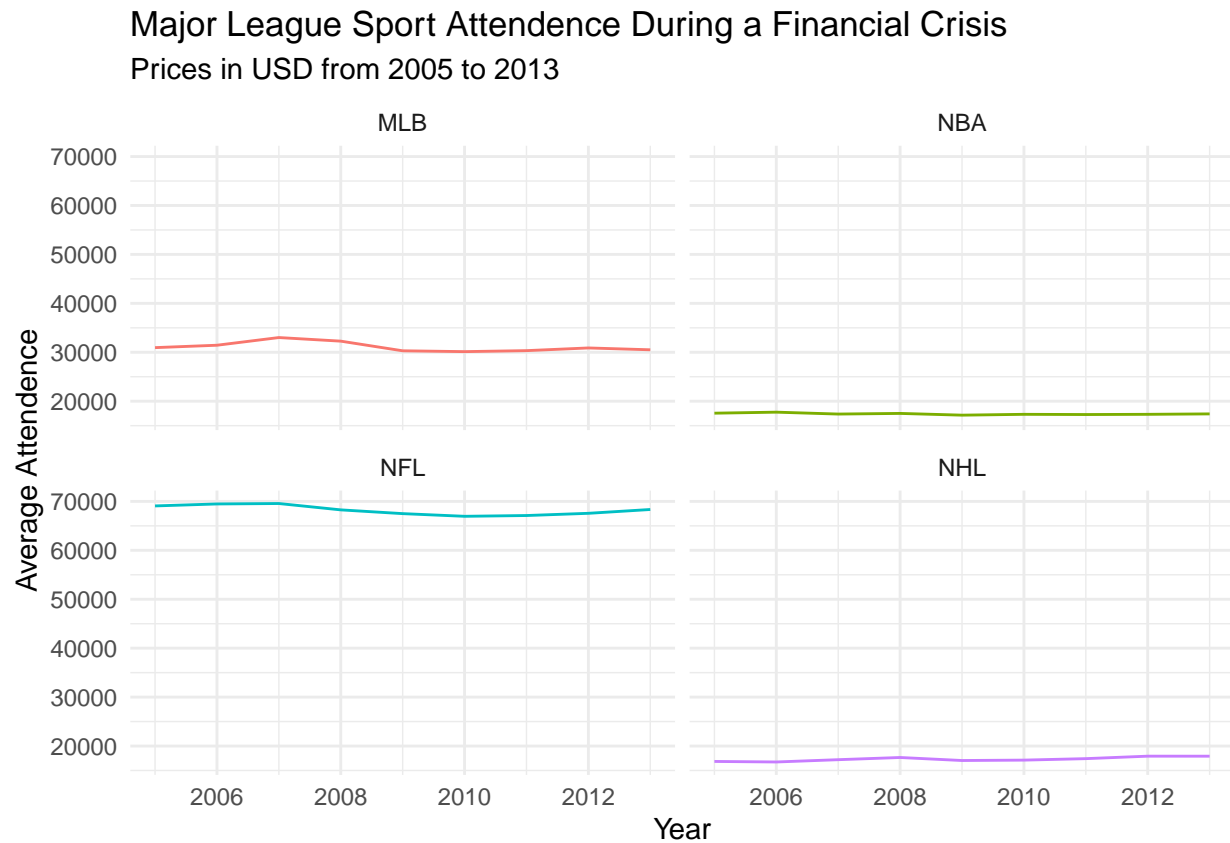

Figure 6

```
fit = sports %>%

  group_by(sport) %>%

  do(model = lm(attend_avg ~ ticket_price + home_wins_pct, data = .))


sports_rev %>%

  filter(sport == "MLB") %>%

  ggplot(aes(avg_homewinspct, avg_attendance)) +

  geom_point() +

  geom_smooth(se = FALSE)+
```

```
    labs(x = "Average percent of home wins",

        y = "Average attendance",

        title = "The Relationship Between Average Percent of Home Wins and Attendance",

        subtitle = "MLB statistics from 2000-2015")+

    theme_minimal()
```
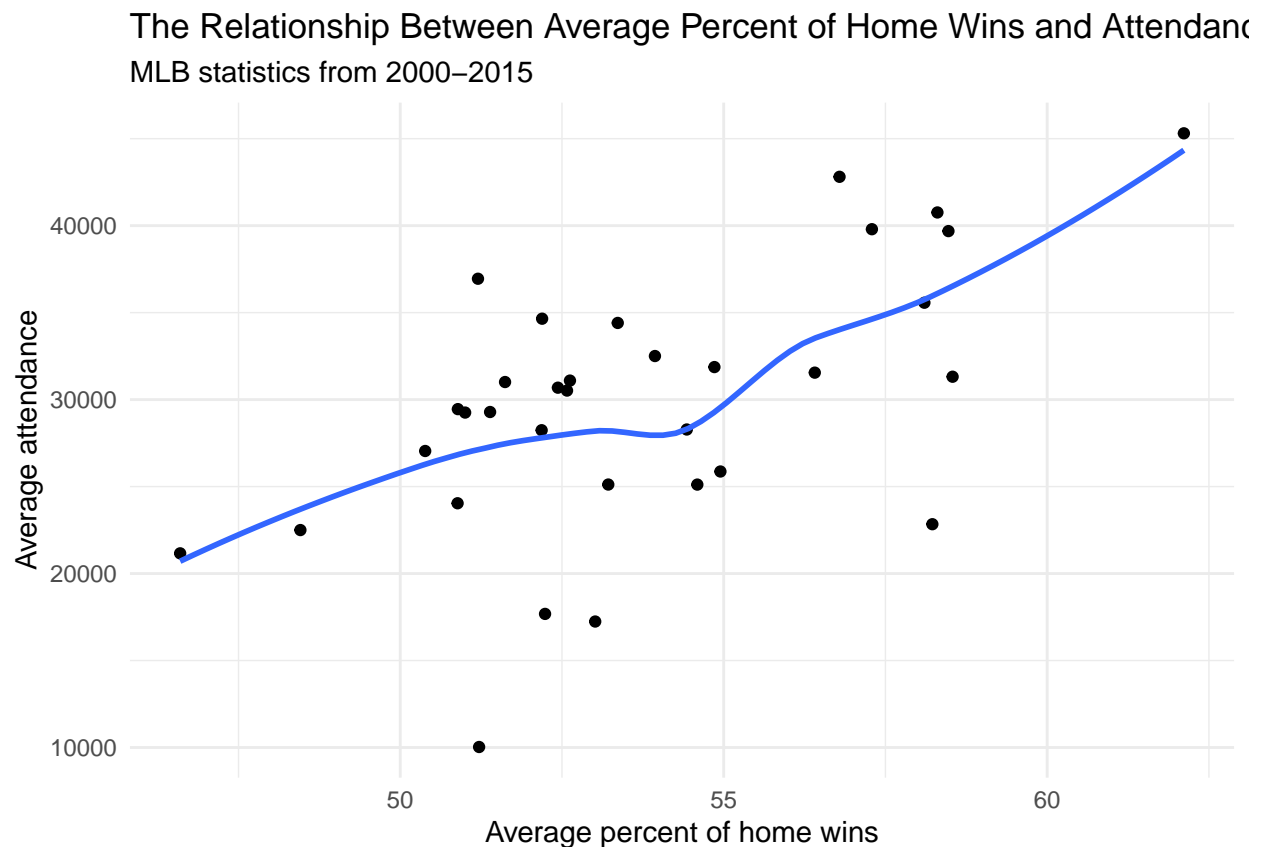

Figure 7

32 **Average Home Attendance, Average Home Ticket Price and Average Home**

33 **Win pct by Sports (2000-2015)**

```
sports %>%

  group_by(sport) %>%

  summarize(avg_attendance = mean(attend_avg),

            avg_ticket_price = mean(ticket_price),
```

```
          avg_homewinspct = mean(home_wins_pct)) %>%
  kable(digits = 2,
        col.names = c("sport", "attendance_mean", "ticketprice_mean", "homewinpct_mean")
```

sport	attendance_mean	ticketprice_mean	homewinpct_mean
MLB	30420.90	23.51	53.88
NBA	17335.68	49.04	59.70
NFL	68039.56	75.29	56.86
NHL	17342.74	51.76	55.94

```
sports_crisis_before <- sports %>%
  filter(sport == "MLB", year >= 2007, year <= 2009)


sports_crisis_after <- sports %>%
  filter(sport == "MLB", year >= 2010, year <= 2012)


attendance_before <- mean(sports_crisis_before$attend_avg, na.rm = TRUE)
price_before <- mean(sports_crisis_before$ticket_price, na.rm = TRUE)
attendance_after <- mean(sports_crisis_after$attend_avg, na.rm = TRUE)
price_after <- mean(sports_crisis_after$ticket_price, na.rm = TRUE)
```

Average revenue per homegame for Major league Baseball (MLB) teams spanning from 2007 and 2009 is $794,445.22 while the one for three years after **financial crisis** is $818,114.18. Major League Baseball seems that it was not affected by recesesion in terms of *revenue* and it actually made more than before the crisis. However, to understand how the recession impacted MLB in greater detail we would need to account for other variables.

Average Home Game Revenue before and after economic recession

Average revenue per homegame of MLB spanning from 2007 and 2009 is $794,445.22 while the one for 3 years after **financial crisis** is $818,114.18. Major League Baseball seems

43 that it was not affected by depression in terms of *revenue* and it actually made more than

44 before the crisis.

```
#demonstrating the use of both pivot_longer and pivot_wider

#our data was very clean to begin with so this was for the sake of practice and demons


sports_pivot <- sports %>%
  pivot_longer(home_wins, names_to = c("home", "wins"), names_sep = "_", values_to = "vi
  pivot_wider(names_from = wins, values_from = victory) %>%
  select(-c(9)) %>%
  rename(home_wins = wins)
```

```
## Project Requirements

#1. pivot_longer: done

#2. pivot_wider: done

#3. group_by: Done

#4. summarize: Done

#5. filter: Done

#6. select: Done

#7. mutate: Done

#8. one table: Done

#9. two visualization: Done

#10. inline code: Done
```

45   **Methods**

46   The sports dataset was collected by marketing professor Conor Henderson. It covers

47 four major league sports (NBA, MLB, NFL, NHL) as well as NCAA college football

48 (NCAAF). For each sport, the data spans from 2000 through 2015 and is currently in the

49 process of being updated through present. The data was originally compiled from a number

50 of reputable sports-focused sources including Rodney Fort's Sports League Database as well

51 as ESPN. In the final dataset that combines all the sports we have 1398 observations across

52 15 years and 10 different variables. The 10 variables we selected were: sport, team, year,

53 stadium capacity, total attendance, average attendance, number of games, ticket price (in

54 USD), and the number of home wins.

Data analysis

56 We used R (Version 3.6.1; R Core Team, 2019) and the R-packages *dplyr* (Version

57 0.8.3; Wickham, François, Henry, & Müller, 2019), *forcats* (Version 0.4.0; Wickham, 2019a),

58 *ggplot2* (Version 3.2.1; Wickham, 2016), *here* (Version 0.1; Müller, 2017), *janitor* (Version

59 1.2.0; Firke, 2019), *kableExtra* (Version 1.1.0; Zhu, 2019), *knitr* (Version 1.25; Xie, 2015),

60 *lme4* (Bates, Mächler, Bolker, & Walker, 2015), *Matrix* (Version 1.2.17; Bates & Maechler,

61 2019), *papaja* (Version 0.1.0.9842; Aust & Barth, 2018), *purrr* (Version 0.3.3; Henry &

62 Wickham, 2019), *readr* (Version 1.3.1; Wickham, Hester, & Francois, 2018), *rio* (Version

63 0.5.16; C.-h. Chan, Chan, Leeper, & Becker, 2018), *stringr* (Version 1.4.0; Wickham, 2019b),

64 *tibble* (Version 2.1.3; Müller & Wickham, 2019), *tidyr* (Version 1.0.0; Wickham & Henry,

65 2019), and *tidyverse* (Version 1.2.1; Wickham, 2017) for all our analyses.

Results

67 In all four leagues, it turns out that average ticket price and average rate of home wins

68 is positively associated with average home attendance even though NFL fans seem they are

69 not as sensitive to wins as are the fans in the three other major league sports. This provides

70 empirical evidence for a finding that is relativley intuitive in the sense that as teams win

71 more, demand for tickets likely increases which would drive prices up. Ultimatley, people

72 enjoy watching their home team win and as a result, are willing to pay more when their

73 team is doing well in a given season. However, this is likely correlated with the outcomes of

74 previous seasons as well. In all four leagues, it turns out that average ticket price and

75 average home win rate have a positive relationship with average home attendance even

76 though NFL fans seem to be not as sensitive to win as other three leagues' fans are. In

77 addition, the 2008 financial crisis did not result in crisis in the US professional sports leagues.

78 While some of the leagues experienced slight decrease in home attendance, all four leagues

79 got through economic downturn as if there was nothing happened. Actually, their home

80 game average revenue went up after financial crisis. We assume this counterintuitive

81 outcome is attributed to the facts that sports were kind of immuned to the crisis for some

82 reason or even during recession people are willing to spend money for watching games.

Discussion

84 Sports continue to play an important role in the United States. In an time when

85 individuals are becoming increasingly isolated [Chalmers2012differences;Shachar2011brands],

86 sports games provide a form of entertainment from that can be bring people together,

87 whether that be through watching the game at the sadium or field or on television. While

88 the motivation to watch sports differs for individuals, the widespread appeal of watching

89 teams compete provides a context for marketers to understand sponshorship, group

90 marketing strategies, and targeted advertising. The current exploratory study provides inital

91 insight into how major league attendance varries over time both in regard to attedance as

92 well as ticket prices. Through the analysis, it is clear that each of the major league sports

93 operates very differently from eachother inregard to the variables of interest isolated for the

94 purposes of this research. As this dataset it used going forward, it will be important to

95 identify more clearly the differences between each of the sports to understand if they can

96 indeed be collapsed into an overarching category of "major league sports attendance" across

97 all four major league sports (MLB, NBA, NFL, NHL). Another aspect that was not taken

98 into account in the current research is team-specific factors including how long the team has

99 been in a city as well as how many time a team has moved.

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