

Danish Football at the Crossroads

- an analysis on options for a future league structure



Master's Thesis

University of Southern Denmark – Faculty of Social Sciences

Author: Morten Gellert Kätow


M. Sc. In Economics and Business Administration – Sports and Event Management

Supervisor: Arne Feddersen – Department of Environmental and Business Economics

Submission date: 6 September 2013

 **NordicBet | LIGA**

 **DIVISION**



	Klub	K	V	U	T	P
1	FC København	33	18	11	4	62
2	FC Nordsjælland	33	17	9	7	60
3	Randers FC	33	15	7	11	36
4	Esbjerg fB	33	13	8	12	38
5	AaB	33	13	8	12	51
6	FC Midtjylland	33	12	11	10	51
7	AGF	33	11	8	14	50
8	SønderjyskE	33	12	5	16	53
9	Brøndby IF	33	9	12	12	39
10	OB	33	10	8	15	52
11	AC Horsens					

Sworn statement

I hereby solemnly declare that I have personally and independently prepared this paper. All quotations in the text have been marked as such, and the paper or considerable parts of it have not previously been subject to any examination or assessment.



Morten G. Kätow

Foreword

This Master's Thesis is the culmination of 3 years of studying M.Sc. Economics and Business Administration – Sports and Event Management at University of Southern Denmark in Esbjerg. A lot of people have helped and supported me during this writing, and without them this might not have been possible to complete.

First of all, I have to apologize to my girlfriend, family and friends because they have had to do without me for most of the past six month.

Secondly, a huge thanks to the two football experts and to the 5 football clubs that I got the chance to interview. Furthermore, I also owe a big thanks to all the respondents that used a few minutes of their time to answer my questionnaire. In the same breath, I also want to thank the guys at bold.dk for letting me upload my questionnaire to their website.

Finally, I also want to thank my supervisor, Arne Feddersen, who has been brilliant in giving me good advice and guidance and at the same time acted as the devil's advocate when needed.

According to the course description for the Master's Thesis, the total number of pages should be between 70-80 pages. A normal page is 2400 strokes and the total number of strokes in this thesis is 196,553. This means that the total number of pages in this thesis is 81.9 pages.

Enjoy the reading,

3 September 2013

Morten G. Kätow

Abstract

During the past decade, the total number of attendance in the Danish football league, Superligaen, has decreased with more than 7.5 percent. At the same time, the number of clubs that have a real chance of winning the championship seems to have decreased as well. This thesis seeks to determine whether there is a relationship between the number of attendance and the competitive balance in Danish football. Furthermore, the thesis also covers the question about possible changes to the league structure in order to make the setup more satisfying to the spectators.

The study was conducted by means of methodology triangulation, which means that the conclusions in this thesis are based not only on data from one source but instead covering more aspects of the questions by including both qualitative as well as quantitative data. Moreover, two case studies from Belgium and Scotland have been included, and together with the extensive amount of literature they are used as basis for the final conclusions. Informants from the management teams of five football clubs from different tiers of the Danish league system, more than 600 football spectators and two football economists were included in the data collecting process, which also helps making the data more generalizable. The overall structure of the argumentation throughout the thesis derives from the interview guide that was used to interview both the football experts as well as the informants from the five football clubs. The structure includes questions that seek to cover as many aspects of the research question and sub-questions as possible, and it was also used as a foundation for the design of the questionnaire for the spectators.

Together with all primary data, an extensive amount of literature on competitive balance and league structures is used. The main focus of the literature review is on one hand to cover previous research on competitive balance and link it with literature on factors that are affecting the number of attendance in sports in general. On the other hand, the review is about how leagues are designed and how that can affect the spectators' willingness to attend a game. In relation to that, literature on rules and restrictions in sports are also described and used for the analysis.

Several things can be concluded, based on the findings in this thesis. One of the major findings shows a clear connection between the level of competitive balance and the number of attendance. Based on the primary data, one can furthermore argue that when discussing competitive balance, the focus of the spectators seems to be on the top of the league, i.e. the fight for the championship, instead of the league in general. Regarding the league structure, every stakeholder seems to agree that something should be changed in Danish football - both in order to satisfy as many stakeholders as possible, but also to circumvent some of the "unfair" elements that are currently affecting the system. The findings in this thesis indicate a clear tendency towards the spectators arguing for an increase in the number of clubs in the league, while, on the other hand, the experts and to some extent also the clubs want that number to decrease instead. Finally, it is also concluded that the uncertainty about the sporting and economic consequences for the clubs being relegated seems to be so crucial that it calls for the introduction of promotion- and relegation playoffs.

In conclusion, the overall picture that can be drawn from the findings in this thesis is that something should be changed in Danish football in order to maintain and increase its attractiveness; however, when a general agreement could be achieved seems hard to tell.

Table of Content

1. Introduction	1
2. Background information	7
2.1 Delimitation.....	7
2.2 Clarifying words and concepts	8
2.3 The licensing program	10
2.4 The history of the Danish football league system.....	12
2.5 Previous research on Danish football	14
3. Literature review.....	16
3.1 Competitive balance	16
3.2 League structure	35
3.3 Case studies.....	47
4. Methodology and Empirical Structure	53
4.1 Qualitative Research Method	54
4.2 Quantitative Research Method.....	61
4.3 Competitive balance in the Danish league system – statistical evidence.....	66
5. Analysis.....	72
6. Discussion and future perspectives.....	107
7. Conclusion	109
8. List of references.....	113
8.1 Articles.....	113
8.2 Books	116
8.3 Websites.....	116
8.4 Reports	117
9. Appendices	119

List of tables

Table 1 - Restrictions according to the licensing program	10
Table 2 - Danish football TV agreements (1990-2012).	30
Table 3 - TV agreements in Denmark and England	31
Table 4 - Example of a Round Robin system	37
Table 5 - Preferred number of clubs for different stakeholders.....	44
Table 6 - Number of attendance in the Belgium Jupiler Pro League	49
Table 7 - Number of attendance in the Scottish Premier League.....	51
Table 8 - Expert interviews.....	57
Table 9 - Club interviews	58
Table 10 - Number of new respondents per day	63
Table 11 - List of top-3 finishers in Superligaen.....	67
Table 12 - Has Danish football become more or less predictable over the past decade(Superligaen) .	77
Table 13 - Is the sporting difference between Superligaen and NordicBet Ligaen too big? (What do you think of the number of clubs in Superligaen?).....	84
Table 14 - According to you, does the setup of the leagues give every team the opportunity of winning their division? (according to which club the respondents follow the closest).....	88
Table 15 - What do you think about (re-)introduce playoffs regarding the championship?.....	93
Table 16 - What do you think of introducing promotion/relegation playoff?	94
Table 17 - Income from sponsors + TV for different types of clubs.....	100

List of figures

Figure 1 - Positive tendency	17
Figure 2 - Negative tendency	17
Figure 3 - Marginal Revenue Functions in a Two-Team League	25
Figure 4 - The Two-Team League Model.....	25
Figure 5 - Competitiveness in the Two-Team League Model with and without the reserve-option clause.....	27
Figure 6 - Competitiveness in a Two-Team League Model under the restriction of a salary cap.....	29
Figure 7 - Example of an elimination structure.....	39
Figure 8 - The average number of attendance per game in Superligaen, NordicBet Ligaen and 2. Division Vest/Øst.....	66
Figure 9 - Herfindahl Index - % (Superligaen)	68
Figure 10 - Standard deviation (Superligaen).....	69
Figure 11 - Number of group changes (Superligaen)	70
Figure 12 - Figure 6 - Repeat clubs in the top 3	71
Figure 13 - The age of the respondents	72
Figure 14 - The gender of the respondents.....	73
Figure 15 - Respondents per division.....	73
Figure 16 - Important factors when attending a game in stadiums.....	74
Figure 17 - Important factors when watching a game on TV.....	75
Figure 18 - Number of games watched.....	76
Figure 19 - Has Danish football become more or less predictable over the past decade?	77
Figure 20 - Standard deviation in Superligaen - the past decade	78
Figure 21 - Predictability regarding the fight for the championship.....	79
Figure 22 - Predictability regarding the fight to avoid relegation.....	79
Figure 23 - Attended more or less games than last season?	80
Figure 24 - Would you attend more games if the games were more unpredictable?.....	82
Figure 25 - Is the difference between Superligaen and NordicBet Ligaen too big? (%)	84
Figure 26 - Is the difference between NordicBet Ligaen and 2. division Vest/Øst too big? (%).....	85
Figure 27 - According to you, does the setup of the leagues give every team the opportunity of winning their division?	87
Figure 28 - What do you think of the number of clubs in the league?	90
Figure 29 - How much does money mean to the position of a club in the league? (%)	98
Figure 30 - Income for a Danish football club – million DKK (2008)	99

1. Introduction

“Club football is, popularly speaking, driven by two factors: economy and feelings” (Sperling, Nordskilde & Bergander, 2010)

In the beginning, football was just a simple game with 2x11 men playing each other without much tactics or many rules to follow (Wilson, 2008), with the main driver being the feelings for the game. At that time, the game existed in many different forms depending on where you “attended” a game. But soon, a variety of organizing associations entered the sport in order to ensure common terms and conditions for everyone, and that led to football becoming the world’s most widespread sport that it is also known as today (Hansen, 2006). At the same time, this also meant that a new dimension was now added to the game – money.

Especially in recent years, money has become more and more dominating, and some even argue that money from sponsors and TV agreements together with players’ wages has increased tenfold during the past 10-15 years (Larsen, 2012). This also adds to the argumentation about the continuing growth of the importance of football.

The general tendency described above is argued to be the same in Denmark (Sperling, Nordskilde & Bergander, 2010), and following the development in the popularity of football, other fields, connected with the sports, have also asserted themselves. In order to ensure a certain level of quality for the product “Danish football” as well as create the basis for attracting as many as possible to the sport, focus on the environment for the elite, education, the general association, and political engagement have been highlighted in recent years (Storm & Brandt, 2008).

That attention towards the product and what can be done in order to sell more in a continuously growing industry seems to be the topics of today when looking at the literature on football - in other words, the search for a common platform that contains both the game of football as we know it, but also all the other things surrounding the sport. In this thesis, I

will try to uncover an interesting corner of that platform that could become the crucial point for the future of Danish football.

In recent years, the discussions about possible changes to the league structure in Danish football seem to occur more frequently than before. This year alone, the discussion has been up multiple times on the website bold.dk¹ - this thesis reviving the discussion in the forum once again. Therefore, I think the topic of this thesis is not just interesting to people within the football industry in Denmark because it has never been done before; but the discussion is also very relevant, and people seem to be very eager in wanting to add their opinion to it.

“Some people believe football is a matter of life and death: I am very disappointed with that attitude. I can assure you it is much, much more important than that” (Bill Shankly - as in Goldblatt, 2006)

¹ <http://www.bold.dk/blog/2519/1/Skotsk-slutspil-en-model-til-Suppen> (8/1 - 2013)
<http://www.bold.dk/blog/2060/30/Din-mening-om-strukturen-i-dansk-fodbold> (this thesis) (19/5 - 2013)
<http://www.bold.dk/nyt/Lodberg-haaber-paa-16-hold-i-Superligaen> (27/5 - 2013)
<http://www.bold.dk/nyt/Naeppe-aendringer-paa-vej-i-ligastrukturen> (29/7 - 2013)

Problem statement and research question

During the past five seasons, the total number of attendance in Superligaen has decreased with more than 19 percent, and over the past decade the number is more than 7.5 percent. This tendency means that, in average, around 1,600 fewer seats are occupied for a game in a Danish Superliga stadium now than just 5 years ago. This also means that the number of people that attend a football game in the highest division in Denmark has now returned to the same level as just after the turn of the century. Meanwhile, the fight for the top positions in Superligaen seems to be a race between fewer competitors than ever before, while opposite to that, the battle in the relegation zone seems to include more clubs than previously.

Many different things have happened in that period of time both in Danish football and in the surrounding society in general.

The question then is, if the stakeholders in Danish football have noticed this negative tendency and if anything could – and should – be done in order to change that. What influence does the league design have on the spectators' interest in football in Denmark, and is it possible to heighten the number of attendance by re-structuring the league system?

In this thesis, I would like to take a closer look at the Danish football league system and assess if something could be changed in order to make the league more exciting and unpredictable to the spectators - if that's what they want at all. Therefore my main research question is:

What influence does the league design have on the spectators' interest for football in Denmark, and how does the level of competitive balance affect the number of attendance?

In order to answer that question a number of sub-questions will also be examined and later on used as basis and support for the concluding answer of the main question. These questions are all related to topics surrounding the main field of research, i.e. competitive balance and league systems. The sub-questions are:

Has Danish football become more or less predictable in recent years?

How is the connection between the level of competitive balance and the number of attendance in Danish football?

What kind of league design would the different stakeholders in Danish football like to be introduced?

Structure of the chapters

The structure of this thesis seeks to give the reader the best possible flow through the paper by organizing the different chapters in a natural extension of each other.

After the first introductory chapter, chapter 2 contains different aspects of background information. This information can be used as support and basis for the research done through the paper. The chapter includes delimitation of the extent of the present study and clarification of terms and concepts in order help the reader better understand the study. Furthermore, some background information about the Danish football league system is included, such as a short review of the licensing program, the history of the Danish league system and finally a part about previous research done on Danish football.

The following chapter, chapter 3, is a literature review that looks at all the present literature on the two main areas of focus, i.e. competitive balance and league structures in general. The models and theories from the literature review will later on be compared to the findings of this thesis in the analysis part.

In chapter 4, the methodology of the thesis will be described.

Finally, in chapter 5, the findings will be analyzed and compared to the theories found in the literature review; ending up with a discussion and a conclusion in the end of this thesis. That part also includes advice for future perspectives and future research.

Theoretical framework

The theoretical framework in this thesis covers two main areas of research, i.e. competitive balance and more general theories about structuring a sports league. Besides that, two case studies from Belgium and Scotland will be used to compare and mirror the situation in the Denmark.

In the first part of the literature review, I will go through the history of competitive balance, based on Fort & Quirk (1995), Fort & Maxcy (2003), Vrooman (1995) and Schmidt & Berri (2003) before going more into detail with the difference between static and dynamic competitive balance. Regarding static competitive balance, calculation models like *the range*, *standard deviation* and *the Herfindahl Index* will be described based on Feddersen & Maennig (2005). Later on, the dynamic models are included, mainly based on the argumentation from Troelsen & Dejonghe (2006).

The second part of the literature review covers theories on league structure. This part is mainly based on Noll (2002) and Noll (2003), while the case studies rely on the research of Dejonghe (2004) and Cairns (1987).

2. Background information

2.1 Delimitation

The main target of this thesis is basically to find out if the Danish football league system is organized in the right way according to different stakeholders. Since there are so many stakeholders involved in football in Denmark, I have chosen to focus on only three groups of stakeholders in this thesis, and these are: the spectators, the clubs and the football economists. The remaining stakeholders like e.g. the sponsors are not included in this thesis, and therefore findings and recommendations do not necessarily apply to them.

Furthermore, I have chosen to only focus on the part of Danish football that is covered by the Danish Football Tournament², which consists of the top three divisions in the Danish football league system. Professional football is found in Superligaen and partly in NordicBet Ligaen, while 2. division Vest/Øst is an amateur division. The main focus will be on Superligaen and the relation between Superligaen and NordicBet Ligaen, but 2. division Vest/Øst will also be included in the analysis in order to give a broader picture of the situation in Danish football and to secure that any conclusions or recommendations could also be used in a broader perspective.

Regarding the field of research, the main focus of this thesis is on the sporting and organizational setup of the league system, i.e. the economical organization will only be dealt with very briefly. The short economical part of the thesis will be based mainly on findings from secondary literature and used in the argumentation in the conclusion.

² See a description of the term “the Danish Football Tournament” in the following section

2.2 Clarifying words and concepts

Throughout this thesis, some general words and phrases will be used to describe certain concepts within the field of my research. In the following, I will clarify the meaning of the most frequently used words, in order to avoid misunderstandings throughout the reading of the thesis.

Whenever the word football is used, it refers to the European sport of football that in North America is called soccer.

Through the thesis, the word club will be used but when dealing with the “Two Team League Model” the term team will be used instead in order to avoid confusion about the name of the model.

The Danish Football Tournament consists of footballing competition in the three highest divisions in the Danish Football League system. It is organized partly by The Association of Divisions and partly by DBU also known as Dansk Boldspil-Union (The Danish Football Association). Whereas DBU is the overall organizing body of all Danish football, The Association of Divisions only deals with the three divisions mentioned below, i.e. only male football, which are also the divisions this thesis is dealing with. The current names of the three highest divisions in the league system are:

The best division = Superligaen

The second-best division = NordicBet Ligaen

The third-best divisions = 2. Division Vest and 2. Division Øst - but in this thesis they are merged and called 2. Division Vest/Øst

Due to different sponsorships, the divisions have had different names through time. Therefore, whenever referring to a time period where the divisions had other names, they will either be called their current names or referred to as the top division, the second-best division and the third-best division.

The informants will be quoted verbatim, and all quotations represent the single informant’s views and opinions.

In this thesis, I have no interest in distinguishing between hardcore fans, “normal” fans and spectators, either with or without any emotional connection to the clubs; so therefore whenever referring to people who attend a game for any reason, they will be called spectators. As mentioned in the part about previous research on Danish football, Divisionsforeningen (2013) have recently done research on the Danish spectators in Superligaen. In order to verify my findings, they will be compared to this research during the analysis.

2.3 The licensing program

The licensing program is introduced in Danish professional football mainly because of two reasons:

1. *“...in order to continuously improve the standard in all aspects of Danish football” (Licensing program - Superligaen, p. 12)*
2. *“...to offer players, spectators and representatives from the media appropriate, well equipped and safe facilities” (Licensing program - Superligaen, p. 12)*

It is divided into five chapters (sporting, stadium and facilities, administration, legal, economical) with each rule being categorized with either A, B or C depending on if the rule is mandatory (invariable), mandatory (with exceptions) or recommendable respectively. If a club doesn't live up to the restrictions, it can have a one-season dispensation and get a window of one year to get it fixed. If not sorted out after one year, the clubs can be refused a possible promotion or being relegated to a lower division.

The licensing program only applies to Superligaen and NordicBet Ligaen and in the following I will shortly introduce the most important rules and regulations and create a comparison between the rules in Superligaen and in NordicBet Ligaen.

	Superligaen	NordicBet Ligaen
Capacity (Restriction category A)	Min. 10,000 spectators (min. 3,000 seats)	Min. 3,000 spectators (min. 300 seats)
Under-soil heating	Restriction category A	Restriction category C
Youth development program	Restriction category A	Restriction category A
Medical assistance to the players	Restriction category A	Restriction category C
Annual economic report	Restriction category A	Restriction category A

Table 1 - Restrictions according to the licensing program (Own work – based on “Licensing Program - Superligaen” and “Licensing Program – NordicBet Ligaen”)

The administrative restrictions seem to be somewhat the same in the two leagues, but regarding the facilities there is some difference. In NordicBet Ligaen, it is possible to play the home games in a stadium with a capacity of 3,000 spectators, while a club in Superligaen must be able to host at least 10,000. This might of course be a problem, if a small club with a limited economy is promoted and then has to rebuild the stadium in order to satisfy the new restrictions. Furthermore, the under-soil heating system is also not mandatory but only recommendable in NordicBet Ligaen, so that also has to be invested in, when being promoted to the highest division.

As seen, the licensing program doesn't dictate other things than sporting restrictions and facilities when it comes to the match-day setup. That means that so far matters like entertainment, music, cheerleaders and competitions are in the clubs' own hands.

2.4 The history of the Danish football league system³⁴

The history of the Danish football league system can be split into three phases.

The early years of football

Since 1912, there has been some kind of tournament in order to crown the Danish football champions. At that time, Denmark was divided into local football federations whose champions got to play against the champions from the other federations about becoming the Danish champion.

The first real tournament

The first actual nationwide tournament was called Danmarksturneringen, and it was established in 1927 - but already two years later in 1929, the structure was changed the first time from consisting of 5 groups all including 4 clubs to now just consisting of 1 top league with 10 clubs playing each other once. Then in 1936 that structure was modified, so that the clubs now had to play the other clubs twice during a season. Due to logistical challenges, Danmarksturneringen was on standby during the Second World War but was restarted in 1945.

The structure with 10 clubs playing a double tournament (playing the other clubs twice) lasted until 1956, when the league organizers chose to expand the season to 18 month and the number of games to 27, so that every club should now play the others three times; but already two years later that structure was changed to a league containing 12 clubs in a double tournament. Then nothing was changed until the league was expanded to 16 clubs in 1975 and then again reduced to 14 clubs in 1986.

Welcome to professional football in Denmark

From 1978, professional football was introduced in Denmark, based on initiatives from footballers and politicians (Sperling, Nordskilde & Bergander, 2010) and after that, discussions about how Danish football could be strengthened took place through the

³ <http://divisionsforeningen.dk/page.aspx?id=35199> (accessed on 27 June 2013)

⁴ http://www.dbu.dk/turneringer_og_resultater/Landsdaekkende_turneringer_herrer/Superligaen/DM-historie.aspx (accessed on 27 June 2013)

1980ies. These discussions ended up with Superligaen being founded in 1991. The first season acted like a transitional (half) season and then from the 1991/1992 season 10 clubs played a double tournament in the fall, and then the 8 best clubs played a double tournament to decide the championship during spring. That structure lasted until the most recent change in 1995, where the league was expanded to 12 clubs playing a triple tournament (one game at home, one game away and one game depending on the final standing the previous year).

The introduction of the cup tournament⁵

In 1954, inspired by the English FA Cup, the Danish Cup tournament was introduced. It works as a traditional cup tournament, which will be described in the section about different league structures later on. Although the Danish Cup tournament has been a part of Danish football for almost 60 years, the rules have only been regulated once, in 1996, when DBU decided to enhance the possibility of a lower ranking club beating the favourites by always giving them home advantage.

⁵ <http://divisionsforeningen.dk/page.aspx?id=35190> (accessed on 27 June 2013)

2.5 Previous research on Danish football

In recent years, other major research has been done on Danish football, its structure and organization, but with other perspectives and agendas than in this thesis. Even though they might not be a part of the literature supporting this thesis, I think that mentioning the others both give an impression of what other people think is important to know about Danish football, and furthermore it will give a good idea about where this thesis can add to the current knowledge about Danish football.

In the following, I will shortly introduce the research.

Rambøll report (Rambøll Management, 2007)

In 2007, Rambøll Management was asked to do an evaluation of the organizational structure within DBU. They did that by using interviews and questionnaires among the employees, and their main focus was to find out how a future political and administrative structure could be. The focus of this research was solely on the internal structure in DBU.

Capacent report (Divisionsforeningen, 2009)

The Capacent report from 2009 was produced on behalf of Divisionsforeningen in order to come up with ideas to a new tournament structure in Superligaen and NordicBet Ligaen. The researchers interviewed the clubs and asked for their suggestions, and subsequently an economic analysis was done on each of the proposed structures. However, none of these structures was ever taken to the vote, mainly because Divisionsforeningen sensed the negative attitude from the clubs towards any changes to the league system (Sperling, Nordsklide & Bergander, 2010). Thus, the only thing that was ever introduced as a result of the report was the introduction of a reserve team league.

Spectator report (Divisionsforeningen, 2013)

The most recent report on Danish football tries to answer the question about who the Danish football spectators are. Divisionsforeningen did send out an online questionnaire to spectators that had registered on the different clubs' homepages. It resulted in almost 6,000 people answering it with a completion rate of 52 percent. The result of the research is a

description of who the Danish football spectators are with regards to demographic, economical, educational and football related factors. I will use this report later on in my analysis for the purpose of testing if my findings are reliable compared to this research.

3. Literature review

3.1 Competitive balance

Ever since Rottenberg mentioned sports economics as an issue to consider and study more closely back in 1956, a great amount of researchers have dealt with a lot of different aspects within this field of economics. Along with the increase in the popularity of sports in general, economists quickly realised that they were to take this relatively small niche market increasingly seriously.

For people that are selling a product, no matter if it's related to sports or not, the quality of the product is of course of a major importance. The sellers have to convince the consumers to buy their products, and in order to do that they have to have some kind of knowledge about what the consumers are looking for. Relating that to the field of sports economics, researchers have tried to find the formula that revealed all of the different factors that are important to spectators and other consumers of sporting events. But since sports consist of so many different factors in a world that is in constant change this seems like a very hard – if not impossible – job.

One of the buttons that can be adjusted in order to improve the quality of the product is the competitive balance⁶, which most researchers agree is, to some extent, needed if a league or a tournament should be able to attract spectators (Sanderson, 2002; Feddersen & Maennig, 2005; Hadley, Ciecka & Krautman, 2005; Vrooman, 1995). In general, it has often been argued that too little competitive balance will fail in attracting spectators to attend the games. Thus, the market will lose income, and the interest will decrease even further (Feddersen & Maennig, 2005). But looking at the dilemma from another perspective, too much competitive balance might also ruin the game for some of the other stakeholders (Feddersen & Maennig, 2005), so how can we find the happy medium?

Zimbalist (2002) argues that before the start of a season, spectators from every club hope that exactly this year their club will make it, whatever it is winning the championship,

⁶ The concept of competitive balance will be described more thoroughly in the following part of this literature review

defeating their rivals or just beating relegation. These hopes are in some way all related to the competitive balance, because if there was none, people already knew the results beforehand and might as well not go to the games or follow their club at all (Zimbalist, 2002).

As mentioned before, it's very hard to put an exact number on how much competitive balance is needed and furthermore, competitive balance, in most cases, emphasizes either a positive or a negative tendency (Feddersen & Maennig, 2005; Humphrey, 2002; Schmidt & Berri, 2003) that can be hard to adjust for by the managers of the leagues. Below, the positive and negative tendencies are shown:

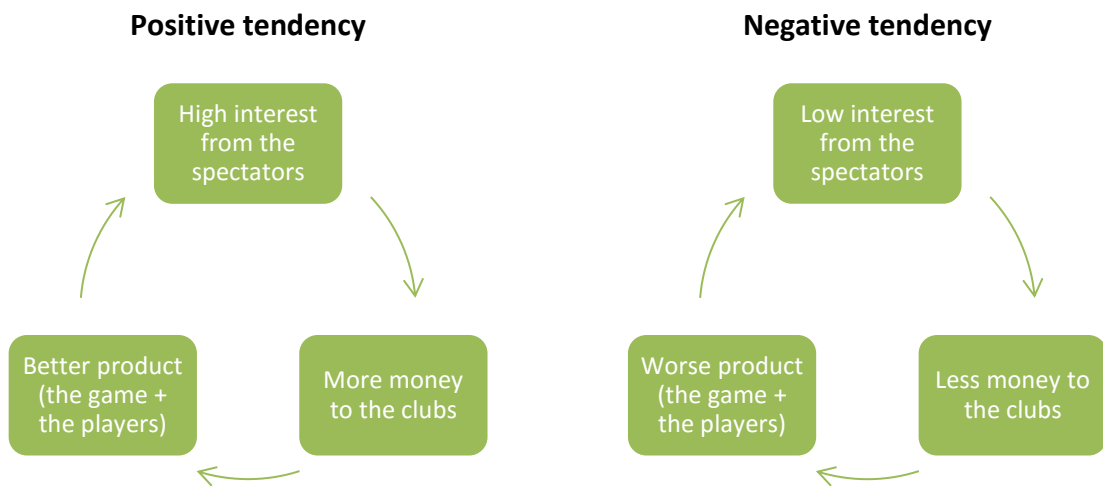


Figure 1 - Positive tendency (Own work, based on Feddersen & Maennig, 2005)

Figure 2 - Negative tendency (Own work, based on Feddersen & Maennig, 2005)

Research from American sports show that if the competitive balance decreases over a longer period of time, the young generation will lose interest in it, and that will create the same snowballing effect as shown in figure 2 - eventually resulting in less spectators in the stadiums and a decrease in the overall interest for the sport (Schmidt & Berri, 2003).

Even though competitive balance has a huge influence on sport management and the way managers design the different leagues and tournaments, the phenomenon is relatively new, and as mentioned before, researchers are still struggling to find out exactly how important the factor is in their pursuit to create the perfect competition. Therefore, most of the literature dealing with this topic is still basic articles about different ways of calculating

competitive balance. In the following, I will chronologically go through the literature on competitive balance by introducing the different ways of calculating competitive balance.

“Competitive balance is like wealth. Everyone agrees it is a good thing to have, but no one knows how much one needs.” (Zimbalist, 2002)

Competitive balance in the short or long run

When looking at studies dealing with competitive balance, one can argue that the history can be split up into two parts; that being the static and the dynamic competitive balance. The first researchers who dealt with this topic were Rottenberg (1956) and Quirk & El Hodiri (1971) who argued that the competitive balance had something to do with the distribution of the points in an open talent market, and to begin with, they focused only on explaining how the competitive balance was working within a single season. This has later been called the static competitive balance. Many researchers began digging deeper into this field of economics and within a couple of decades a great number of different models and formulas existed. As I will show later on in my review of the most important models, many of them looked alike, just with minor differences to separate them.

After many discussions in the literature about how to calculate the static competitive balance, researchers began to realise one problem related to this issue, and that was the dynamics that happened between the seasons (Fort & Maxcy, 2003). It then suddenly became an issue to try to circumvent the problem about “relative standing” that now and then occurred in the leagues and made the static competitive balance calculations look like nothing had happened. Hadley, Ciecka & Krautman (2005) argue that spectators remember more than one season and therefore the competitive balance calculations should also include more than one season. Below, the problem about the relative standing is described.

Example from Humphreys (2002)

If two five-club leagues have similar standard deviation (σ) over a period of five seasons, the relative standing could be different. If League 1 has exactly the same final standing every year and League 2 at the same time has the same distribution among the points, but the clubs switches their final position, so every club gets to win the championship, finish 2nd, finish 3rd and so on, calculations using static competitive balance will show two evenly competitive and predictable leagues while the situation is totally different.

Together with the focus switching from the static to the dynamic competitive balance, researchers found out that using these new calculations, the competitive balance rose remarkably (Fort & Maxcy, 2003; Storm & Berg, 2010). That might not be so surprising, because now not only the final distribution of points but also the changes between the clubs are included in the calculations and that, of course, will make the number rise (Fort & Maxcy, 2003).

In the following, different models of calculating competitive balance will be discussed.

The range

The range might be one of the simplest ways of calculating competitive balance. The model simply states the difference between the largest and the smallest observed value (Feddersen & Maennig, 2005). In this formula it's very easy to see the lack of season-to-season dynamics but it might work very well when comparing two leagues with the same setup i.e. same number of clubs and the same rules regarding the distribution of points. Furthermore, Feddersen & Maennig (2005) argue that *the range* is very suitable when calculating American sports because the leagues have identically range of winning percentage [0;1].

Standard deviation⁷

The standard deviation is found by taking the square root of the average of the squared difference of the values from their average value and is often argued to have an advantage

⁷ N = number of teams, p = points

over *the range* because all the observed values are included in the calculation (Feddersen & Maennig, 2005). The equation is seen below:

$$\sigma = \sqrt{\frac{\sum \left(p - \frac{p_{total}}{N} \right)^2}{N}}$$

This model explains how far from the mean value the other values in average are placed. Relating this to a football league, a high number tells that the clubs are far away from each other (imbalanced league), and a low number will indicate a closer (more balanced) league. Often, the standard deviation is mentioned in the literature as the easiest and most correct method to use when calculating static competitive balance (Utt & Fort, 2002).

Herfindahl Index

In many ways, the Herfindahl Index (also known as the Herfindahl-Hirschman Index) consists of the same factors as the standard deviation. Though, it measures how skewed the top clubs' points are compared to a situation with perfect competition (Troelsen & Dejonghe, 2006).

$$H = \sum_{i=1}^N s_i^2$$

That means it weights the N clubs' points, "s" (their market share) in order to determine how the competition is in a league. By squaring the "market share" of the clubs before summing them together gives more weight to the stronger clubs. The tendency of the results from the Herfindahl Index can in some way be compared to the standard deviation, because a low number means a closer league and the higher the number, the more imbalanced is the league. The results are measured in points and therefore the range is $[\frac{1}{N}; 1]$, N being the number of clubs in the league.

But as mentioned before, all of the methods described above are looking at the competitive balance within one season and can't be used to compare multiple seasons because of the issue about the relative standing (Humphreys, 2002). So in order to capture the season-to-season dynamics, the dynamic competitive balance was then introduced in the literature. In

the following, I will mention some ways of dealing with the dynamic competitive balance from the existing literature.

Since the dynamic competitive balance is a more recent field for the researchers to look at, the models used are also simpler and more “homemade” than the once used for calculating the static competitive balance. Troelsen & Dejonghe (2006) argue that the season-to-season dynamics of a league can be capture in two main ways, i.e. either by looking at repeat clubs in the top x or by calculating, how many changes in league position there have been made by all clubs in the league from one season to the other.

Repeat clubs in the top

Regarding repeat clubs in the top, Troelsen & Dejonghe (2006) argue that the dynamics are found by looking at both how many clubs have been in the top 2 for the past x seasons⁸ and also how often the best clubs have been situated in the top 2. One can then argue that the greater the number of clubs inside the top 2 position within x seasons, the more competitive it is. Furthermore, if many different clubs make it into the top positions of the league, more people also have the hope of their club making it, like Zimbalist (2002) mentions in his article, and that will furthermore help make the league more exciting to the spectators and thereby attract more sponsors, which means more money to the league and the clubs as shown in figure 1.

Changes in league positions

Another way of looking at the dynamic competitive balance is by calculating how many clubs have changed its position in the league from one season to another (Troelsen & Dejonghe, 2006). A very simple way of doing that is to give 1 point for each position a club has changed compared to last season’s final standing. The greater the number means that more clubs have switched position and that the league is more competitive than if the number was smaller. The formula is mentioned in Troelsen & Dejonghe (2006) and based on Haan et al. (2002)⁹:

⁸ In the article, they do their calculations with 6 and 10 seasons (Troelsen & Dejonghe, 2006)

⁹ n = number of teams, r_{kt} and r_{kt-1} = the position of the team k in year t and $t-1$

$$DN_t = \frac{2}{n^2} \sum_k |r_{kt} - r_{kt-1}|$$

I think this is the best way of measuring competitive balance between seasons, but later on in the analysis, I have created my own methods of calculating the dynamic competitive balance, in the most appropriate way for the Danish league system. These calculations are based on and inspired by Troelsen & Dejonghe (2006) and Storm & Berg (2010).

Different stakeholders and competitive balance

Depending on who you ask, people with different interest in sports will most likely answer differently towards whether the competitive balance should be high or low (Troelsen & Dejonghe, 2006). Neale (1964) argues that sports competitions are produced by many different stakeholders with different agendas, but if a game/league/tournament should be a success, the stakeholders mostly work together and agree on the terms, among others how the competitive balance should be. In their article, Troelsen & Dejonghe (2006) mention a great amount of stakeholders who might not necessarily have the same goal when it comes to the level of competitive balance. Below, I have listed the most important stakeholders:

Stakeholders who want *low* competitive balance:

- The constant league winners
- The fan base of the strongest clubs
- Club-owners with self-promoting motives (business, political or just personal pride)

Stakeholders who want *high* competitive balance:

- All the players and clubs below the top
- The media
- Investors who want to enter the market or want a higher market share

So it's actually very clear who benefits from low and high competitive balance, respectively. It seems that only the top clubs and the big market clubs (with a larger amount of spectators (fan base)) benefit from having a low competitive balance, while the rest of the clubs of course want the league to be more unpredictable in the hope of their club can someday win

the league. On the other hand, the league as a whole will benefit from having higher competitive balance, because in that way the product will be easier to sell (for the media) and the league will earn more money. For new and smaller investors, who want to enter the market, a high level of competitive balance will also be preferred, simply because they might get scared away if they see that only a few clubs have a chance of winning the league (Troelsen & Dejonghe, 2006).

Compared to the closed league system in North America, the competitive balance might give a wrong impression when looking at a European system, which contains promotion and relegation. The difference in the level of competitive balance between the two systems is a result of one major thing: The closed structure in America does not allow new clubs to enter a league, and therefore clubs are not afraid of being relegated (Feddersen & Maennig, 2005; Zimbalist, 2002). This means that it would be obvious if the level of competitive balance would be higher in European leagues because every club fights in order to avoid relegation. According to FIFA, every football league in the world, except in the United States and Australia, has to have at least one club relegated and one club promoted after every season¹⁰.

According to the literature, competitive balance and the number of attendance are also closely linked. Schmidt & Berri (2001) argue that if any changes are made in the league structure, people tend to not like it the following season, but the season after that the number of attendance will be back to normal and may even rise. In their studies they show a clear correlation between the number of attendance and the competitive balance, meaning that the more unpredictable the league is the more people will be likely to attend the games.

The competitive balance also has an influence on the international success of the top clubs in a league. Several studies have shown that by increasing the competitive balance in a league the top clubs will have a harder time doing successfully in international competitions (Sperling, Nordskilde & Bergander, 2010; Storm & Berg, 2010). So when talking about

¹⁰ <http://www.fifa.com/aboutfifa/organisation/footballgovernance/news/newsid=709098/index.html>
(Accessed on 4 June 2013)

increasing the competitive balance in a league, the goal is not to make the league 100% unpredictable, because that would have a negative effect on the top clubs' international success. It's more a question about finding that happy medium that both the top clubs and the rest of the clubs can agree on (Storm & Berg, 2010).

Another part to take into consideration is the governing bodies of a league or a tournament. They of course have a product to sell – the games – and they want to attract as many people as possible to see them. That means that peoples' knowledge about the product is very important to them, and because of that more often the governing bodies choose to organize the league so that the interest for the sport will reach most people possible and not necessarily consider the competitive balance as much as some of the other stakeholders. (Noll, 2003)

Managing the competitive balance

In general, most researchers agree that the competitive balance must not decrease – at least not too much – because that will have a negative influence on the league in general (Troelsen & Dejonghe, 2006) and not give every club a fair chance of winning the league (Vrooman, 1995). In order to avoid that from happening, different controlling restrictions have been introduced that all in some way should cause the competitive balance to increase. In the following, some of the most well-known restrictions are mentioned and discussed from the different researchers' point of views and later evaluated, based on the two team league model as in Fort & Quirk (1995).

The Two Team League Model

In 1995, Fort and Quirk introduced a model called the Two-Team League Model. The main purpose of this model is to show what will happen to the competitive balance as well as the price for talent in a league, when restrictions or rules – of an economic nature – are introduced. Basically, the model is based on a league with two teams (clubs), with one being the larger team (in this case team i) and the other being the smaller team (team j) like in the figure below.

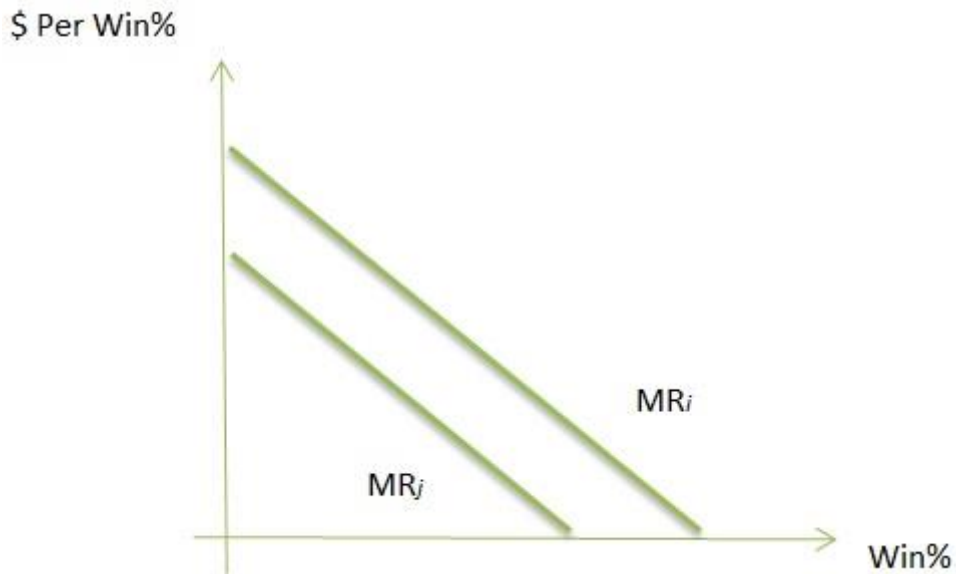


Figure 3 - Marginal Revenue (MR) Functions in a Two-Team League (Fort & Quirk, 1995)

This model basically explains that the larger the probability of a team winning (Win%) the smaller its revenue per game won.

The model derives from basic economic theories and for the sake of making further comparison easier, the graph for the smaller team is flipped, and the figure now shows the usually known two team league model:

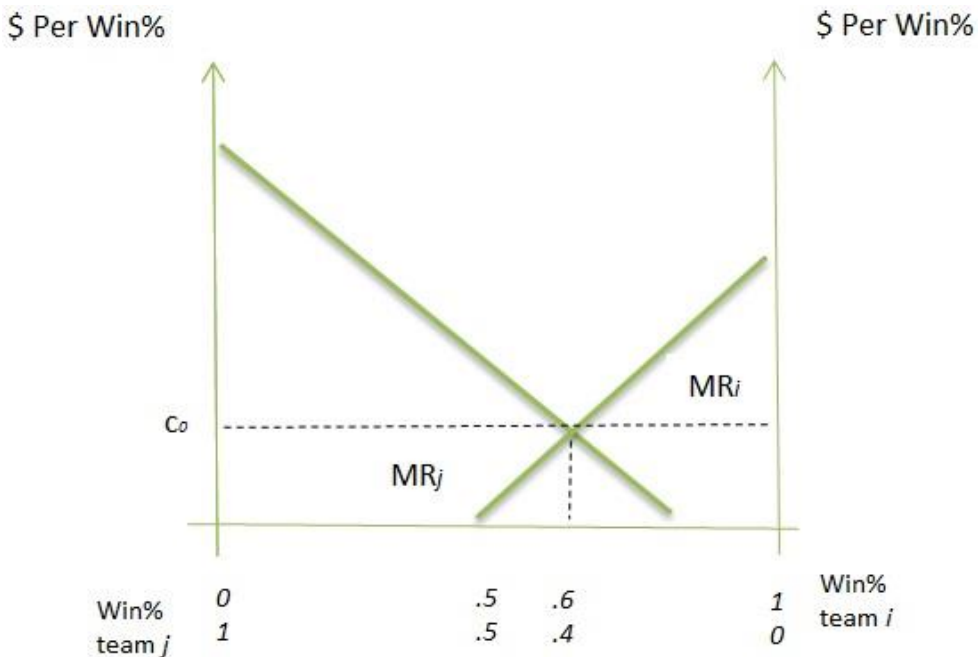


Figure 4 - The Two-Team League Model (Fort & Quirk, 1995)

As it's shown in the figure above, the current situation means that the larger team will win 60 per cent of the games while the small team will win the remaining 40 per cent.

In the model, MR is the marginal revenue function and C_0 is the price level for talent (Win-%). By adjusting the different factors in the model it can be shown what will happen if different restrictions are introduced (Fort & Quirk, 1995). In the following some of the most well-known adjusting restrictions are mentioned.

(Reverse order) Draft

The drafting system is primarily known from American sports, and it aims to allocate playing talent among the different teams in a league. In order to make the process as fair as possible, the worst club from the previous season get to pick the first followed by the second-worst club and so on. The idea behind this "restriction" is that the best players will be picked first by the worst clubs and thereby the amount of talent between the clubs will be levelled. But as mentioned in Fort & Quirk (1995), the nature of the revenue-maximizing culture in American sports encourage the worst clubs to sell their best players to the best clubs, thus the difference in playing talent between the club will again be there.

For many reasons, this will only work in American sports with a sports league system totally different from the European model. Firstly, the American system is built upon the talent recruited from college, and their focus from a business perspective is on revenue-maximizing instead of win-maximizing. Furthermore, Fort & Quirk (1995) argue that not even in American sports this has increased the competitive balance.

Free agency (the Bosman ruling)

After a ruling from the European Court of Justice back in 1995, stating that the freedom of movement for people also included footballers and other sportsmen under the restrictions of a contract, football clubs were no longer allowed to charge money for a player, whose contract had expired (Frick, 2007). That made the transfer market much more liberal and dynamic and the control of the individual players switched from the clubs to the players themselves.

This meant that the different club owners could now out-bid each other for a talented player without a contract. In the long run, this obviously caused players' wages to increase a lot and the income of the club owners to decrease. The introduction of the free agency didn't influence the competitive balance much (Vrooman, 1995), though big market clubs and clubs with wealthy owners now had easier access to the talent because they could simply out-bid their opponents.

According to Fort & Quirk (1995) if the reserve-option clause should once again be introduced in order to control players' wages, the effect on the competitive balance would most probably not be significant. As shown in the graph below, the competitive balance between the clubs would be the same, since the only thing that changes is the price of playing talent - with C_0 being the price level for playing talent without a reserve-option clause and C_{00} being the price level under the restriction of a reserve-clause option.

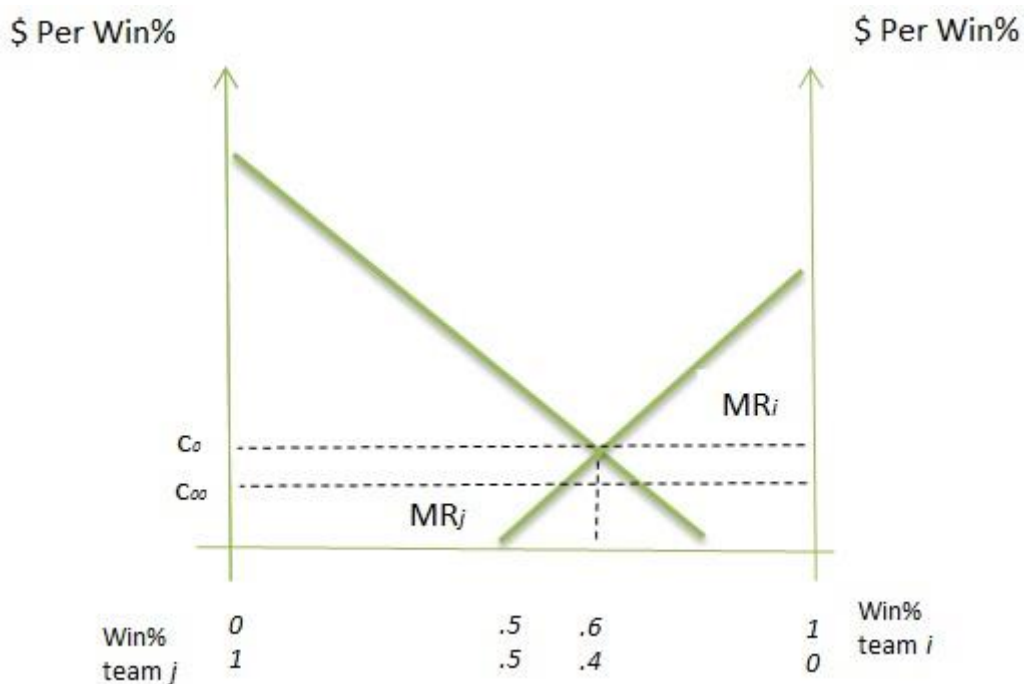


Figure 5 - Competitiveness in the Two-Team League Model with and without the reserve-option clause (Fort & Quirk, 1995)

Salary cap

There seems to be a common understanding in the literature that if something should be introduced in order to control the level of competitive balance, it should be a salary cap (Fort & Quirk, 1995; Vrooman, 1995). The concept of the salary cap is already well-known in American sports but still lacks to be introduced in European sports, the reasons for that will be discussed later. If a salary cap is decided to be introduced, the league managers have to consider in what way this regulation should work. In American sports, two different versions have been used – i.e. the hard cap and the soft cap (Troelsen & Dejonghe, 2006), regulating with varying strengths and making it possible for the league managers to affect the level of competitive balance almost as they like. The hard cap introduces a maximum amount the clubs can use on wages whereas the maximum amount of the soft cap might be exceeded, but then the clubs usually will be fined or required to pay an extra tax according to the degree of the infringement (Troelsen & Dejonghe, 2006).

The reason why the salary cap is still not to be found anywhere in European football is due to several factors:

Firstly, every league has to agree on introducing a cap at the same time in order to keep a certain level of playing talent in every league. If a salary cap is only introduced in one league, the clubs will not be able to pay as high salaries as in their competing leagues, and the players will most likely flee in the search of a higher salary level.

The second point for not introducing a salary cap in European football is due to administrative reasons. Related to the first point, the introduction of a salary cap will have to be done simultaneously in all leagues and especially having the same effect on every club in every league. In the literature, it seems to be the unambiguous meaning that this might be impossible, not only due to the different setups in the different leagues in Europe, but also because of the differences in the governmental systems around Europe. And when not introduced correctly and equally in all leagues, the effect of a salary cap can be overlooked (Troelsen & Dejonghe, 2006).

Drawing the effect of the salary cap in the two team league model shows that this restriction might actually have some effect on the level of competitive balance. The distribution will switch more towards a 50/50 situation because of the maximum of money that can be spent on players' salaries.

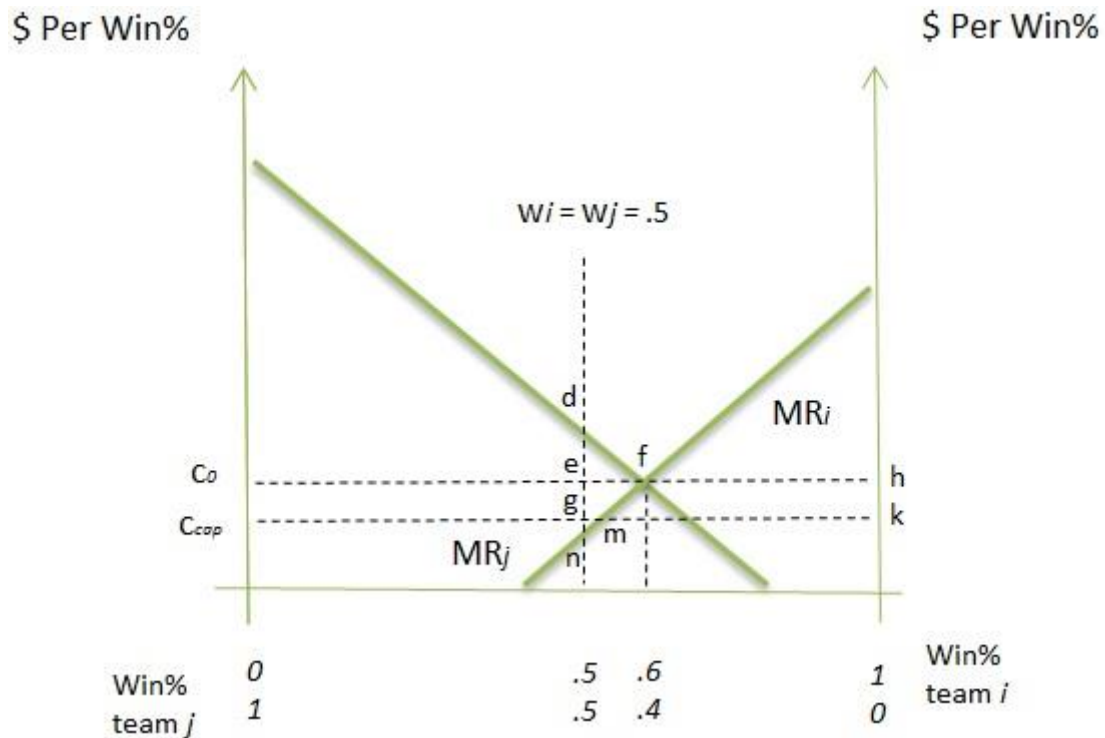


Figure 6 - Competitiveness in a Two-Team League Model under the restriction of a salary cap (Fort & Quirk, 1995)

With C_{cap} as the maximum salary, the strong-drawing club will lose the profit in the triangle def , but the lower costs of the wages ensure that they gain profit in the area $C_0C_{cap}ge$. Meanwhile the weak-drawing club will gain profit in the area $fhkm$.

Revenue sharing

In simple terms, revenue sharing is a concept where certain revenues (TV, gate, ect...) are shared in one way or another between the different clubs in a league (Vrooman, 1995). Through the history, there has been an (on-going) discussion about whether or not a change in the distribution of the revenue money can force a change in the competitive balance, starting out with Scully (1974) stating what seem to be the obvious, that a more equal distribution of the money will give a more equal distribution of talent between the clubs and thereby a more competitive league. Later on, that fact was denied by Vrooman (1995) who

criticised Scully (1974) for not including the revenue elasticity into his calculations. In recent history, Kesenne (2000) argue that sharing the revenue more equally between the clubs will definitely make the league more competitive. There seems to be a lot of opinions about how the revenue sharing would work and what factors should be included when calculating the influence of this restriction.

Then in 2006, Troelsen & Dejonghe question the overall theme of introducing a restriction like the revenue sharing. They argue that in football, every club should be awarded for the spectators they attract to the stadium. If the gate revenue sharing¹¹ was introduced, there would be no incentives for the large market clubs to attract more people to the stadium, because all the money should be distributed between all the clubs anyway (Troelsen & Dejonghe, 2006). In other words, the effect of a complete gate revenue sharing seems to diminish the work of the different marketing departments completely.

A specific – and very comprehensive – part of a football club’s revenue comes from the TV agreement. With the increase in the popularity of football in Denmark, there has been a huge increase in the amount of money the TV providers want to pay for the right to show football which is clearly shown in the table below.

Period	Million Danish Kroner pr. Year
1990-1995	15
1995-1998	55
1998-2006	80
2004-2009	5 (news snippets)
2006-2009	80-90
2009-2012	240
2012-2015	270 (estimated)

Table 2 - Danish football TV agreements (1990-2012) Based on Sperling, Nordskilde & Bergander (2010) and Tipsbladet 5 March 2013¹².

¹¹ The term refers to the situation when all clubs in a league share the total income generated from ticket sales

¹² <http://www.tipsbladet.dk/nyhed/superliga/tv-millioner-stroemmer-ud-over-superligaen> (accessed on 7 June 2013)

The money shown in table 2 is the total amount of TV money that is split between the clubs in Superligaen, NordicBet Ligaen, 2. Division Vest and 2. Division Øst. From that amount, DKK 185 million was in the period 2009-2012 distributed between the clubs in the top division, Superligaen (Sperling, Nordskilde & Bergander, 2010). The exact number for the 2012-2015 TV agreement is unknown.

The money from the TV agreement is handed out twice a year, and besides the part of the money that is equally shared between the clubs, the distribution of the remaining money is based on different numbers such as TV viewers and sporting performance (Sperling, Nordskilde & Bergander, 2010). In table 3 it's shown that in Denmark the predominant part of the TV money is distributed based on the sporting performance of the individual clubs.

	Equal distribution between the clubs	Based on the number of TV- viewers	Based on sporting performance
Denmark	30 %	20 %	50 %
England	50 %	25 %	25 %

Table 3 - TV agreements in Denmark and England (based on Sperling, Nordskilde & Bergander, 2010) and Tipsbladet 5 March 2013⁵.

This distribution indicates that the performance of the individual club is more important to a Danish club than to an English club because more TV money is based on this factor.

The money based on sporting performance is also a factor that can in some way affect the competitive balance in a league. The way the DKK 135 million¹³ is allocated between the clubs is based on a so-called distribution key. In the previous TV agreement, from 2009-2012, the league managers and TV providers agreed on trying to create a more competitive league by splitting the money rather evenly, but along with the new agreement from 2012, the distribution key has been modified. This means that the top clubs will earn more

¹³ 50 percent of DKK 270 million

compared to the other clubs than before¹⁴. This change can be seen from two very different perspectives.

On one hand, the league managers might have agreed on this change because they wanted to raise the incentives for the next-best clubs to try to go for the championship. If the change from a 5th place finish to a 1st place finish is too small, no club wants to put an extra effort in, in order to try to climb the league table – at least not because of the TV money. But if the difference is huge, the clubs will do more to gain that extra money because of the advantages in the following season. This phenomenon is called *rats' race* and is often referred to as the main reason for clubs to do an extra effort.

On the other hand, experts have already been warning the league managers about this change because it might affect the league in a totally different direction⁸. They argue that if the clubs get tempted by that extra money, they would invest in order to reach a higher finishing position, and then if they fail, that might have serious negative consequences the following years. Besides that, the clubs that are already now in the top of the league will gain an extra amount of money compared to their competitors, and that could distort the league even more.

Looking at those two arguments, the level of competitive balance in Danish football could both benefit and damage the league depending on what the reaction from the different clubs will be.

So according to Fort & Quirk (1995), the club's attitude towards the changes and the distribution in the TV agreements depends entirely on what kind of club is asked. Several researchers have found clear evidence that the closer to the top, the more they agree on a more aggressive and uneven distribution of the TV revenue, while the clubs near the relegation zone are more likely to disagree with that (Fort & Quirk, 1995). But in the end, the TV providers have a lot to say because they pay heavily in order to show football.

¹⁴ <http://politiken.dk/sport/fodbold/superligaen/ECE1462772/ny-tv-aftale-skaevvrider-superligaen/> (accessed on 7 June 2013)

Changing the rules for a more competitive competition

Instead of changing the rules in a visible way, e.g. by introducing some of the regulations mentioned in the past sections of this thesis, the league managers can also try to hide the changes from the spectators (Sanderson, 2002). The arguments for doing so is often either to avoid the negative reactions towards such changes or simply to create an illusion of having a high level of competitive balance in a league. An example of that could be the change in the game schedule for the 1987 NFL season, where it was decided that the strong clubs should have more games against strong opponents and weak clubs should play more games against weak opponents. The only problem was that this change "...created the illusion or appearance of balance rather than balance itself." (Sanderson, 2002, p 209).

In Danish football, the opposite situation is actually the case. Changes in the rules years ago means that the top 6 clubs from the previous season will have the advantage of an extra home match the following season. The bottom 6 clubs (4 original clubs + 2 promoted clubs) will then have to play that one match away from home. More Danish researchers have pointed towards this rule and mentioned it as being unfair and not in favor of enhancing the level of competitive balance (Sperling, Nordskilde & Bergander, 2010; Storm & Berg, 2010).

Criticism of the different competitive balance models

In the previous sections, some of the most common ways of calculating competitive balance have been described. In the literature, there seems to be an ongoing discussion about what models to use in what situations, and in order to make the models more and more appropriate, more factors are continuously included into the calculations. On one hand, the researchers argue that this is necessary in order to get as exact a result as possible, but other researchers argue that it should not be that big an issue, and if only the same model is used to calculate consistently, the results should be easy to interpret and continuously analyze.

The main criticism seems to be directed towards the static models not capturing the problem about relative standing (Humphrey, 2002; Hadley, Ciecka & Krautman, 2005). Like mentioned earlier on in this chapter, the relative standing issue occurs if e.g. the same amount of points are awarded several seasons in a row, but with the clubs switching position

during the same period of time. Then a static model will show exactly the same level of competitive balance, but without including the dimension about the clubs having switched their positions.

Another big issue that seems to concern the researchers is that not any model is perfect because of the lack of factors to be included (Humphrey, 2002; Atkinson, 1970). This means that the result you get by using the different models could never be completely correct, and therefore some researchers argue that they should not be used at all (Atkinson, 1970). Furthermore, Humphrey (2002) argues that the different models include different factors and emphasizes their value to the final result differently, which might end up with misleading results. He further argues that this problem might cause people to interpret the result in different ways, depending on which methods are used.

Finally, there are some researchers like Fort & Maxcy (2003), who argue that "...there is no need to argue that one line of analysis is somehow more important than the other" (p. 159). That means that every method of calculating competitive balance is appropriate if used correctly and consequently by the researcher.

However, there seems to be more to a good sporting competition than what can be controlled by the competitive balance (Sanderson, 2002). Sanderson (2002) mentions some of the factors below as being at least as important as the competitive balance in order to create a good sporting experience to the spectators:

- Pole position
- Home advantage
- Longer holes in golf
- Heavier balls in tennis
- Changes in the size of the playing field

These are just a few examples of how league managers and associations can ensure a competition that reduces such things as luck, chance and other non-talent-related factors (Sanderson, 2002). Because, as Sandersen (2002) argues:

"We like to think that there is a direct link between effort and reward" (p. 211)

So what can league managers do in order to ensure that the competition follows the philosophy of the quote above? In the following chapter, the literature will be reviewed with regards to how managers of a league or a tournament can organize the competition in the best possible way, both for the clubs but also all the other stakeholders surrounding an event.

3.2 League structure

The whole idea about organizing football clubs and matches in leagues is old, and one of the first examples is dated back to the year 1863, when the English Football Association (FA) was founded¹⁵. Not many years later, in 1888, professionalism in football first became an issue when Major Sudell, Chairman at Preston North End, and William McGregor, Director at Aston Villa, together, at an FA conference, tried to convince the rest of the clubs in the league, that professionalism was very important for the future of football. The other clubs disagreed, but the FA aligned themselves with Mr. Sudell and Mr. McGregor, and from then, the idea about professional football was “founded” (Goldblatt, 2006). The Danish equivalent to the FA, Dansk Boldspil-Union (DBU), was founded in 1889, but with the restriction that everything should be kept on a non-professional level. This applied both for the clubs and with regards to the use of professional players on the national team¹⁶. It lasted until Harald Nielsen and Helge Sander in 1978 threatened to create their own football league with professional rules, just like most of the other countries had introduced long ago (Sperling, Nordskilde & Bergander, 2010). DBU succumbed to the pressure, and professionalism in football was now introduced in Denmark - almost a century after it had been introduced in England.

In the literature, the first researcher to really deal with this issue was Neale (1964). He argues that if every club should have the most out of playing football it will make much sense for them to notice the synergy effect that appears when organizing into a league. Furthermore, it's a good idea to agree on the rules, regulations and other standards surrounding the games in order to not confuse the different stakeholders. Neale (1964) also

¹⁵ <http://www.thefa.com/about-football-association/history> (accessed on 17 June 2013)

¹⁶ http://www.dbu.dk/oevrigt_indhold/Om%20DBU/DBUs%20historie/dbus_historie_1889-1920.aspx (accessed on 17 June 2013)

mentions that every club is dependent on other clubs so they have someone to play against, i.e. no club can play a game of football without an opponent and looking at the league table, every club has an influence on how the standing looks like, so again, that synergy effect is crucial in order to sell the product of football (Dietl, Franck, Grossmann & Lang, 2011). Besides that, sports leagues are very important in a broader economic perspective because they act like some kind of cartel (Fort & Quirk, 1995) - the only difference is that: "Sports are in the business of selling competition on the playing field" (Fort & Quirk, 1995, p. 1265). This mixture between business economics and sports economics with the highly unusual constellation, in terms of the cartel-like structure, is maybe the reason why so many researchers seem to have a hard time answering the question about what an optimal sporting competition should look like. An example of that is that in his article "The Economic Design of Sporting Contests" from 2003, Szymanski tries to conclude on how a competition should be organized from an economical perspective, but so many other things seem to be missing before that can be done.

The basic league structure

Looking around at all the different sport leagues in the world, one clearly sees that there are many different ways of organizing it. In the following part, some of the most common ways of organizing a sports league will be described.

Round Robin

This thesis is about football in Denmark, but it would be obvious to have a look on how football leagues are organized in general. When looking at the biggest leagues in Europe, including the Danish leagues, they all have some common features. Firstly, they are all build as round robin tournament which means that each club plays the other clubs a number of times. In the English Premier League they play each other 2 times, one home and one away, and in the Danish Superligaen, they play each other 3 times, one home, one away and then one extra match either home or away according to their final standing in the league the

previous season¹⁷. Below is an example of a round robin system with 2 clubs playing each other one time at home and one time away.

	Club A	Club B
Club A	-	2-1
Club B	0-3	-

Table 4 - Example of a Round Robin system (Own work)

Secondly, some overall rules from FIFA and UEFA means that in European football there can be only one first division, and at least one club should be relegated from the league (and a new clubs should be promoted) after every season (Noll, 2003). This is also a difference from the American league system that will shortly be mentioned later on, and at the same time it also ensures that the leagues avoid the concept known as tanking or shirking that will also be described later on.

Some people like e.g. Noll (2003) ask the question: “Why not make one big league containing all the clubs instead of having more layers?” Noll (2003) answers the question himself by arguing that a league with too many clubs will diminish the importance of most of the games because it’s shown more times that the big games (games including one of the top clubs) are the one attracting people (Noll, 2003). If a league choses to expand the number of clubs heavily, a lot of the games will have no influence - neither on the fight for the championship or the qualification spots for the European competitions, nor on the relegation battle, and then people will most likely lose interest in the league. Furthermore, from the point-of-view of the smaller or middle clubs in the league, the task of having a shot at winning the league might seem so unrealistic and unreachable that they more or less give up beforehand (Noll, 2003). Another reason for the many layers in the football system is that the layers fill different roles that often complement each other. More often it’s seen that some of the lower tiers are working like some kind of farmer leagues, meaning that they produce the talents and then sell them to the top clubs in the first league. Looking at the layer system the other way around, talented players from the higher division clubs can also be rented out to clubs in the lower divisions in order to get experience, if they are not close to getting a

¹⁷ The top 6 teams from the previous season will have one extra home match during the season, while the bottom 4 teams + the 2 promoted teams will have an extra away match.

chance on the first division club (Noll, 2003). In that way, all the clubs should benefit from the layer system in one way or another.

Elimination

Besides the Round Robin tournaments, that are the most common way of organizing football, there is also the so-called elimination, also commonly known as cup tournaments (Noll, 2003). Compared to the Round Robin system, the elimination structure ensures a more intense competition because in every round some clubs have to leave the tournament. On one hand, this makes every game count, and therefore the clubs can't afford to rest on their laurels at any time during the competition. This factor also makes it more interesting to the spectators (Noll, 2003) and the tournament organizers will be able to attract more people, and therefore they often are able to earn more money per game. On the other hand, these tournaments often have a limited number of games, and therefore the prize money is often lower in the cup tournaments than in the league, which makes the incentive for the bigger clubs to focus on the cups tournament smaller (Noll, 2003).

The reason why most leagues have both systems is in order to satisfy as many clubs as possible. Even though the bigger clubs will most likely dominate the league, the smaller clubs can benefit from the relatively large number of games the league offers. In that way, the smaller clubs are sure to have some games against the top clubs at home, which make it possible for them to attract more spectators. Furthermore, since the winner of the cup tournament often gets a ticket to play football in a European competition (often for the qualifying rounds of the UEFA Europa League), it suddenly seems possible for the smaller clubs, since most cup tournaments consist of few rounds. In Denmark, DBU Pokalen consists of only 7 rounds all together¹⁸ with the clubs from Superligaen entering the tournament in the 3rd round. That means, that if a club from Superligaen can win five games in a row in the cup tournament, they suddenly can play in the qualification round for the UEFA Europa League, no matter how they perform in the league.

An elimination tournament is often organized as seen below.

¹⁸ 1st round, 2nd round, 3rd round, 4th round, quarter finals, semifinals and the final

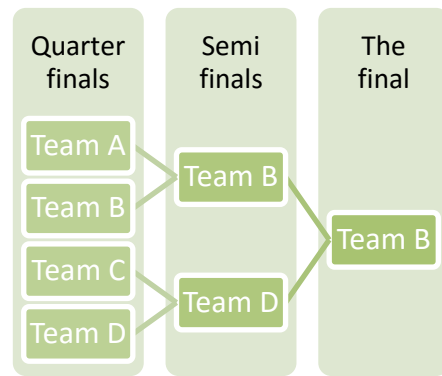


Figure 7 - Example of an elimination structure (Own work)

Multi-stage tournament

In some cases, one will see tournaments where the round robin- and the elimination structure are combined like e.g. is the case with the UEFA Champions League and the FIFA World Cup. This type of tournament usually starts out with a group stage, where the top 1 or 2 clubs (depending on the number of clubs per group) will proceed to the knock-out (elimination) phase. The UEFA Champions League has also changed its structure several times in the history of the tournament¹⁹, every time in order to satisfy the spectators and create as exciting a tournament as possible. As it was described in the introduction part about the history of Danish football, the Danish league system has also regularly been modified. Of course, the economy is also an important factor when it comes to how the tournament should be organized, and that might also have a lot to do with the changes in the structure.

Difference between North American and European league systems

Basically, sports is the same all around the world with regards to rules and the way the games are played, but the way it's organized can differ a lot depending on, which country you look at. Most obvious is the difference between the North American and the European league systems.

The most noticeable difference is that European sports have open leagues, that means leagues with promotion and relegation, while North American leagues are closed, and

¹⁹ <http://www.uefa.com/uefachampionsleague/season=2012/competitionformat/index.html> (accessed on 18 June 2013)

therefore there is (mostly) no difference in what clubs are competing for the championship from one year to another (Noll, 2003; Troelsen & Dejonghe, 2006). This, of course, gives a natural replacement of bad-performing clubs in European leagues and gives new clubs a possibility of playing on a higher level. Opposite to that, if a new club wants to enter a North American league, it has to be agreed on with the other franchises in the league (Troelsen & Dejonghe, 2006). The advantages for the North American clubs are first and foremost that they know they are going to play in the same league the following year (Noll, 2003). This gives some financial security that clubs in European leagues don't enjoy. There is also the aspect that when a North American club has established itself in an area, then in most cases that club will have a huge potential market for itself because the league managers seek to spread the clubs all over the country in order to increase the interest for the sport as much as possible (Noll, 2003).

In general, the two markets are also organized differently with the national federations and UEFA organizing the European leagues, while the North American leagues are all organized as independent firms with the clubs being organized like franchises (Troelsen & Dejonghe, 2006). This especially has something to say when looking at changes to the league, how they are done and how fast the leagues can respond to changes in the surroundings. If a change is needed in a European league, both the national federations and UEFA have to agree on it before it can be effectuated. Changes like this might take several years to introduce (Troelsen & Dejonghe, 2006). In the North American system, however, a commissioner is chosen between the clubs in the league. That commissioner has the power to change most things, e.g. like the number of clubs, the rules or the economic structure of the league (Troelsen & Dejonghe, 2006). That means that changes can happen fast and that the league can react to changes in the surroundings almost instantly.

Promotion and relegation

As mentioned before, promotion and relegation is a European phenomenon, and the reasons for introducing that are actually many.

Firstly, the league organizers want to ensure a fair competition with possibly the same conditions for all clubs in every game. The promotion and relegation plays a huge part in this

because it gives the clubs an incentive to play as good as possible all season in order to avoid being relegated (or in order to be promoted) (Noll, 2002). Besides winning the championship, which for many clubs is seen as a long shot, the next best thing is to finish as high as possible and to avoid being relegated. So this factor plays a huge role in European football leagues. In the North American leagues without this promotion and relegation system, looking in a historical perspective, bad clubs sometimes even have benefitted from playing badly – at least in the end of the season - because if winning the championship is out of sight, the focus changes and they might actually have aimed at ending up in the bottom of the league and therefore become the first club to pick a player in the reverse order draft in the following season (Fort & Quirk, 1995). The North American leagues have tried to circumvent this issue several times e.g. by introducing a lottery among the clubs to decide the order in the draft, but without finally settling on this idea.

Secondly, the league also benefits from the clubs' "fear" of being relegated because it's more likely that the bottom clubs will fight extra hard in order to stay in the league (Noll, 2002). This has an influence on the rest of the clubs in the league, because they now also have to make sure not to be entangled in the fight to avoid relegation. So this domino effect that is caused by the promotion and relegation system in some way has an influence on all clubs in the league. This will often create more exciting games, which has been verified several times in the literature, attracting extra people to the stadiums and thereby increasing the income for the clubs (Noll, 2002; Noll, 2003; Fort, & Quirk, 2005).

Finally, the possibility of being promoted to a higher league also gives the lower ranking clubs incentives to invest in more playing talent which, in most cases, will benefit the league as a whole (Noll, 2002). This incentive is basically one of the fundamental factors for most clubs to play football, and therefore the clubs will often do a lot in order to achieve it. But on the other side, being promoted can also cost a lot of money for a club, if they are to live up to the increased licensing requirements and regulations that often follows with being promoted to a higher division²⁰.

²⁰ See the description of the Danish licensing system in the introduction part of this thesis

League structure from the perspectives of different clubs

It's obvious that if every stakeholder involved in a football match wanted the league system to be organized in the same way, most probably the league managers would have noticed that and introduced it long time ago. But the reason for the many changes in rules, regulations, number of clubs and so on, is that so many people are involved in the world of football and the task of satisfying everyone seems impossible (Noll, 2002). In the following, I will take a look at the preferred league structure from different clubs' point-of-view based on the literature. To have a nice overview in the end, I will create a table that shows it in a very simple way.

Top clubs

Not surprisingly, the top clubs in a league are often more positive towards the league structure than the rest of the clubs. If they have achieved winning the championship or qualifying for a European tournament, they obviously will be less likely to vote for any changes that could in the future threaten their position (Noll, 2002). For the top clubs, it would be a bad thing to expand a league both seen from an economical but also from a sporting perspective. The economical part includes sharing the money (mainly from the TV agreement, but it could also include money from sponsors) with more clubs, meaning that they will end up with less money. From a sporting perspective, the top clubs will most likely also argue that expanding a league will reduce the quality of the games because with more clubs, obviously, there will be more games including middle clubs that have no real influence on either the top or the bottom of the league and in that way the importance of the game will be reduced, and so will the number of attendance (Noll, 2002). Furthermore, the top clubs would most likely like to prepare for a future in European competitions by playing other top clubs, and those kinds of games will be less often, if the league is expanding with more clubs from the league below. Finally, the top clubs argue that the overall idea of expanding a league will have a negative effect on the entire league because the introduction of more mediocre clubs will end up with more unattractive games, and that will diminish the TV product, which both means less demand for the TV product, less spectators in the stadiums and less money for the league as a whole (Noll, 2002).

Middle clubs

It seems a bit harder to state an overall opinion from the perspective of a middle club, since one has to consider the tendency of the individual clubs. Sometimes the clubs are “up-coming” and will in the near future become a top club and therefore they will most likely have the same opinion as one of those. But in most cases, the perspective of a middle club will be the same as the one of a bottom club, which means that they will be more positive towards changing the leagues. For a more detailed description see the part about bottom clubs below.

Bottom clubs

Opposite to the top clubs, the bottom clubs have their main focus on avoiding being relegated, and therefore their attitude towards the league structure being changed will tend to be more positive (Noll, 2002). For one very obvious reason the bottom clubs would like to have more clubs in a league, and that is in order to diminish their chance of being relegated. The more clubs simply means that a lower percentage of the clubs are being relegated, and since that is the main focus of a bottom club, they will be more than happy to welcome more clubs to the league (Noll, 2002). Furthermore, the chance of winning a game will also increase for the clubs in the bottom, because more clubs on their level (or even below) are added to the league. Noll (2002) also argues that clubs that are very certain of being relegated are just happy to be in the league, and as long as they win just a few of their games they will be satisfied with their stay.

League organizers

The last major stakeholder from within the football leagues are the league organizers. Their focus is primarily on trying to sell the product “football” to the spectators, the sponsors and not least the TV providers. They have a lot of different stakeholders to consider, but as it seems, most of them will actually support an expansion of a league. First and foremost, an increased number of clubs will naturally increase the different markets for the sport around the country. More people will live near a football stadium or a football club, and thereby at least some people will become more interested in the sport (Noll, 2002). But the interest for

the sport can also be affected by increasing the focus on the top clubs' performance in the international tournaments like Champions League or Europa League, so it's up the league organizers to find out what will have the best effect on the interest in order to attract as huge a market as possible (Noll, 2002).

Secondly, having more clubs could in the long run also benefits the national team, because more young talented players will get the chance of playing on a higher level. In the long run, that will also further increase the interest for both the national league and the national team. Then finally, all things mentioned above result in an increased interest in football, and because of that the league will also be able to earn more money and use that to increase the interest even further (Noll, 2002).

Stakeholders in football	Preferred number of clubs in the league
Top clubs	- As few clubs as possible in the league
Middle clubs	- Mostly wanting more clubs in the league (but based on the tendency of the club)
Bottom clubs	- As many clubs as possible in the league
League organizers	<ul style="list-style-type: none"> - Few clubs in order to increase the interest through clubs participating in international competitions - Many clubs in order to increase the interest through an increased domestic market

Table 5 - Preferred number of clubs for different stakeholders (based on Noll, 2002 & Sperling, Nordskilde & Bergander, 2010)

Changing the league structure

One of the most fundamental reasons for organizing sporting competitions into leagues is in order to benefit from the aforementioned synergy effect. Since football is so popular around the world, it probably wouldn't be a problem for the clubs to attract people to see the games, even if they were organized on a non-regular basis. But for the sake of avoiding confusion, having a league structure ensures that people know what to expect from a

football game no matter where and when they are attending one (Noll, 2003). The synergy effect also has a huge say when it comes to the economical part of the game. Some of the biggest clubs in the world like Manchester United and Barcelona are of course able to sell the product of a football match on their own, but by joining together with the other clubs in the league and sell one common product, like e.g. The English Premier League or the Spanish Primera División, their say is much stronger, and both the bigger and the smaller clubs will end up benefitting from this (Noll, 2003). The economical part goes for both the sponsors as well as the TV broadcasters.

But why do some leagues then decide to change their structure or change the setup of the tournament? Within the field of football, the football match is the main product the league (together with the clubs) is trying to sell. Like in any other business, the product constantly has to be adjusted in order to appeal to the potential buyers. A football match consists of many different factors, and all of them can suddenly change, and then the league organizers have to be quick in adjusting in order not to lose some customers.

Another reason for changing the league structure could be in order to make the games more exciting to the spectators (Noll, 2003). This is in some way connected with the previous part about competitive balance and the many different way of changing that factor so that it creates the excitement the league wants. In sports in general, the excitement and unpredictability are some of the main selling attributes (Fort & Quirk, 1995; Hadley, Ciecka & Krautman, 2005; Sanderson, 2002), and more researchers mention this as being very important in order to sell the matches to the spectators. By using the competitive balance as a tool to enhance the excitement in the league, the league organizers can more or less decide themselves how close the league should be. Whether the spectators will appreciate the changes in order to reach a very competitive league structure is then another question that has to be considered, because if the spectators disagree with the changes and choose to stay away from the games, the league hasn't achieved anything positive.

A crucial reason for the league organizers to change the structure of the league is in order to avoid the phenomenon called tanking and shirking. Basically, it means a club or an individual not performing at its best, in order to achieve an advantage further on in the competition

(Balson, Fong & Thayer, 2007). Balson, Fong & Thayer (2007) defines shirking as: "...an individual either slacking off or expending effort inconsistent with group or organizational goals" (p. 19). Several researchers have proven that it's happening in different sports; however, the American sports seem to be more exposed to it than European sports (Balson, Fong & Thayer, 2007; Price, Soebbing, Berri & Humphreys, 2010). Of course, league managers would like to avoid tanking and shirking in order to have a fair competition, but besides that, they also want the league to be exciting all the way to the end (Sanderson, 2002); so if some clubs decide to lose their games on purpose, the league will lose interest from the spectators and become less popular (Balson, Fong & Thayer, 2007; Sanderson, 2002). As mentioned before, most literature on tanking and shirking is about American sports. This makes sense, since they have a drafting system that intends to help the worst clubs heighten their level of playing talent and thereby increasing the competitive balance. This can also be seen as an incentive to be the worst club (Balson, Fong & Thayer, 2007). However, in European sports like football, the problem seems to be avoided by having the relegation system, so clubs would not have any incentives not to play at their full strength. In cup tournaments, though, clubs might have an incentive to tank, if they realise that they will meet an easier opponent in the next round if they end up in a worse position during the group stage (Balson, Fong & Thayer, 2007).

If the league decides to focus more on international success, it will most likely organize the league so that the top clubs will get the best possibilities of winning in the European cup tournaments (Sperling, Nordskilde & Bergander, 2010). As mentioned in figure 6, they can do so by reducing the number of clubs in the league in order to secure a high level of every game.

One last reason to change the structure has to do with the conditions surrounding the games and not so much with the games themselves. In many football leagues, new restrictions are continuously introduced in order to make sure that the matches live up to certain standards²¹ (Sperling, Nordskilde & Bergander, 2010). Besides these standards, clubs also add different kinds of entertainment themselves, which makes some games look more

²¹ See the description of the Danish licensing system in the introduction part of this thesis

like a show than an actual football match (Dietl, Franck & Lang, 2008). Thus, Dietl, Franck & Lang (2008) argue that “...real-world sports leagues must retain basic characteristics of non-cooperative ventures in order to maintain the integrity of the game, which is sold as ‘genuine competition’ and not as a ‘show’ to spectators” (p. 355). This is of course done in order to both create a good atmosphere for the visitors but in particular in order to earn more money on the people that are there (Dietl, Franck & Lang, 2008).

3.3 Case studies

As mentioned briefly in the methodology section, a part of the analysis will be to compare my findings from the Danish football league system with cases from two other countries. I chose to include the Scottish and the Belgian leagues as cases, because they in two different ways are very similar to the situation in the Danish league system. The Belgian system resembles the Danish system because the proportions are about the same (see the following chapter on the Belgian league system). Furthermore, the two countries are situated very close to each other on the UEFA country coefficient list that determines how many clubs from a country can enter a European tournament²². Finally, both leagues are so-called feeder leagues for the bigger European leagues, i.e. developing and selling the most talented players to clubs in the bigger leagues.

The Scottish system is similar to the Danish system because both have a history of two clubs massively dominating the leagues and winning most of the championships²³. The population in the two countries are also almost the same, but even considering that fact, the number of attendances is still much higher in Scotland than in Denmark.

So from looking at these two countries’ football league systems, it should be possible to compare and predict what is going to happen, if DBU decides to change the system radically. In the following, the history of the two countries’ league systems will shortly be described.

²²

http://www.uefa.com/MultimediaFiles/Download/Regulations/competitions/Regulations/01/94/62/34/1946234_DOWNLOAD.pdf (accessed on 25 June 2013)

²³ Celtic FC and Rangers FC in Scotland and FC København and Brøndby IF in Denmark

The Belgian football league system

Historically, the Belgian league has not been very competitive, with Anderlecht, Brügge and Standard Liège winning 84% of the championships in the period between 1961-2004 (Dejonghe, 2004). But within recent years, that trend has changed, and nowadays, the league seems more competitively balanced than before. After an economic crisis in 1984, caused by an extensive rise in player wages, the league adjusted for that and re-established a well-functioning league that through the 1990ies saw an increase in the interest in football among the spectators in the country²⁴ (Dejonghe, 2004). This led to an increased difference between the clubs (mainly because of the distribution of the money from the TV agreement), which the big city clubs gained from while the smaller clubs suffered (Dejonghe, 2004).

Then, prior to the 2009/10-season the system was extensively changed. Before, the league contained 18 clubs, but in order to ensure a certain amount of quality, that number was reduced to 16 clubs. Furthermore, the league wanted to have more games between the top clubs, and the best way to do so was to introduce playoffs after the 30 matches in the regular season. The playoffs were organized so that the top 6 clubs from the regular season were now playing for the championship, then the clubs ranked 7-14 were split into two groups playing for the right to play either number 4 or number 5 from the championship playoff for a Europa League spot²⁵. Finally, the number 15 and 16 would play 5 matches against each other, with number 15 starting out with 3 points and number 16 having 0 points. The loser after those 5 games would be relegated, and the other club would enter a promotion playoff with number 2, 3 and 4 from the second division for the last spot in the top league²⁶.

It's clear that this system is somewhat complicated and contains some general questionable elements, like e.g. the most obvious one; that the club ranked 14 after the regular season can still earn a spot in the Europa League by playing well in the group stage and then

²⁴ <http://footballblog.co.uk/belgian-jupiler-league.html> (accessed on 25 June 2013)

²⁵ Depending on who won the Cup tournament

²⁶ <http://thepathslesstravelled.wordpress.com/2011/04/10/belgian-playoffs-european-footballs-most-complex-system/> and <http://www.bold.dk> (accessed on 25 June 2013)

afterwards beat number 4 or 5 from the championship playoffs (a total of 10 matches) - no matter the performance during the regular season.

After the introduction, the spectators disagreed with the changes, arguing that the system was too complicated, and they also pointed towards specific, critical points like the one mentioned above. The top clubs argued that they were playing too many games against mediocre opponents, which was a bad signal when trying to attract new talented foreign players to the league. On the other side, the bottom clubs disagreed with the changes. In order to be able to introduce the new system, the top clubs were therefore forced to compensate economically to the smaller clubs²⁷. To the league managers' advantage, the playoffs in the first season after the changes turned out to be very close, and therefore the games still attracted people to the stadiums – the league even experienced a little increase in the number of attendance as shown in table 6 below. The first season with the new league system is indicated by the red coloured bar.

	Total number of attendance	Total number of games	Average number of attendance
2007/2008 (18 clubs)	3.469.054	305	11.374
2008/2009 (18 clubs)	3.425.524	308	11.122
2009/2010 (16 clubs)	3.388.134	286	11.846
2010/2011 (16 clubs)	3.541.150	300	11.804
2011/2012 (16 clubs)	3.567.520	302	11.813
2012/2013 (16 clubs)	3.491.439	302	11.561

Table 6 - Number of attendance in the Belgian Jupiler Pro League (own work, based on numbers from <http://www.worldfootball.net/attendance/bel-jupiler-pro-league-2012-2013/1/>)

²⁷ <http://thepathslesstravelled.wordpress.com/2011/04/10/belgian-playoffs-european-footballs-most-complex-system/> (accessed on 25 June 2013)

The Scottish football league system

Over time, the Scottish football league has changed its structure several times – primarily by increasing the number of divisions (Giulianotti, 2005; Cairns, 1987). In 1997, the premier league clubs chose to break away from the Scottish Football League (SFL) because of their concern about having to share the revenue, mainly from the TV agreement, between too many clubs, and they then formed Scottish Premier League (SPL). The most recent change to the structure happened when the number of clubs was increased from 10 to 12 clubs in the Premier League before the start of the 2000/2001 season. Along with that, a playoff was also introduced, where the top six clubs play each other once and the bottom six do the same – all of that after the end of the regular season (33 matches), resulting in the clubs playing 38 matches in total²⁸. This was mainly introduced in order to have more games than the 33 from the regular season, but also to not end up with 44 games, which would have been the consequence if every club should have played each other 4 times (Giulianotti, 2005). Cairns (1987) argues that any changes should only be done for a good reason. But of course it can be hard to tell if the changes in the Scottish league system have been a success because - as mentioned before - different stakeholders usually have different opinions of how the system should be organized (Noll, 2002). In the attendance table (table 7) below it seems clear that the new format in Scottish football needed a couple of seasons in order to be accepted by the spectators, with an increase in the average number of attendance of almost 7 pct. from 03/04 – 05/06. After that, the number stagnated, and within recent years the number has then dropped and become lower than at the starting point. The reason for the low number of attendance in the 2012/2013 season is that this was the first season after Rangers entered administration – and that is clearly something that has an impact. The same effect, just with opposite sign, has also been seen in the Danish league, when AGF in the 2006/2007 season played in the second tier. At that time they had 3 times as many attending their games as number two. This clearly shows the importance of having the large market clubs in the top division.

²⁸ <http://www.bold.dk> (accessed on 25 June 2013)

But besides that extra playoff round that was introduced after the regular season, the Scottish system works exactly similar to the current Danish league system.

Regarding the level of competitive balance, one can easily argue that the Scottish league is one of the least competitive leagues in Europe – at least when talking about the fight for the top 2 positions. Since the 2000-2001 season, Celtic and Rangers have occupied the top 2 positions every year except for two seasons²⁹.

Below is a table of the number of attendance the last 10 seasons³⁰.

Season	Average number of attendance per match
2003/2004	15.163
2004/2005	15.658
2005/2006	16.195
2006/2007	16.189
2007/2008	15.272
2008/2009	15.537
2009/2010	13.949
2010/2011	13.677
2011/2012	13.861
2012/2013	10.021 ³¹

Table 7 - Number of attendance in the Scottish Premier League (own work, based on numbers from <http://www.worldfootball.net/attendance/sco-premier-league-2013-2014/1/>)

Regarding the case studies, each of them is a proof of different aspects of what will happen, if the structure in a league is changed. In the Belgian case there is a clear sign that people seem to disagree with changes that will make the structure too complicated for the spectators to follow – at least, that is what is mentioned in different blogs as being the general view among the population. Yet, the number of attendance rose about 6.5 pct. the first season after the change, although it was most likely caused by the very exciting ending

²⁹ In the 2005-2006 season, Hearts ended up in 2nd place and in the 2012-2013 season, Rangers entered administration and was relegated to the 3rd tier of Scottish football.

³⁰ http://www.scotprem.com/content/default.asp?page=home_Statistics (accessed on 27 June 2013)

³¹ The first season after Rangers entered administration

to the season. It will be exciting to see if the Belgian league can maintain the same average number of attendance in the following years, or if spectators' frustration about the new system will mean less people in the stadiums in the future.

The Scottish league shows two very important things. Firstly, it shows that the competitive balance might not be affected by the fact that the same two clubs seem to occupy the top 2 spots season after season. Secondly, it also shows that with time, the effect of a changed league structure will most likely decrease (maybe even to a level below the starting point like in this case).

The two cases together show that if a league should be changed, it should only be done because of a good reason and not just for the sake of changing something. People disagree with changes that make the league too complicated, so it seems like people agree on the old saying about "keeping it simple is the best way of doing it". Furthermore, the cases show that the effect of a change might not be overwhelming, and that the same effect might disappear again after some seasons when people have got used to the new format.

4. Methodology and Empirical Structure

One of the most important things to take into consideration when dealing with scientific matters is in what way the topic is going to be examined. Most authors argue that examining science is like looking for that one truth (Thurén, 1998; Rasmussen & Østergaard, 2005), but at the same time that exact same truth could be in constant change, and that is what makes it very hard to find (Thurén, 1998) – and makes the methodology and empirical structure a crucial part of a thesis like this.

The approach of the researcher is essential to what kind of results he or she might eventually end up with (Thurén, 1998). Lots of things have to be considered before deciding on the approach, such as the overall theme of the assignment, the problem formulation, what kind of results are intended to be found and who the respondents or informants are (Rasmussen & Østergaard, 2005). Before, authors like Guba (1990) argued that every person was born into a certain way of looking at life, a paradigm, and in this connection that person would be predetermined to do every research in the same way. That means, in some way he argued that a person's approach to doing scientific research was the same throughout life no matter what problem should be solved. Later on, some of the new researchers argue that Guba's way of looking at the scientific approach might be too old-fashioned and the approach should be decided by the researcher himself and should fit the single assignment more than being true to one paradigm (Andersen, 2005). This "new" way of looking at methodology and scientific research now means that the researcher is allowed to decide in what way the research should be done and even to mix elements from multiple paradigms, also known as methodology triangulation. Mostly, methodology triangulation consists of a mix of well-known methods both from the qualitative and quantitative field, like different kinds of interviews and questionnaires where the findings are then compared or used to accept or reject a certain theory from the literature (Andersen, 2005). By using methodology triangulation, the uncertainty that occurs when choosing only one approach can be circumvented, and the researcher can be more confident that the work is not biased as much as if only one method was used.

In other words, using methodology triangulation is a way of cross-checking the findings to make the research more reliable and less biased, and therefore it gives a better picture of

the truth the researcher is looking for (Andersen, 2005). That is why I will use methodology triangulation in this thesis.

In the following, the methodology and empirical structure used in this thesis will be described, initially by going through the qualitative part, followed by a part about the quantitative method used, and finally the theoretical framework will shortly be described. In the end, the further work on the data will be mentioned.

4.1 Qualitative Research Method

Using qualitative research methods gives some clear advantages compared to using quantitative methods. One can argue that the use of qualitative methods gives the researcher a possibility to be more flexible when collecting the data because that person is in control all the time and in that way in charge and therefore can influence the data collecting process in the desired direction (Rasmussen & Østergaard, 2005). Of course that is a huge advantage, but it also means that the researcher should be able to control the interview and notice when the conversation is heading out on a siding (Rasmussen & Østergaard, 2005). This requires a huge amount of preparation and that the researcher knows exactly, in what way the interview should develop.

The qualitative methods are often used as the basis for further research (Rasmussen & Østergaard, 2005), and for that specific task the exploratory interview can be very beneficial. If the knowledge about a certain field is low, the researcher can conduct an exploratory interview with an expert from within that field in order to extend his knowledge. That can benefit the further research of that area, whatever it consists of more interviews or maybe a questionnaire.

Expert interviews

In this thesis, I have chosen to conduct two expert interviews, with Troels Troelsen (Associate Professor at CBS³²) and Rasmus Storm (Senior Analyst at IDAN³³). That should also in some way work as semi-structured exploratory interviews. I consider my knowledge within this field to be extensive, but conducting an exploratory interview gives you the

³² Copenhagen Business School

³³ Danish Institute for Sports Studies (Idrættens Analyseinstitut)

opportunity to ask deeper into a topic, if it could be considered important for the further researching process (Andersen, 2005). Andersen (2005) further states: “We often have a certain theoretical and practical knowledge about the phenomena we study, but we are still open to new perspectives and information that the interviewee could possibly make” (p. 168).

The two experts possess a substantial knowledge within the field of competitive balance, sports economics in general and football economics in specific. I chose to conduct these two interviews before interviewing the different sports directors and uploading the questionnaire because of the possibility of new topics appearing during those interviews. That gave me some time to change a little in the interview guide for the sports directors and modify the questions for the questionnaire if unenlightened topics should appear.

Prior to the first expert interview, I created an interview guide containing questions I wanted to be answered through the interviews. The questions were split up into the three main areas of this thesis, i.e.:

1. The league structure and competitive balance in Danish professional football
2. The product “Danish football” (with regards to selling the product to the spectators)
3. The economy in Danish football

The questions were listed randomly within each of the three main categories because the most important part of the interviews was not the order of the questions, but more that all the questions were answered before the end of the interviews. That gave more freedom to the individual informant to talk about what they wanted if a new idea came to their mind.

Regarding the duration of the expert interviews, Rasmussen & Østergaard (2005) argue that more than 2 hours of interviewing might be too much and people might start to lose focus and interest in the questions. Andersen (2005) argues that the maximum amount of time should only be around 45 min - 1 hour before the focus of the informants might decrease. Based on prior experiences, I chose to rely more on Andersen (2005) and targeted a length of the interview to be around 30-45 min., and as it’s shown in tables 8 and 9 on the following pages, that duration worked very well with my interview guide.

Another important thing to remember when interviewing people is to create a nice atmosphere (Rasmussen & Østergaard, 2005; Andersen, 2005). The idea behind doing so is to make the informants feel relaxed and in that way hopefully make them more likely to answer all questions in the best possible way. With regards to the two expert interviews, I imagined that the opening talks could obviously be related to the EASM 2012 conference in Aalborg, which both I and the two experts attended, and in that way the interviewer and the informant would feel they have something in common – which is important in order to create that nice atmosphere (Rasmussen & Østergaard, 2005). As it turned out, the opening topic of the first interview was actually related to a discussion from the EASM 2012 conference about the need for sports educations in Denmark, a great thing to talk about, since both I and the informant had opinions regarding that. During the second interview, the opening talk was shortly about an internship that I did at IDAN, where the informant is working. To my feeling, both of these topics loosened up the atmosphere and created the foundation for a valuable interview.

No matter what kinds of interviews are conducted, the level of pre-information is crucial to the success of the interview (Rasmussen & Østergaard, 2005; Andersen, 2005). Therefore, I wrote an e-mail³⁴ prior to the interview about how the interview would be conducted. For my own sake, I also chose to wait until the end of the season, because I had the idea that the clubs would then have more time to talk to me instead of if I asked them in the middle of the season. That also ensured that the informants had the last season fresh in their memory, and that was of course an advantage both to me and them.

For the sake of convenience, the two expert interviews were conducted using Skype, which gave a great amount of flexibility to both me and the two experts. At the same time, I was able to record the interviews³⁵ directly from Skype.

In the table on the following page, some information about the two expert interviews is shown:

³⁴ See appendix on the CD

³⁵ The interviews are found in the appendix CD in the back of the paper

Name	Field of expertise	Duration of the interview	Date of the interview
Troels Troelsen	Sports economics, professional sports, sports management, event management and event economics ³⁶	32 min. 17 sec.	7 May 2013
Rasmus Storm	Sports politics, Danish elite sports and the commercialization of sports ³⁷	42 min. 06 sec.	16 May 2013

Table 8 - Expert interviews

The clubs

The second leg of my qualitative data collection was to interview five football clubs³⁸ from different positions in the league system. I wanted the clubs to be in different situations in order to be able to compare the literature and the case studies to the qualitative findings in a broader perspective. It is not a problem to get unambiguous results from qualitative research, but if the results rely on only one club or on a few clubs that are in a similar sporting situation, one might question the reliability and validity of the study. Since the clubs have been promised anonymity, the clubs will be described as informant 1, 2, 3, 4 and 5.

Below, I will shortly describe the situation for the five clubs I chose to interview:

Informant 1 (From Superligaen)

Informant 1 represents a top club from the top division of Danish football. Thus, except the 09/10 season, it has spent its time in the top four for the past six seasons.

Informant 2 (From Superligaen)

Informant 2 has previously been a top-club but in recent years, but the club has not really been able to find its position in the top division, ending up in the club recently being relegated. Even though, the club managed to fight back and is now once again a part of the

³⁶ <http://www.cbs.dk/forskning/institutter-centre/institut-produktion-erhvervsøkonomi/medarbejdere/ttom#profile> (accessed on 14 May 2013)

³⁷ <http://idan.dk/Omidan/Medarbejdere/Medarbejdere/RasmusKStorm/cvasmus.aspx> (accessed on 14 May 2013)

³⁸ Originally the target was to interview 6 clubs, but because of the time of the season, one of the clubs cancelled our agreement in the last minute, so I stuck to doing only 5 interviews.

top flight of Danish football. Some would argue that this club has the characteristics of a so-called “yoyo-club”.

Informant 3 (from NordicBet Ligaen)

Informant 3 is a relatively new club that has experienced life in both 2. Division Vest as well as in NordicBet Ligaen. The club has also experienced changes in the league structure (including the change from 16 to 12 clubs in NordicBet Ligaen some seasons ago). For some years the club would have been called a middle-club in NordicBet Ligaen, but within recent years they have changed, becoming a top-club.

Informant 4 (from NordicBet Ligaen)

Informant 4 has somewhat the same features as Informant 2, but in NordicBet Ligaen. It’s an old and traditional club that has previously spent most of its time in Superligaen, but for recent years they have tried to establish themselves in the next-best league.

Informant 5 (from 2. Division Vest)

Informant 5 is the lowest placed club of all informants. The club has spent all its time in 2. Division Vest, mostly in the middle and with no real chance of being promoted to NordicBet Ligaen. The club is also the only one of the 5 informant clubs that is not full-time professional.

Below, information about the clubs is shown:

Club	Informants’ position	Duration of the interview	Date of the interview
Informant 1	Finance Director	32 min. 32 sec.	6 June 2013
Informant 2	Managing Director	35 min. 15 sec.	11 June 2013
Informant 3	Club Coordinator	54 min. 30 sec.	28 May 2013
Informant 4	Managing Director	36 min. 33 sec.	30 May 2013
Informant 5	Club Coordinator	33 min. 24 sec.	28 May 2013

Table 9 - Club interviews

As shown in the table, I got to talk to people in different position in the clubs. I don’t consider this a problem, since every person provided comprehensive and exhaustive

answers to my questions. Furthermore, people working within the football industry should be able to answer my questions no matter what position they are in.

As mentioned earlier, these five different situations gave the opportunity to compare the data in a broader perspective and in that way end up giving a more reliable result.

Another thing that ensured the reliability of the data was that I chose to use exactly the same interview guide for the interviews with both the clubs and the experts. By doing so, I was able to compare the data directly to each other instead of having to relate one question to one that was formulated slightly different. On the other hand, a disadvantage by doing so is that one should make sure that the wording and formulations are known to both the experts and the informants from the clubs. That was also one of the reasons for me to meet the informants from the different clubs face-to-face³⁹. In that way, I had the opportunity to explain more thoroughly the meaning of a question, if I could see that they were not totally sure of what I meant (Andersen, 2005). That brings a whole new dimension into the data collecting process, i.e. looking at the body language (Andersen, 2005; Østergaard & Rasmussen, 2005), but since the knowledge about the topic was comprehensive from all of the informants, this turned out to be not that relevant for the data collecting process in this thesis.

Besides looking at the reliability, four other measurement tools can be used in order to evaluate the qualitative research, i.e. credibility, transferability, dependability and confirmability (Hirschmann, 1986).

Credibility

Credibility is all about making sure that the interviewer understood the answers from the informants in the right way and didn't misinterpret them because of different circumstances like e.g. the interviewers being biased or having prejudices about the topic. That can be done by letting the informants have a look on the findings and assess whether his or her answers have been used and interpreted in the right way. The informants haven't yet been presented to the findings from this thesis, but in order to ensure the credibility during the interviews, I

³⁹ The interview with Informant 1 was conducted using Skype

focused much on understanding the answers correctly by sometimes summing up their opinions and statements and asking them if I got it right.

Transferability

The transferability of a study assesses whether the findings can be used in a broader perspective or maybe transferred to another context. In this case, I interviewed 5 different clubs from different positions in the league system; but even though there were some patterns in their answers, I think transferring the findings to other clubs would be risky. This is especially because it seems like every club, more or less, are having its own agenda, and therefore generalizing the findings from this present study would be questionable. Furthermore, it seems even harder to transfer the findings to other sports since so many things, especially the rules and regulations, are so different to other sports.

Dependability

Dependability controls for the interviewer's way of assessing the data and findings. Even though I tried to stay objectively and be open to new views and opinions from the informants, every researcher, including myself, might have some degree of predetermined opinions about a topic. Normally, dependability is easily controlled for when more researchers are dealing with a topic, but since I wrote the thesis on my own, I should control for my own views and opinions, and that might be hard.

Confirmability

The last point is confirmability that should ensure the researcher to stay as neutral to the findings as possible. In order to assess that, a second person could be introduced to do so. This person should, off course, be familiar with the topic and the researchers approach to it. Along the writing of the thesis, I had someone go through my findings in order to determine whether they were biased or not.

4.2 Quantitative Research Method

The second part of the methodology triangulation consists of quantitative data that is collected through a questionnaire. The setup of the questionnaire was mainly based on the literature review, but after the expert interviews were conducted, the questionnaire was also modified slightly in order to clarify a few wordings and putting in a couple of extra questions to be able to illuminate an area some more. According to Andersen (2005), expert interviews are mostly used in that way, if the knowledge beforehand is of a certain amount.

The first thing to consider is who the respondents are and how to select those (Rasmussen & Østergaard, 2005). Regarding my questionnaire, I was looking for spectators from Danish football (i.e. both neutral spectators and fans of some of the clubs from the top three layers of the Danish football league system⁴⁰). I chose to contact the homepage bold.dk, because they are dealing with exactly that and maintain one of the most well-known and visited sites in Denmark when it comes to football, with more than 250,000 users a month⁴¹. By uploading my questionnaire to their homepage I utilized the presence of a lot of people interested in football there. This direct access to a large number of potential respondents made my search for respondents a lot easier. One of the normal dangers about uploading a questionnaire to a website is that people can easily get biased by the content of the hosting website. Then they would perhaps be more positive towards that certain event than people who are not there. But in my case I avoided that problem, partly by uploading my questionnaire to a more general website that attracts people from all over the country supporting many different clubs, and partly because the setup of my thesis also has the target of studying the general phenomenon of the influence of a league structure, so people weren't biased by anything on the website on beforehand.

Instead of the website, other things surrounding the setup of the questionnaire could bias the respondents. When looking at the overall theme of the questionnaire - a possible change of the league structure in order to make the league less predictable and enhance the interest for Danish football - people might get a negative impression of the current league system because of the word *predictable*. So in order to avoid that, a short information text was written in the beginning of the blog, so it was shown to the respondents before they

⁴⁰ Superligaen, NordicBet Ligaen, 2. Division Vest & 2. Division Øst

⁴¹ 251,497 users in March 2013 (<http://www.fdim.dk/charts/site/?site=bold.dk>) – Accessed on 14 May 2013

filled in the questionnaire. In that way I ensured that they had the right idea about the meaning of the questionnaire, and hopefully it removed any predetermined opinions they might have when reading the word *predictable*. This ensured a more objective result, which is very important when dealing with quantitative data collection (Rasmussen & Østergaard, 2005; Andersen, 2005).

Besides that, other practical issues were also to take into consideration in order to keep people interested in answering the questionnaire all the way to the end. Andersen (2005) argues that even things like the typography and the line spacing could have an influence on how many respondents might finish the questionnaire. A thing that is very important to remember is in what way the questions should be formulated (Andersen, 2005). Because of the interest in football that the respondents had prior to answering the questionnaire, I chose to formulate it more “loosely” and relaxed, both in order to get people to feel safe about it and because the formulations, wordings and terms that are mentioned should already be well-known to a football spectator. Moreover, to make people think in the right way and focus on their interest in Danish football, I chose to start out by asking, which club they would support and what league they follow the closest. That are what could be categorized as soft or easy questions, to get them started in a good way (Andersen, 2005). Later on the questions go from being general to being more specific. The duration of the questionnaire was also taken into consideration and therefore the introduction text in the blog includes a maximum duration (of 5 min.), as well as a page count was introduced in the top of each of the 7 pages in the questionnaire to erase any unknown factors for the respondents. All that - combined with the fact that the questionnaire consists of 29 questions - should be appropriate in order to get as high a number of respondents as possible to finish the questionnaire.

Before the questionnaire was uploaded to bold.dk, I tested it on different people that were all in some way interested in Danish football – i.e. a part of the population I was looking for (Andersen, 2005). That was firstly in order to have a look on the wording and the formulation of the different questions, and secondly to look at the design, the typography and the length of the questionnaire, and finally to go through the questionnaire and look for final remarks.

The questionnaire was finally uploaded on 19 May 2013 and closed for further answers on 11 June 2013. That gave people enough time to answer the questionnaire.

As some kind of security and in order to increase the reliability, every respondent was only able to answer the questionnaire once and when they had completed it, they couldn't go back and change their answers.

On bold.dk, new blogs will typically not be shown on the front page until the topic has become "hot" or seen by many people. When my blog got interesting enough to hit the front page, it stayed there for 1.5 weeks and after that, the interest decreased, most likely because the people that were most interested in answering, did so already - but also because the blog was now hidden from the front page and thereby not as exposed to the visitors as before.

Below, a curve is showing the number of new respondents per day.

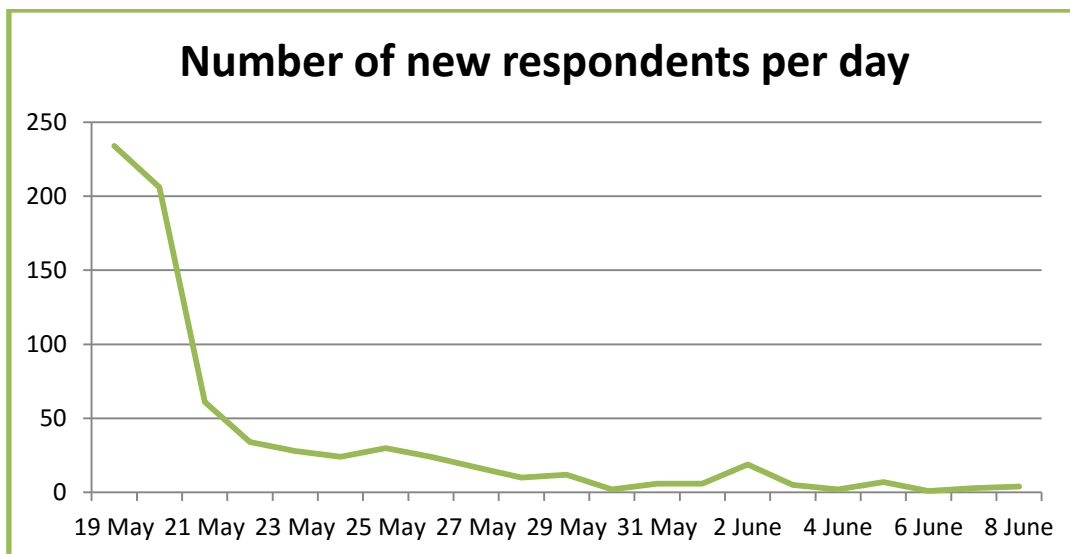


Table 10 - Number of new respondents per day (Own work)

As it's seen, the interest for the questionnaire decreased dramatically after the first 1.5 weeks, and the interest just increased a little every weekend (most likely because many football spectators like to read the football news at that time of the week).

When closing down the questionnaire, 748 respondents had logged on to it and 613 of them had completed all questions – ending up with a completion rate of app. 82%, which seems very satisfying. During the period the questionnaire was available on bold.dk, the blog had

3144 hits which means that a little less than a quarter of the hits (23.79%) ended up with the questionnaire being started.

Questionnaire data process

To further work with the data, SPSS and Excel was used together with the analysis tools in the questionnaire program survey-xact.dk. The data analysis was based mainly on simple frequency tables, but sometimes cross-tables were also taken into use when looking at differences between different groups of respondents.

The same programs were used for my own work and for the graphical designs of the tables and graphs all the way through the thesis.

Just like Hirschmann (1986) explains how to evaluate qualitative data, Golafshani (2003) explains it for quantitative data. She argues that the two main concepts are *reliability* and *validity*.

Reliability

As in Golafshani (2003), Joppe (2000) defines reliability as:

“...the extent to which results are consistent over time and an accurate representation of the total population under study is referred to as reliability and if the results of a study can be reproduced under a similar methodology, then the research instrument is considered to be reliable.” (p. 1)

The reliability of the collected data was very important all the way through the process, and as mentioned earlier on in this section many things were done in order to ensure that. Most importantly, the use of methodology triangulation was a means to be able to compare the findings between several different informants and respondents. If all data depended on the answers of only one club or respondent, the findings would be highly unreliable, but since so many different people have been involved, a great amount of stakeholders from the Danish football world have been given the chance to express their opinion. Therefore the result should be far more reliable. This is also the reason for choosing football clubs that are in different positions in the league. Again, this will spread the area of argumentation, and more aspects will hopefully be covered, the more different stakeholders that are asked. Another

thing that makes the data more reliable is the way the interview guide was used to interview both the football experts and the football clubs. The interview guide was later on also used as a foundation for the questionnaire, so that the same questions were asked to all the informants and respondents as similarly as possible. Finally, the large number of respondents from the questionnaire also adds to the reliability and especially the generalizability of the data collection.

Validity

For the validity, Joppe (2000) as in Golafshani (2003) explains it as:

“Validity determines whether the research truly measures that which it was intended to measure or how truthful the research results are. In other words, does the research instrument allow you to hit ‘the bull’s eye’ of your research object? Researchers generally determine validity by asking a series of questions and will often look for the answers in the research of others” (p. 1)

Since the topic of this thesis is Danish football, I think the idea about uploading the questionnaire to bold.dk enhances the validity of the study. Since I was looking for football spectators to answer the questions, no better place can be found because, as mentioned before, it has more than 250,000 users a month - all interested in football, and because of the emphasis on Danish football on the website, most of them are assessed to have an interest in that. The validity of the study can also be interpreted from the completion rate of the questionnaire. 82 percent completed all questions, and that also adds to the picture of having found an appropriate segment for the research.

4.3 Competitive balance in the Danish league system – statistical evidence

In this section, I will describe how the competitive balance has changed in the Danish football league system since the restructuring back in 1995. This is done partly in order to prove the importance of this thesis and partly in order to introduce my own new way of calculating competitive balance (inspired by Troelsen & Dejonghe (2006) and Storm & Berg (2010)).

As a basis for further argumentation, I have shown the average number of attendances per game in Superligaen, NordicBet Ligaen and 2. Division Vest/Øst.

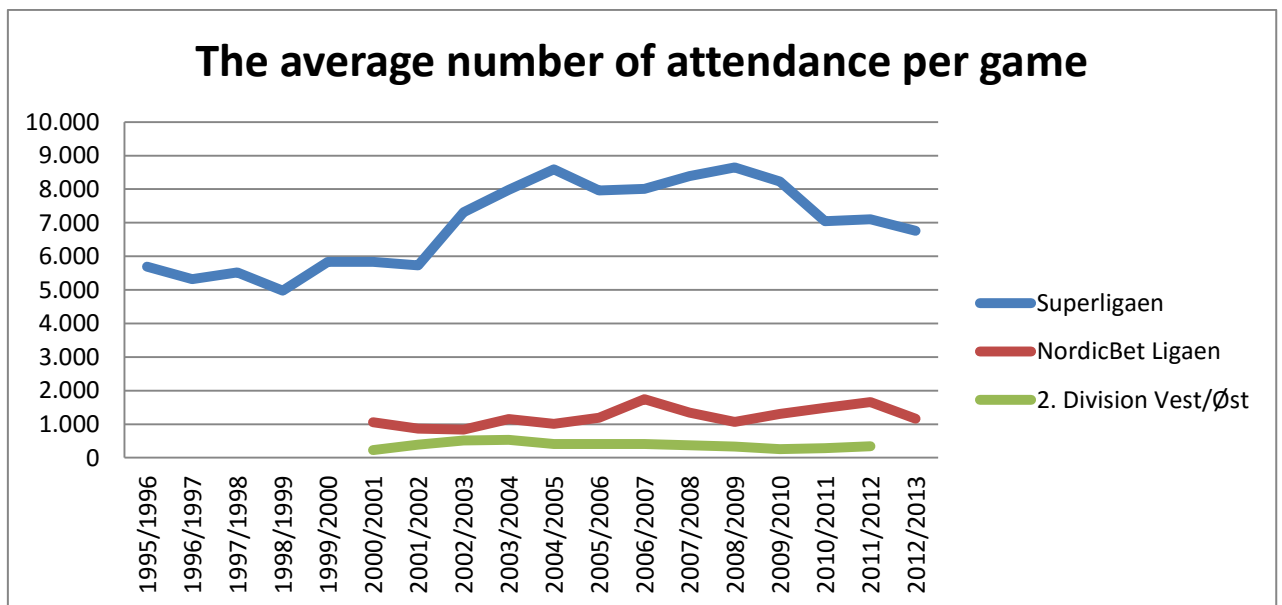


Figure 8 - The average number of attendance per game in Superligaen, NordicBet Ligaen and 2. Division Vest/Øst (Own work)

As it's indicated in figure 8, the average numbers of attendance for NordicBet Ligaen and 2. Division Vest/Øst were unavailable before 2000 as well, as the most recent number from the 2012/2013 season for the 2. Division Vest/Øst was also nowhere to be found.

The figure shows a clear tendency towards a decrease in the number of attendance per game in Superligaen over the past decade, while the other two leagues seem to have stagnated on the same level for almost every season. The reason for the two noticeable variations found in NordicBet Ligaen in season 2006/2007 and 2010/2011 is most likely due to the fact that these were the two seasons where AGF played in that division, and since

they are very large market clubs, based in the second largest city in Denmark, this makes sense.

The total number of attendance has dropped from 1,711,701 spectators in the 2008/2009 season to now only 1,338,465 spectators in the 2012/2013 season, meaning a decrease in the number of 21.8 percent in only 4 seasons. In other words, it means that in average 1885 fewer spectators will go to a game now compared to 4 seasons ago.

When having to analyze the competitive balance in a league, I think it makes good sense to first get an overview over how the situation is and has been and try to interpret something from that before going on analyzing the numbers more in-depth by using some of the different models that are discussed in the literature review section. Below is shown a table containing the top-3 finishers from all seasons, starting with the 1991/1992 season⁴².

	Gold	Silver	Bronze
1991/1992	Lyngby	B1903	BK Frem
1992/1993	FCK	OB	Brøndby
1993/1994	Silkeborg	FCK	OB
1994/1995	AaB	Brøndby	OB

1995/1996	Brøndby	AGF	OB
1996/1997	Brøndby	Vejle	AGF
1997/1998	Brøndby	Silkeborg	FCK
1998/1999	AaB	Brøndby	AB
1999/2000	Herfølge	Brøndby	AB
2000/2001	FCK	Brøndby	Silkeborg
2001/2002	Brøndby	FCK	FCM
2002/2003	FCK	Brøndby	FCN
2003/2004	FCK	Brøndby	EfB
2004/2005	Brøndby	FCK	FCM
2005/2006	FCK	Brøndby	OB
2006/2007	FCK	FCM	AaB
2007/2008	AaB	FCM	FCK
2008/2009	FCK	OB	Brøndby
2009/2010	FCK	OB	Brøndby
2010/2011	FCK	OB	Brøndby
2011/2012	FCN	FCK	FCM
2012/2013	FCK	FCN	Randers

Table 11 - List of top-3 finishers in Superligaen (Own work)

⁴² The reason for the dotted line is due to the drastic changes in the setup (both with regards to the points for a win (changed from 2 points to 3 points for a win), number of teams and setup with regards to the competition) prior to the 1995/1996 season.

This shows that since the introduction of the new system in 1991, 16 clubs have made their way into the top 3, but only 7 different clubs have won the championship within these 22 seasons. The two biggest clubs in Danish football, when looking in a historical perspective, are without a doubt FCK and Brøndby. Since 1991, both clubs have 11 times been inside top 3 at the end of the season, and since the 2000/2001 season that has been the case 9 times, which means 69.23 percent of the time. Furthermore, either FCK or Brøndby have won the championship 15 times (68.18 percent of the seasons). Finally, it appears that 14 times the winner was also inside the top 3 the year before. All these information put together is a good indication that the league might not be very competitive, but in order to say something more precise, some of the models of calculating competitive balance that was described in the literature review can be used.

In the following, I will go through the development in competitive balance in the Danish leagues, mostly focusing on Superligaen, because that league contains the fight for the championship – and that also has some influence on the way the competitive balance is calculated.

Firstly, the competitive balance in Superligaen is calculated using the Herfindahl Index.

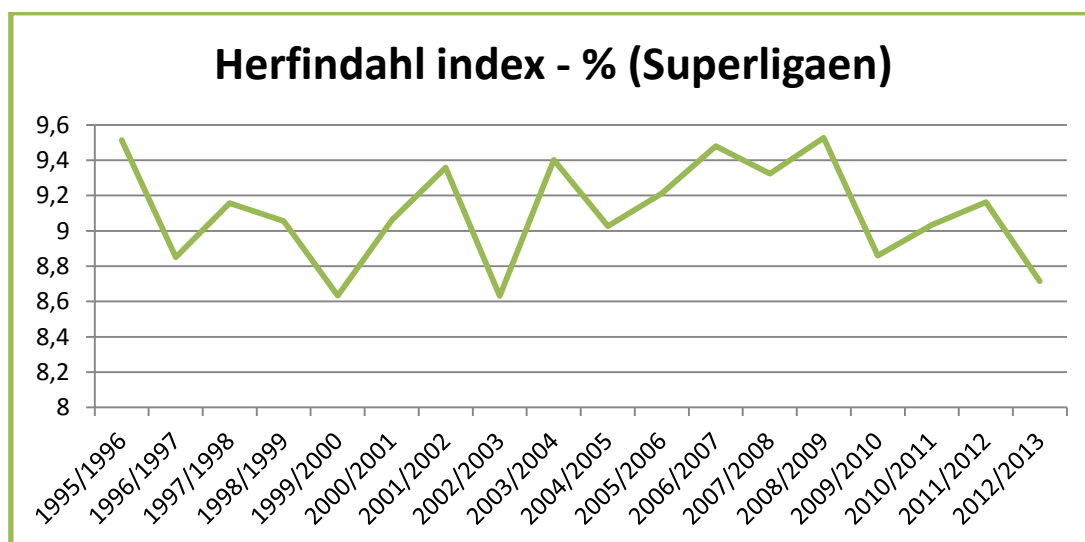


Figure 9 - Herfindahl Index - % (Superligaen) (Own work)

Since the factors and the method of calculating the Herfindahl Index is very similar to the way the standard deviation is calculated, the tendency in the result is also very similar as shown below.

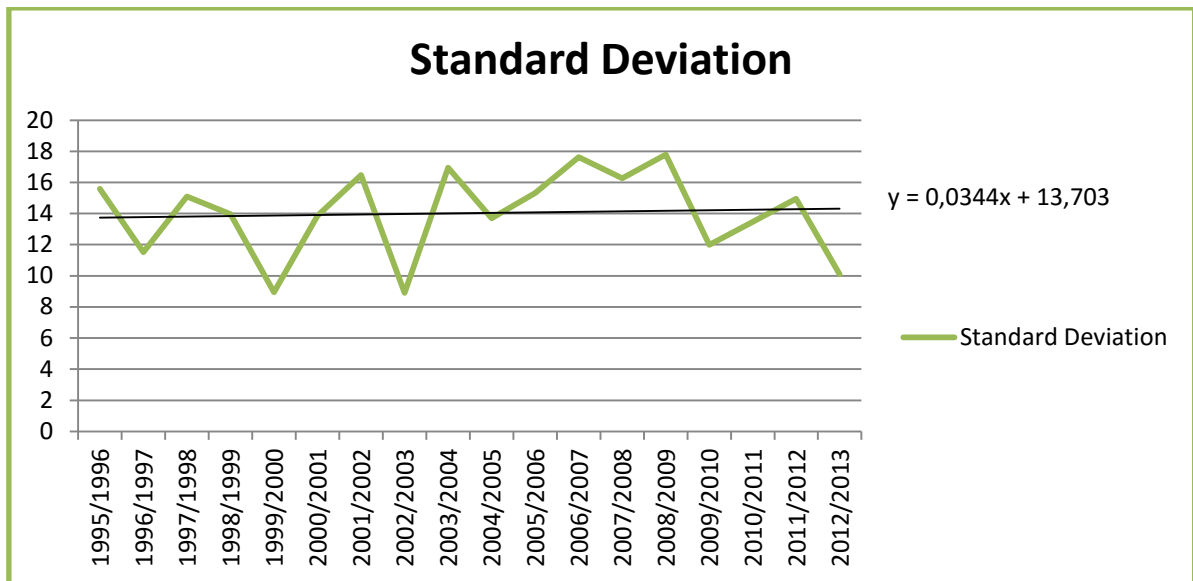


Figure 10 - Standard deviation (Superligaen) (Own work)

Adding a trend line shows that even with a very exciting 2012/2013 season, with regards to the standard deviation between the clubs, the trend is that the competitive balance has been decreasing (the distance between the clubs have increased) since the format was changed completely in 1995.

But as it was argued in the literature review, looking at competitive balance within only one season can end up with misleading results, so in the following section the trend regarding the competitiveness in Superligaen will be looked at from a more dynamic season-to-season perspective.

Strongly inspired by “changes in league position” in Troelsen & Dejonghe (2006), I have chosen to divide the league into three groups, i.e. top clubs (position 1 to 4), middle clubs (position 5 to 8) and bottom clubs (position 9 to 12). Then I have counted the number of clubs that have changed from one group to another, compared to the previous season. I think that creates a very good indication of how much movement is going on in a league. In the graph below, the number of changes is shown, and one has to consider that the minimum number of changes in a season will naturally be two, since two clubs will be relegated and replaced by two new clubs.

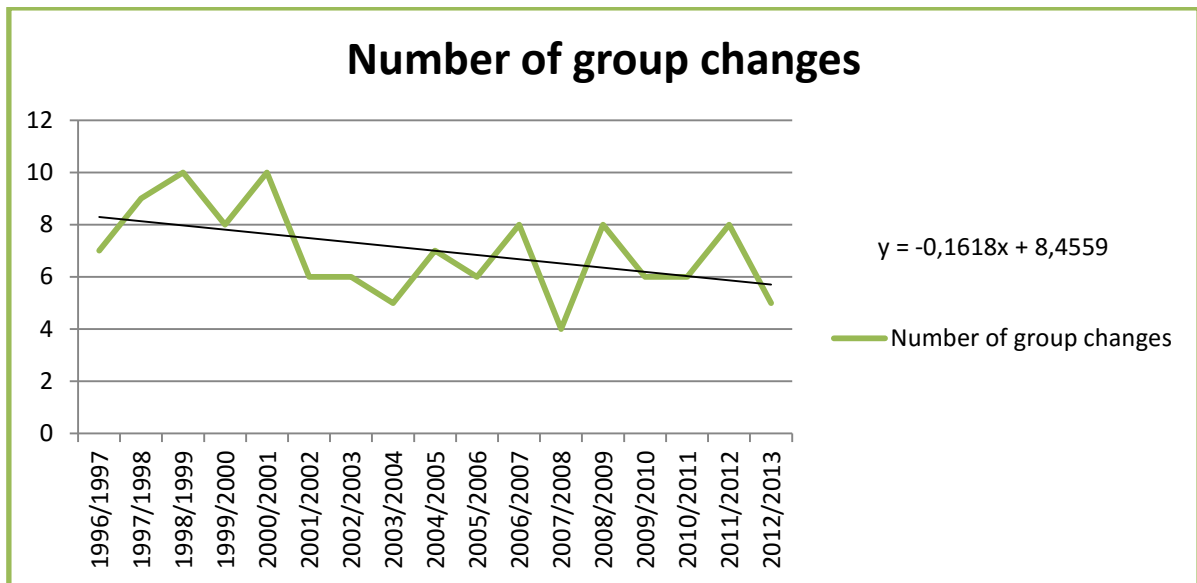


Figure 11 - Number of group changes (Superligaen) (Own work)

This shows that an increased number of clubs seem to have found their position in the league system and season by season, fewer and fewer clubs have changes from one group to another.

Finally, I will look at a variation of the “repeat clubs in the top”-model that was also introduced by Troelsen & Dejonghe (2006). But instead of focusing on the number of repeat clubs in top 2 like Troelsen & Dejonghe (2006) do in their article, I think it will make more sense to look at a top 3, mostly because I associate the top 3 with winning something (Gold, Silver and Bronze), and that must in some way motivate the clubs. Instead of looking at how many clubs have been in top 3 (or 2) for the past x seasons, or how many seasons a club has spent in the same top, I will focus on how many clubs from the top 3 also ended up in top 3 the previous season.

Notice that 11 times since the 2000/2001 season, the top 3 have consisted of at least 2 of the same clubs as the previous season - and as it’s also seen, the tendency is the same as shown previously in this section, with the level of competitive balance clearly decreasing.

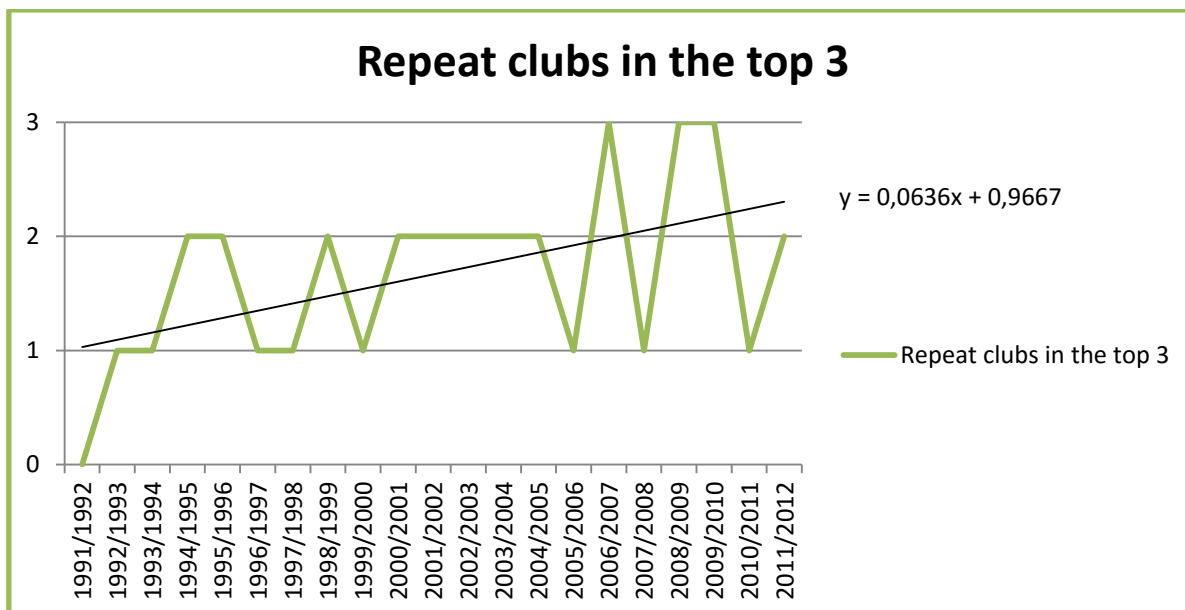


Figure 12 - Figure 6 - Repeat clubs in the top 3 (Own work)

Combining all of the information that has been presented in this section, the tendency seems very clear. The average number of attendance has decreased with more than 20 percent during the past 4 seasons. At the same time, the level of competitive balance seems to be stagnated or even decreased (depending on, if it's static or dynamic competitive balance). Then finally the clubs seem to have found their position in the league, both in general and especially in the top, so based on that the overall conclusion must be that Danish football has become less competitive and more settled in the season's period from 1991/92 to 2011/12.

5. Analysis

Who are the respondents?

It's very important to have some basic information on the respondents and to be sure who they are in order to be able to analyze and interpret the data correctly later on.

"You will get different answers depending on whether it's a top club, a middle club or a bottom club" (Troels Troelsen)

Therefore, in this section the respondents will shortly be introduced and analyzed by using frequency tables in order to construct some kind of demographic overview.

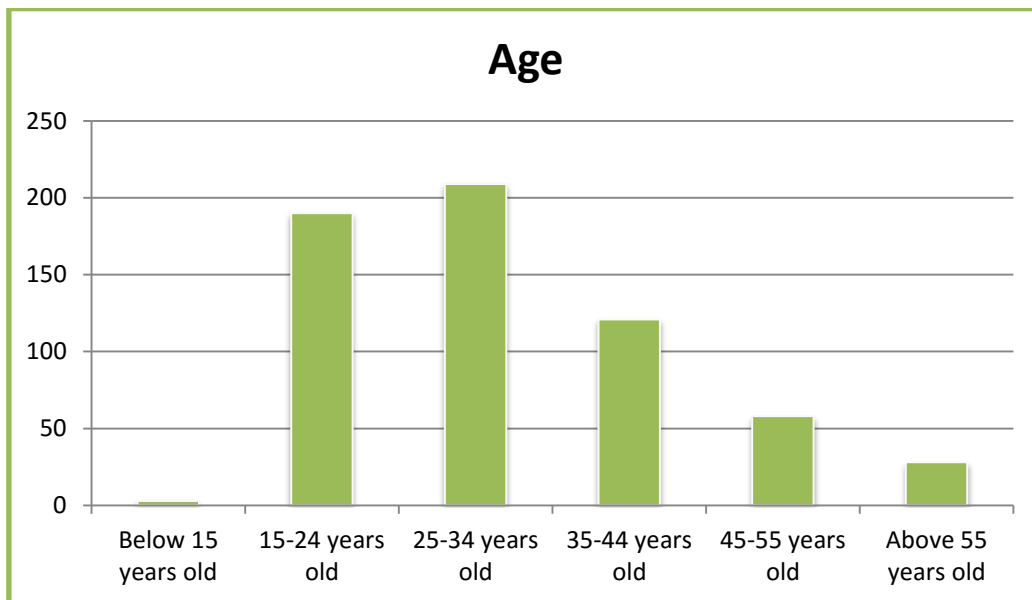


Figure 13 - The age of the respondents (Own work)

The respondents differed very much in age from 3 respondents younger than 15 years and the 28 that are older than 55 years. 65.5 percent of the respondents are between the age of 15 and 34. I think the distribution of respondents between the different age ranges is very representative for the average football consumer in Denmark, although one might argue that some of the older spectators are missing due to the fact that the questionnaire was uploaded on bold.dk and not handed out at the matches.

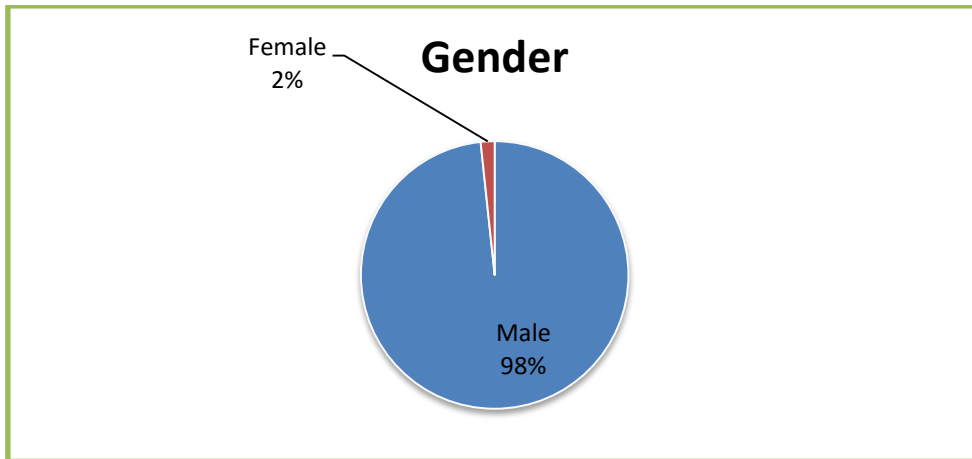


Figure 14 - The gender of the respondents (Own work)

When looking at the distribution between male and female, 98 percent of the respondents are male. This distribution might be a little misleading according to the percentage of spectators attending the games, but due to the same fact as before about the questionnaire was on a football website might be the reason for that.

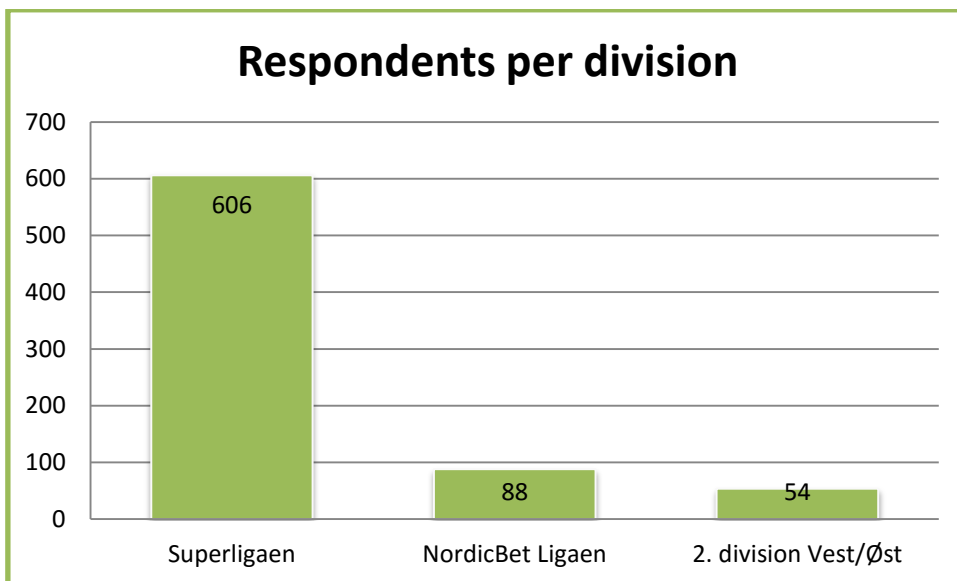


Figure 15 - Respondents per division (Own work)

The respondents were asked what division they followed the closest and 81 percent (606) of them followed Superligaen the most. This is very much in line with what I expected and fits the thesis very well since the main focus in most parts is on Superligaen.

The clubs with the most respondents were, not surprisingly, FC København and Brøndby IF followed by other big clubs like AGF, Esbjerg fB, OB and AaB. In total, there are 56 clubs

playing in Superligaen, NordicBet Ligaen and 2. division Vest/Øst and from those, only 11 clubs were not represented in the questionnaire by any respondents – except for one club, FC Fyn, from NordicBet Ligaen, all of them were from the third-largest division.

According to the recent spectator report from Superligaen, 80 percent of the spectators are males and regarding the age of the spectators, the reports conclude that approximately 60 percent of all spectators are below 40 years old and less than 5 percent are above 60 years old (Divisionsforeningen, 2013). These findings are very similar to the findings in my questionnaire, so I assess my findings to be representative.

Why do people attend the games?

Asked about why the respondents are attending the games, they almost unanimously leave the impression that they attend the games for social reasons and that they are attracted both by the atmosphere and in order to show their support to the club. The least important factors are things surrounding the games, e.g. how the weather is and if there will be some entertainment during the hours they spent in the stadium.

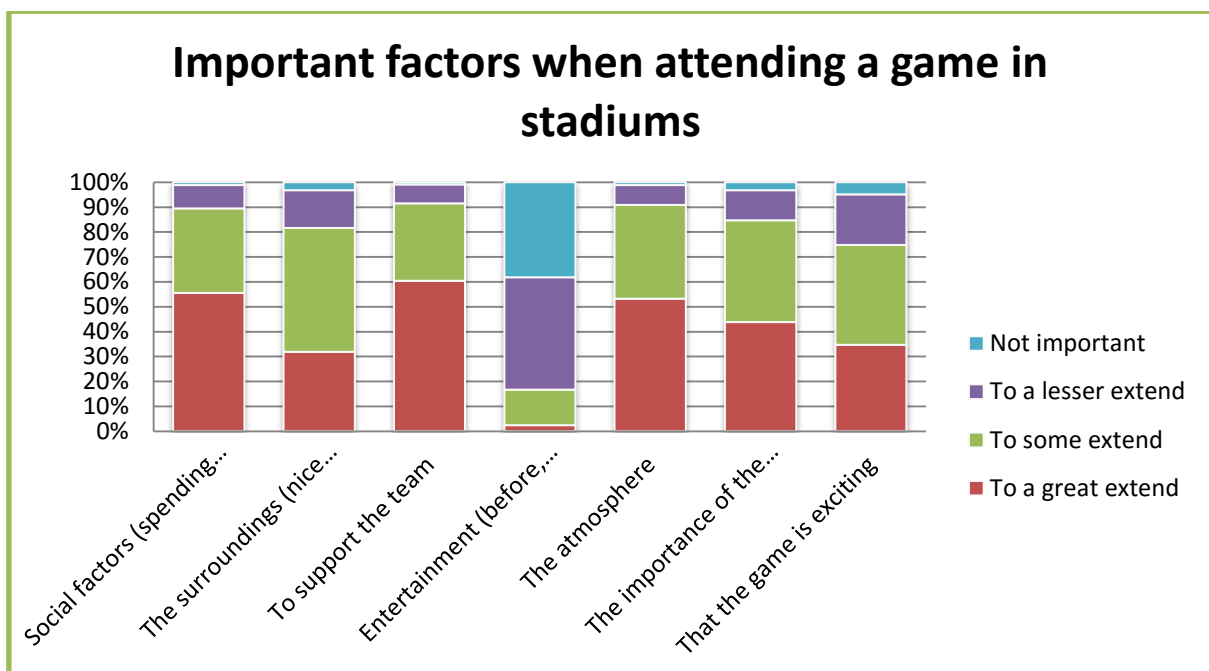


Figure 16 - Important factors when attending a game in stadiums (Own work)

Comparing the findings of the spectator report, the motivations are somewhat the same. In that report, the three most important factors are also “to support the club”, “to experience

the atmosphere” and the social factors. This is also very consistent with the factors the clubs and the experts think are important to the spectators.

“People are concerned about a good atmosphere...not so much if their club is winning or losing” (Troels Troelsen)

“...the communality and being together about something you appreciate” (Informant 4)

“It’s about the atmosphere, accessibility...it must be easy” (Informant 2)

However, when asked about the importance of the same factors when watching the games on TV, the motivation changes towards being more about the importance and excitement of the games.

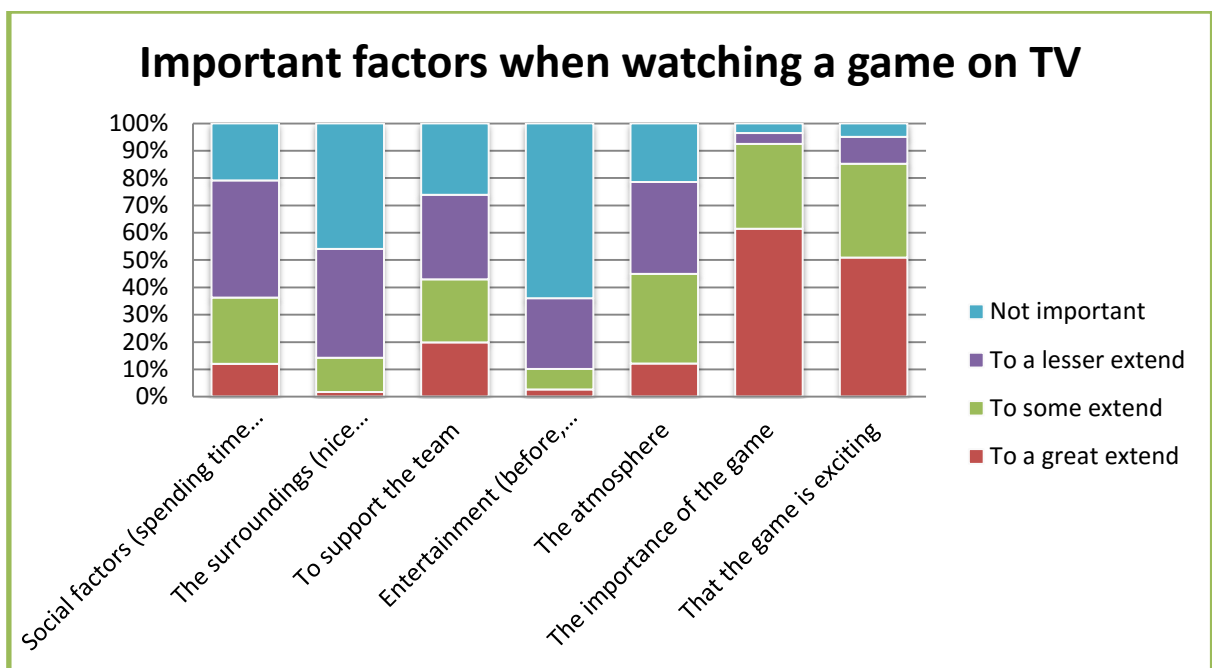


Figure 17 - Important factors when watching a game on TV (Own work)

So as it’s shown in the two graphs above, the importance and the excitement of the games have a huge importance for the spectators, whatever it’s in the stadium or at home. The only difference is that the incentives for watching football is driven more by social factors when watching the game in a stadium.

The last factor that will be analyzed in order to be able to characterize the respondents, is the number of games they watched during last season.

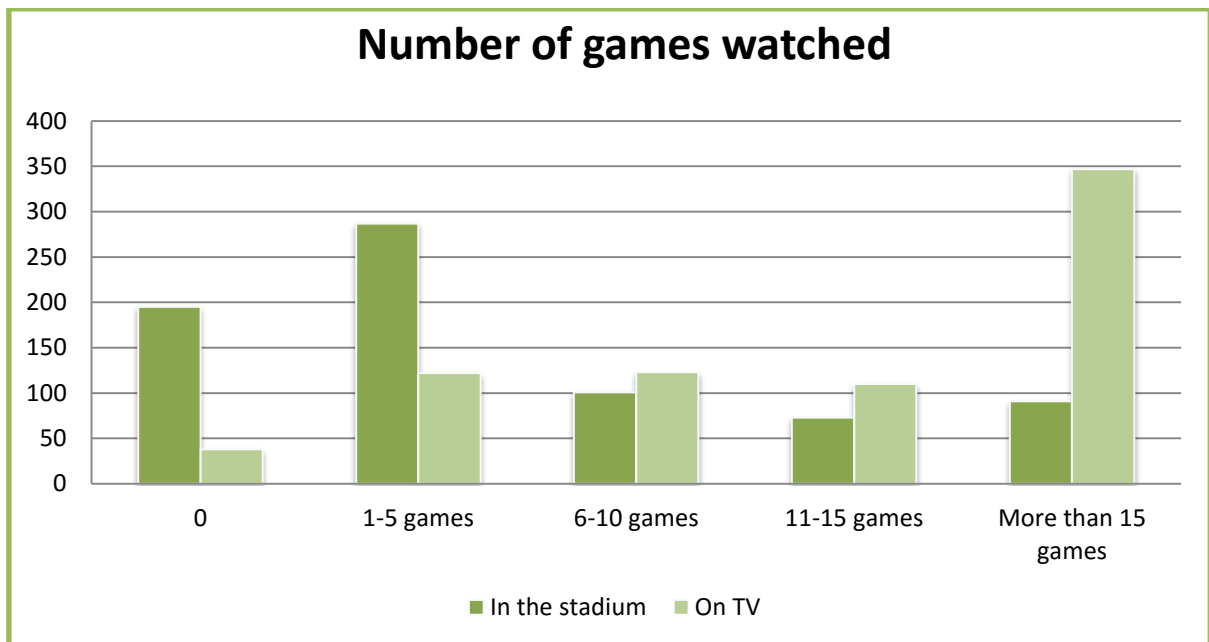


Figure 18 - Number of games watched (Own work)

This clearly shows that with more than 6-10 games, the respondents are much more likely to watch games in TV than see them live in the stadiums. But taking the setup of the current TV agreement into consideration, the games are now played separately on Friday, Saturday, Sunday and Monday, which gives the spectator more than enough chance to watch a lot of games. With previous TV agreements, the setup dictated most games to be played at the same time on Sundays, which meant that people wouldn't have been able to watch the same amount of games.

The predictability in Superligaen, NordicBet Ligaen and 2. division Vest/Øst

Just like mentioned in the literature, the football experts as well as the clubs seem to agree on that some level of competitive balance is important in order for a league to attract people to the games – but exactly how much is hard to answer.

*“It’s important for a league to have some degree of competitive balance...on a single game...but also about the championship”
(Rasmus Storm)*

“The excitement is what makes football unique” (Informant 3)

Another question derives from this, and this is whether or not the spectators even notice a change in the competitive balance – and if they care about it at all. In the graph below, this seems to be answered quite clearly. It’s showing that almost half the respondents think that Danish football have become more predictable during the past decade, 26 percent think the predictability has remained unchanged while only 23 percent think that Danish football has become less predictable.

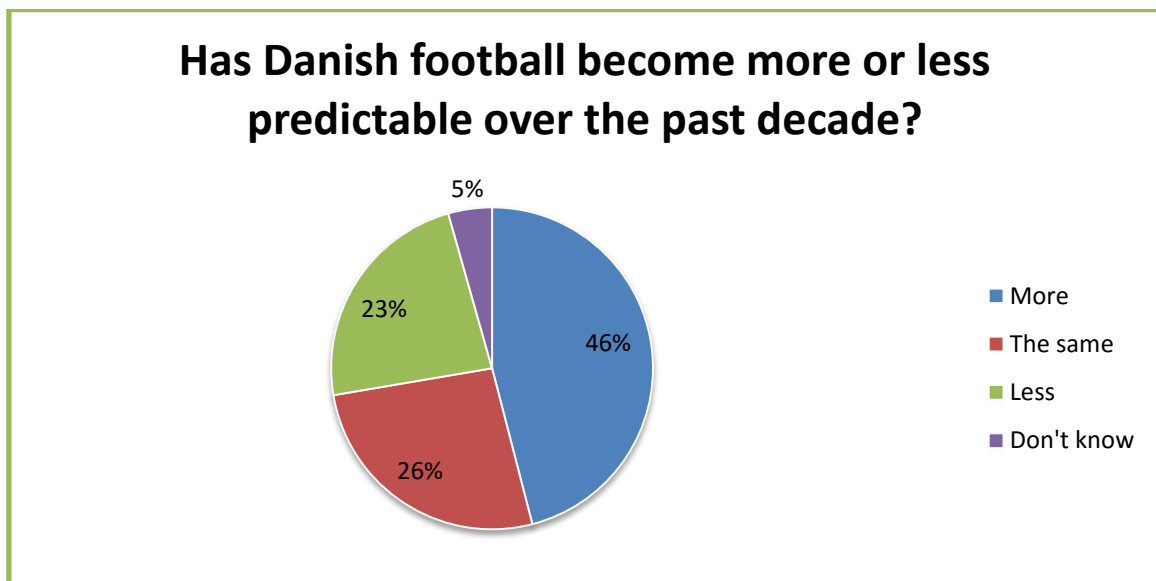


Figure 19 - Has Danish football become more or less predictable over the past decade? (Own work)

If those findings are cross tabulated with regard to what division the respondents are most interested in, the numbers for spectators following Superligaen the closest are very similar to the numbers in the graph above.

	More	The same	Less	Don't know
Has Danish football become more or less predictable over the past decade (Superligaen)	45%	27%	25%	3%

Table 12 - Has Danish football become more or less predictable over the past decade (Superligaen) (Own work)

If these findings are compared to the actual situation (in Superligaen) for the past 10 years, there is a clear tendency towards a more competitive league (like it’s shown in the graph below), even though the spectators to a great extent seem to argue the opposite.

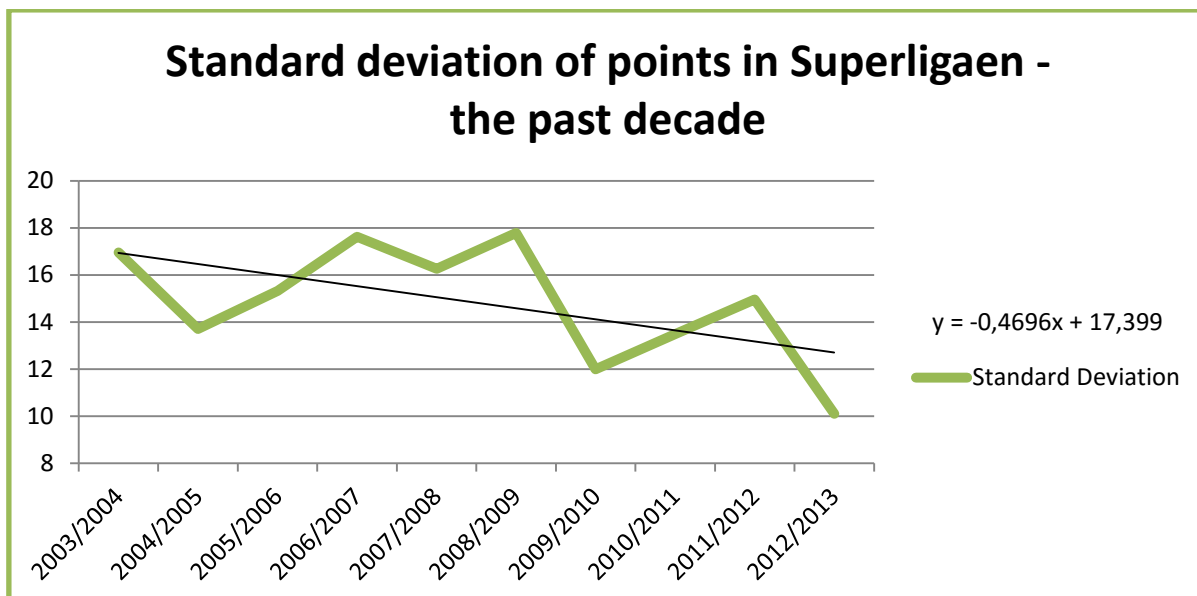


Figure 20 - Standard deviation of points in Superligaen - the past decade (Own work)

During the same period of time, as shown in the section about competitive balance in Danish football, the top 3 have become more fixed than ever. This could indicate that when people are talking about competitive balance in general, they are actually focusing more on the fight for the top positions than looking at the league as a whole. This thesis is in some way supported by the football experts that argue that if the battle for the championship has been settled, the rest is more or less uninteresting to the spectators.

“When the top begins to be without interest, then people pretend to play for the Europa League spots, but it doesn’t interest the fans” (Troels Troelsen)

This distinction between the level of competitive balance for the championship and near the relegation zone, respectively is clearly shown in the graphs below. Even though people as proven before might have a tendency towards judging the league by looking at the fight between the top clubs, they have noticed the different development depending on which end of the table is in focus.

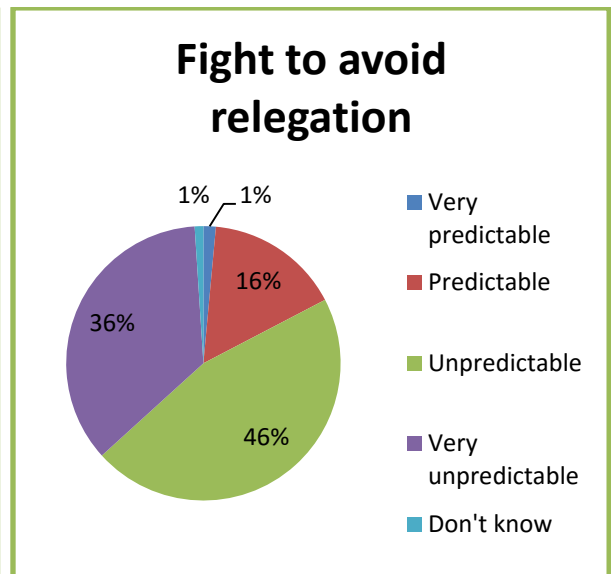
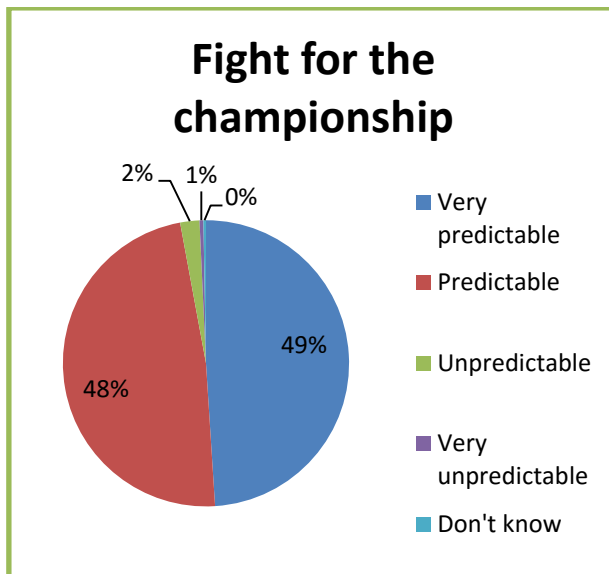


Figure 21 - Predictability regarding the fight for the championship (Own work)

Figure 22 - Predictability regarding the fight to avoid relegation (Own work)

There is a very clear sign that people think the battle for the top positions is not that close, with 97 percent of all respondents saying that the fight for the championship is predictable or very predictable. Meanwhile, the battle in the other end of the table seems to be more open. 82 percent of the respondents think this is unpredictable or very unpredictable.

Fixed in the top – good or bad?

“It’s both good and bad” (Rasmus Storm)

Previously, it has been argued that the top in Danish football has recently become more fixed than ever. With FCK winning 9 of the past 13 championships, one could argue that the league was without interest to the spectators and lacked the excitement required to attract more people to the stadiums. But this development seems to split both the spectators, the clubs and the football experts into two parts; one arguing that a fixed top is needed in order to do well internationally while the other part argues that a more balanced league is needed in order to enhance the talent development in Danish football.

“It seems to be a choice between one prize or another” (Rasmus Storm)

The overall line of argumentation seems to depend on what stakeholder is asked. The football experts seem to support the situation with a fixed top battle because they have a tendency to focus much on the economical part of the game - Rasmus Storm argues:

“Basically, it will be good for a league, and it will also indirectly lead to a stronger league because of the increased income, increased interest, etc.” (Rasmus Storm)

Opposite to that, the clubs seem to focus more on developing new playing talent and to achieve that a more competitive league is needed.

“Generally, it seems unavoidable, but it’s bad for football that one club is so superior to the others” (Informant 1)

The question about who is to “blame” for the decrease in the number of spectators in Danish football is very hard to answer, and asking different stakeholders gives a variety of different answers that basically are affected by very different factors in the football world.

Looking at the respondents, they prove the aforementioned fact that there has been a decrease in the number of spectators.

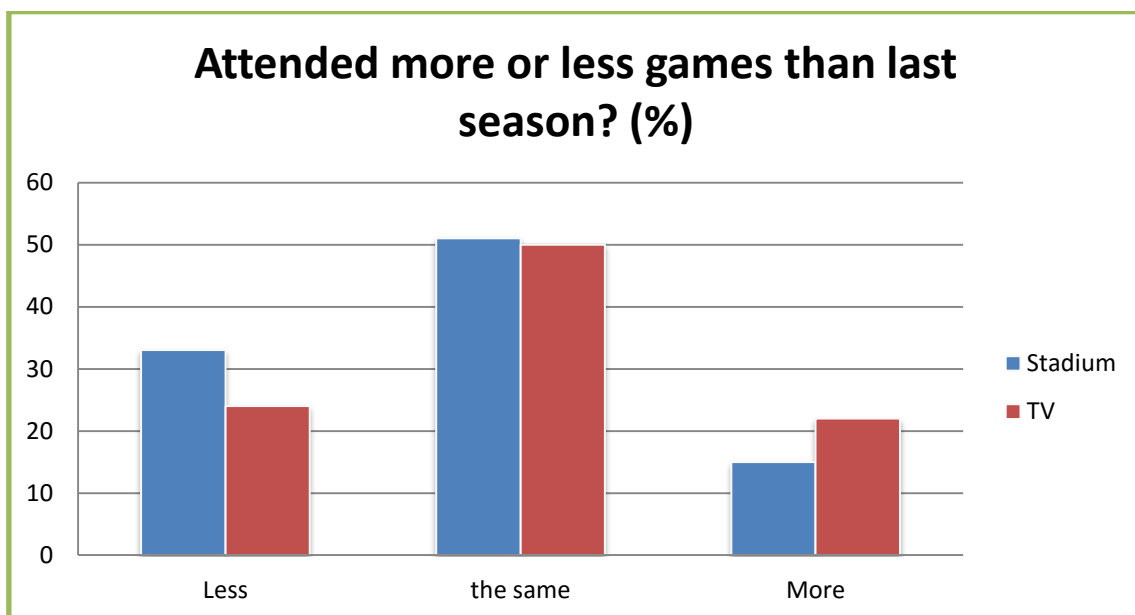


Figure 23 - Attended more or less games than last season? (Own work)

It’s clear by looking at the graph above that fewer people have attended games at the stadiums this season compared to last season. However, when looking at games seen on TV, the number seems to have stagnated.

Asking football experts about what could have caused this decrease gives an even foggier picture of the situation.

“There might be a decreasing competitive balance...but also the fact about the financial crisis is an essential element” (Rasmus Storm)

“Partly, I think it’s because the TV product has become much better...and it keeps people at home” (Troels Troelsen)

The latter argument is the one that seem to be the argument from the clubs as well.

“The polarization, partly, arises from the TV agreement” (Informant 2)

Later on in the analysis, there will be focus on the economy of a football club, in relation to the league structure, also including what factors matters the most when trying to run a football club. One of the largest amounts of money comes from the TV agreement, and therefore the distribution between the clubs is highly important. If too much money is handed out to the top clubs, the distribution of points in the league will most likely be much skewed to the advantage of the top clubs and their participation in the European competitions. On the other hand, if the money was allocated evenly to all the clubs, maybe the league would also become more even, but the top clubs would then suffer in the European tournaments and maybe also lose the possibility to attract some star players to their clubs (and the league). The latter is also of a huge importance for a league in order to attract sponsors and more spectators to the stadiums.

The respondents’ answer to this dilemma can be analyzed from their need for exciting games. In the graph below, there is a clear proof that more people will go to see a game in the stadium if the games were more exciting. Around 20 percent of the respondents would attend more games and approx. the same amount would watch more games on TV if they were more exciting. The reason for the rather high amount of “don’t know” answer could be because so many additional factors are included in the question, and therefore it might be hard to answer clearly.

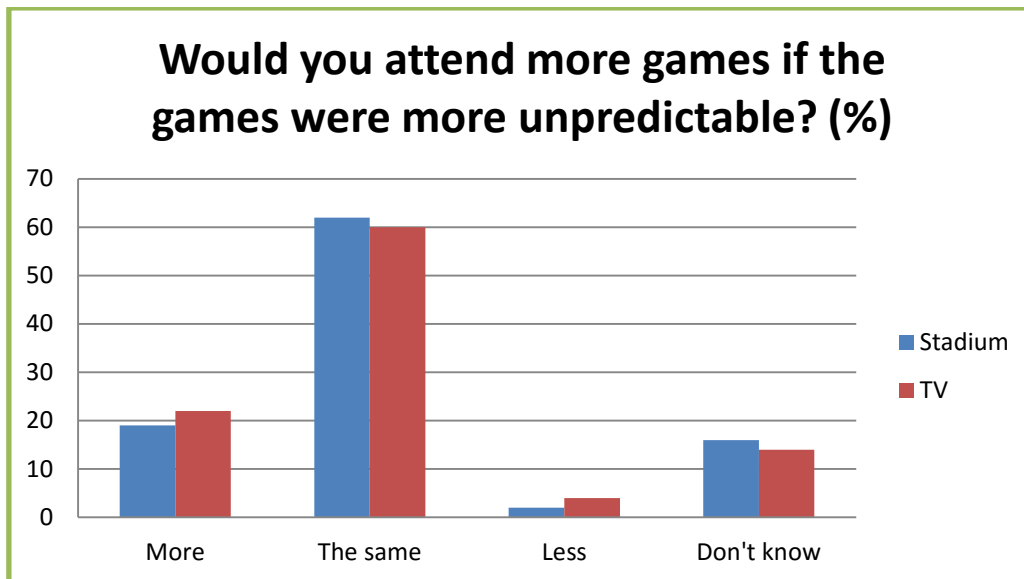


Figure 24 - Would you attend more games if the games were more unpredictable? (Own work)

So the whole dilemma about whether or not a fixed top is needed and if a league can benefit from having a rather unexciting top fight, is very hard to answer - it seems to depend on whom you ask. As Rasmus Storm mentioned, often it is a question about gaining something and losing something. But the two overall arguments are that on one hand, a league needs star players in order to attract sponsors and spectators (= more money), and the “easiest” way to do that is by doing well in European competitions. That means a league will benefit from having a low level of competitive balance. On the other hand, more exciting games in the stadiums will most likely also attract more people, and furthermore, having a league with almost an equal money distribution among the clubs will force the clubs to use their own talents which could then in the end benefit the performance of the national team (Sperling, Nordskilde & Bergander, 2010). Right now it seems like the Danish league is “stuck in the middle”⁴³ of the two aforementioned arguments.

In the Danish league there is FCK, who has won the majority of the championships since the turn of the century. They have done very well in European competitions from what one could expect from a Danish club, but they have not done well enough to attract big star players to the league. This might of course also be due to the league as a whole and not just FCK’s international performances. This has also been argued in the literature by Sperling, Nordkild & Bergander (2010) who describe the situation in the Danish league as “sitting

⁴³ The term “Stuck in the middle” is discussed further by Michael Porter (2008) in his book “Competitive Advantage: Creating and sustaining superior performance”

between two stools". The same has also recently been argued in the media, where the Danish league is now close to being compared to the Swedish league, because of their lack of success in international tournaments, which in the long run will mean a worse ranking on the European coefficient ranking⁴⁴. If this trend continues, the Danish league will most likely lose the opportunity of having one club directly qualified for the group stage of Champions League, and that will, obviously, mean a lot less money for the league in total.

The setup of the Danish league system

A thing that is very essential to how attractive a league is the way it's set up by the league organizers (Noll, 2003). Regarding the Danish league system, there seem to be both things that are working very well but also some things that the different stakeholders would like to change.

The three overall topics of discussion seem to be the role of the different divisions, the focus of the leagues (including number of clubs) that has also something to do with the aforementioned topic and the possibility of (re-)introducing playoffs.

Sporting and economic differences in Danish football

From the graph below, it's clear that the respondents (the spectators) think the difference between the upper two divisions is too big - especially when looking at the economical difference. The most likely explanation for that must be the differences in the licensing programs that are mentioned in the introduction part of this thesis and also due to the huge difference in payout from the TV agreement according to the position of the individual clubs. Looking at the sporting differences, the answer seems more unclear with 42 percent answering that the difference is too big, while 54 percent think the opposite.

⁴⁴ http://www.dr.dk/sporten/kommentar/marco_de_los_reyes/2013/07/25/194112.htm (accessed on 30 July 2013)

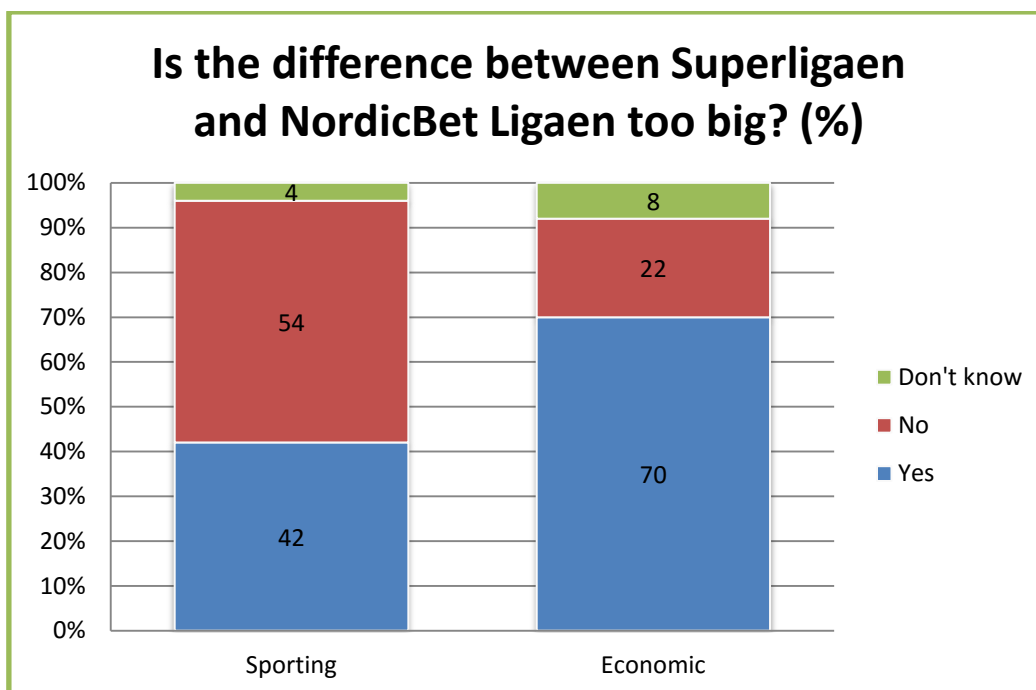


Figure 25 - Is the difference between Superligaen and NordicBet Ligaen too big? (%) (Own work)

If cross-tabling the results with how many clubs they would like in Superligaen, one might argue that the respondents answering that the sporting difference is too big might want less clubs in the league (or think the number is fine as it is), while respondents that answered that the difference is not too big, might want to increase the number of clubs. As it's seen below, there is a little tendency towards this actually being the case, even though the distribution is more even than one might think.

Is the sporting difference between Superligaen and NordicBet Ligaen too big? (What do you think of the number of clubs in Superligaen?)				
	Too many	Comfortable number	Too few	Don't know
Yes	10	52	198	1
No	11	65	261	2
Don't know	0	7	18	2

Table 13 - Is the sporting difference between Superligaen and NordicBet Ligaen too big? (What do you think of the number of clubs in Superligaen?) (Own work)

When looking at the difference between NordicBet Ligaen and 2. division Vest/Øst, the picture completely changes. On one hand, the respondents think that the two divisions are more even and on the other hand, the number of respondents answering "don't know" also increased a lot. This could somehow have been expected since the interest as shown

previously mainly is on Superligaen and the knowledge about how the situation is further down in the league system might be unknown to many of the respondents.

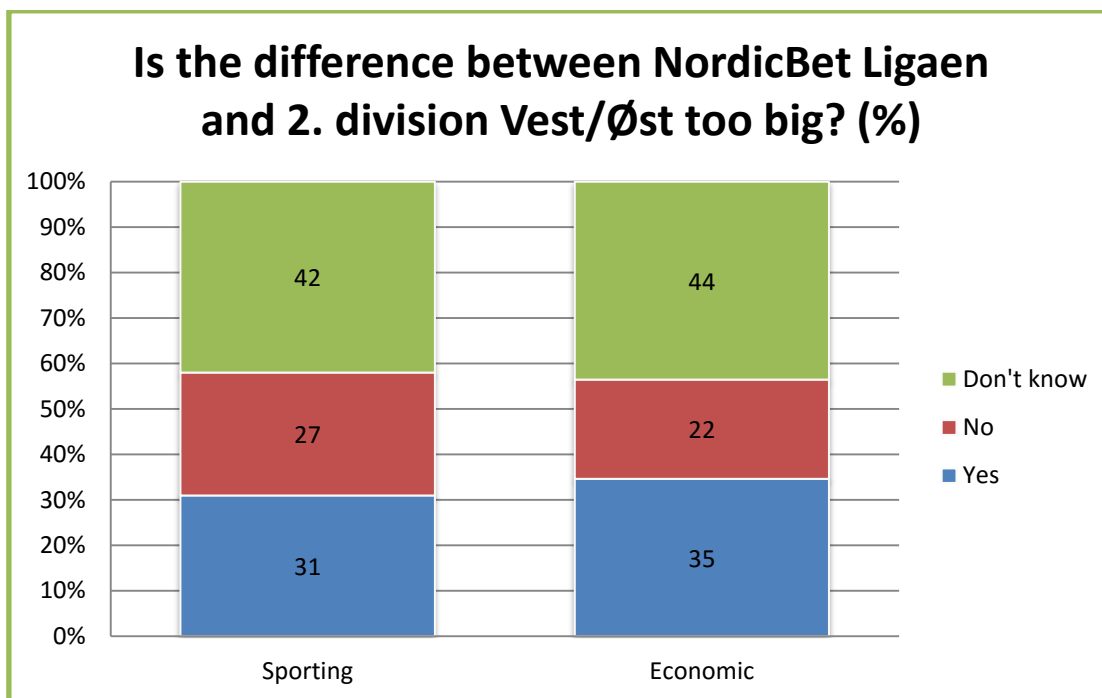


Figure 26 - Is the difference between NordicBet Ligaen and 2. division Vest/Øst too big? (%) (Own work)

The reason for some respondents answering that the sporting difference is too big, might be that NordicBet Ligaen contains 6 fulltime professional clubs, while all the remaining clubs and all the clubs in 2. division Vest/Øst are amateur clubs.

The football clubs also seem to recognize the difference in the “role” of the divisions.

“Everything is centered around Superligaen, all money, all sponsors...then you could have a 1st division, which is the highest level of talent development” (Informant 3)

This suggestion is all about focusing solely on professional football in Superligaen and then use the remaining leagues as some kind of talent development leagues. In that way, the money that should prepare the top clubs for the European competitions is secured and at the same time, the new talented players can develop in the lower divisions, and over time they might get sold to a club in Superligaen or in another country. Informant 3 further elaborates on the idea by arguing that:

“...so the food chain works, and you don’t have too many clubs aiming at the same goal” (Informant 3)

This indicates that it might not only be about the way the competition is organized but also about the attitude of the different clubs – a question about mentality. If too many clubs have the main goal of winning the league and are organizing their clubs according to reaching that goal, most of them will, naturally, end up failing, and that could ruin their club (and if too many clubs try to do so, then the whole league could suffer).

This set up was also the way the Capacent report recommended the league to be organized.

“The ambition (in the Capacent report) was to have a very good development league in the 1st division...the driver is Superligaen...1st division is a bit more adapted” (Informant 4)

If this current situation is compared to the case study from Scotland, the economic argument about the smaller clubs holding back the top clubs and ruining their chances of doing well internationally because of the distribution of the money was the reason for the top division breaking free from the other divisions. A break in Danish football seems not to be the ideal solution, but a more defined difference between the divisions is what most people seem to demand.

The inequality in Danish football

One of the most fundamental things to consider when designing a league or a tournament is that the conditions and rules should allow all the participants to be able to win the championship on equal terms (Sanderson, 2002). Regarding this, the Danish football spectators seem to disagree about whether or not the Danish league is fair to everyone.

According to you, does the setup of the leagues give every club the opportunity of winning their division?

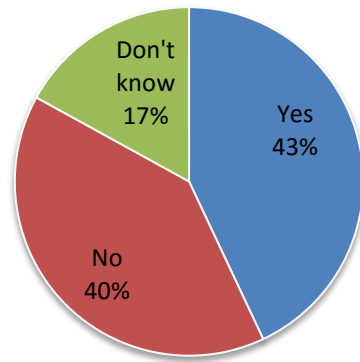


Figure 27 - According to you, does the setup of the leagues give every club the opportunity of winning their division? (Own work)

According to the literature, the respondents that answered “yes” to the aforementioned question will most likely support a top club, while the opposite is the case for supporters of bottom clubs. This also makes perfect sense, since the top clubs and the spectators following them the closest, will be happy about how the setup is at the moment, because it in some way benefits their club. If their club later on will do worse and slide down through the league, their opinion might very likely change.

In order to prove that, I have made a cross-tabulation of the question above with regards to which club the respondents follow the closest. According to that table, the thesis from the literature seems to fit perfectly to the situation in the Danish league. For the sake of convenience, the table is organized like the final table of Superligaen in the 2012/2013 season.

According to you, does the setup of the leagues give every club the opportunity of winning their division? (according to which club the respondents follow the closest)			
	Yes	No	Don't know
FC København	66,2	24,3	9,5
FC Nordsjælland	80,0	0,0	20,0
Randers FC	31,8	45,5	22,7
Esbjerg fB	51,1	26,7	22,2
AaB	47,5	27,5	25,0
FC Midtjylland	38,1	57,1	4,8
AGF	31,0	46,6	22,4
SønderjyskE	33,3	46,7	20,0
Brøndby IF	37,0	44,4	18,5
OB	51,6	41,9	6,5
AC Horsens	18,2	54,5	27,3
Silkeborg	52,4	38,1	9,5

Table 14 - According to you, does the setup of the leagues give every club the opportunity of winning their division? (according to which club the respondents follow the closest) (Own work)

It's very clear that the spectators following the top clubs in general agree with the current league setup, while the opposite is the case for the remaining clubs.

The most obvious problem with the Danish league system seems to be the condition about the top 6 clubs having the advantage of an extra home game the following season. Both the spectators and the clubs seem to agree on this as a problem that has to be solved.

"12 clubs are not optimal because it will skew the league...alternatively, it could be 16 or 10 clubs" (Informant 1)

Some of the comments from the questionnaire are also that the system with 12 clubs and 33 games *"favors the top 6 clubs"* (a respondent from the questionnaire) and the argument about the 33-game system being unfair seems to be the overall opinion from the spectators.

“As long as some clubs have more home games than others, it can never be fair” (a respondent from the questionnaire)

But how can the league then be organized in order to circumvent this “problem”, and are there difference in the preferred league setup depending on whom you ask?

Before going more into details with what changes could be introduced according to the respondents and the informants, let’s have a look on what the different stakeholders think about the current league design.

“12 clubs are not optimal, because then you play some clubs twice at home and some twice away and it can determine who is going to be relegated and who will win the championship” (Informant 1)

So it seems that in order to get a more fair competition, either the number of clubs in Superligaen or the number of games played could be changed. If looking at the latter idea first, changing the number of games played during a season seems to be fixed according to a lot of factors like e.g. the weather in the country, the condition of the playing field, the international tournaments and the economy (sponsors, TV etc.) in the individual league (Sperling, Nordskilde & Bergander, 2010). If the league organizers chose to keep the 12 clubs in the league, they only have two choices in order to enhance the “fairness” that people are demanding – either they can regulate the number of games played or they can change the league structure completely by (re-)introducing playoffs.

According to Sperling, Nordskilde & Bergander (2010) and the case study from Scotland as well, the number of games in a season should be between 30 and 38 at max. If playing below 30 games in a season, the clubs will suffer economically from the decreased number of spectators, and playing more than 38 games will gamble with the players’ health and in some cases, like it might be the case in Denmark, the cold winter months will have to be introduced in the playing calendar, which might also make some of the spectators stay at home.

Therefore, a setup with 12 clubs will either require 22 games in a season, which is far too little or 44 games, which will be far too many. So the easiest way out of this problem would be to change the number of clubs in the league.

Below, there is a graph showing the respondents meaning about how many clubs should be in Superligaen.

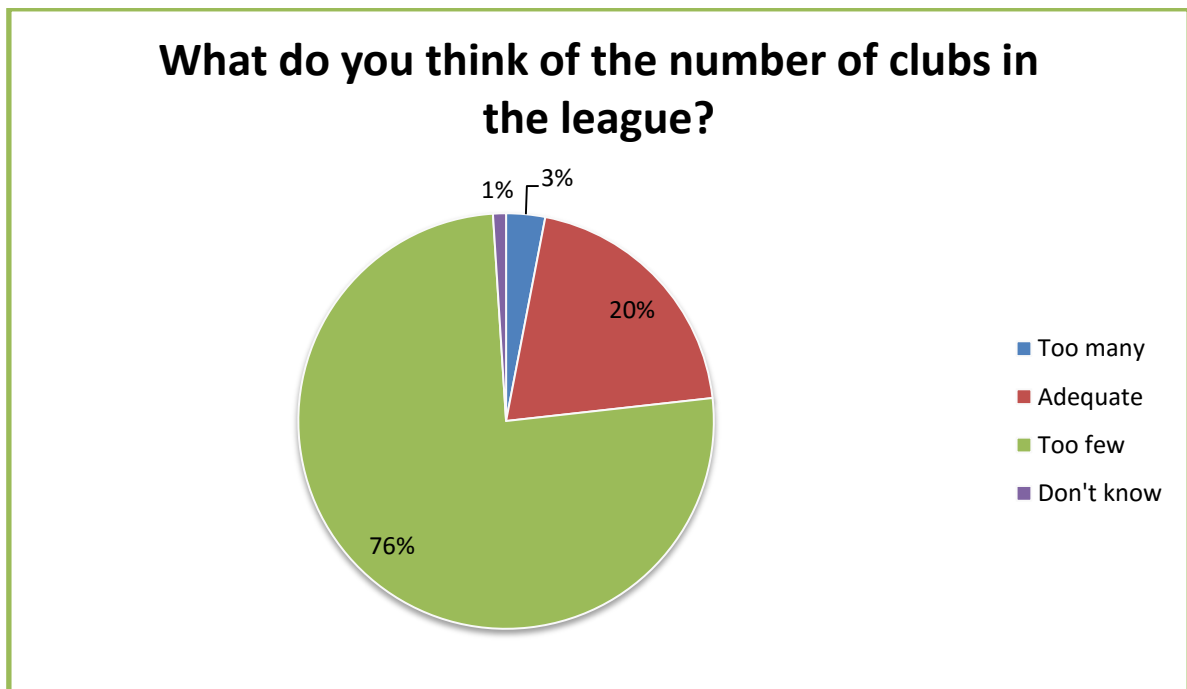


Figure 28 - What do you think of the number of clubs in the league? (Own work)

It's very clear that this issue is something the respondents are very interested in, since only 1 percent (equal to 7 respondents) did not have any opinion. Furthermore, the numbers very clearly give a picture of the majority of the spectators wanting more clubs in Superligaen. The clubs seem to also have had an idea about this feeling from the spectators:

"The fans would probably be inclined towards 16 clubs"
(Informant 1)

And that opinion is supported by another informant, who argues that 16 clubs might very well be sustainable for Superligaen.

"If you stay neutral and look at it from the perspective of Danish football, I think most people would say 16 clubs could be in Superligaen" (Informant 3)

But at the same time, they argue against the idea of more clubs, because of different reasons.

"I don't believe in 16 clubs in Superligaen, firstly, because it will totally dilute the product, secondly, we (the clubs) will never agree on anything because there is so much economy involved"
(Informant 2)

Furthermore, the same informant also argues against fewer clubs in Superligaen:

"I don't believe in 10 clubs...the product will be too boring"
(Informant 2)

From the clubs' points of view, there seems to be some confusion about what to do with the number of clubs. On one hand, they don't want to share the huge amount of money from TV agreements and sponsors with too many other clubs, but on the other hand, the smaller clubs don't want their chances of being relegated to increase, and meanwhile that will also result in many "uninteresting" games for the top clubs, so neither that seems to attract their attention.

From the experts' points of view, there are only two possible solutions to the issue, and that is to either keep the current number of clubs or to decrease it. Opposite to what 76 percent of the spectators think, increasing the league would do nothing good for any of the stakeholders.

"There is a limit to how many professional clubs there can be...I don't think there is basis for expanding the league" (Rasmus Storm)

"It fits very well with one Superliga club per 500,000 inhabitants...that's about what it can take in the current situation"
(Rasmus Storm)

"It makes no difference if you have 10 or 12 clubs" (Troels Troelsen)

The arguments clearly show that from a football economic point-of-view, the league should have only 10 clubs or at maximum 12 clubs like now. Diluting of the quality in the league also seems to be the argument against expanding to 16 clubs.

More or less clubs?

To sum up the question about the number of clubs in a league, there seems to be a clear conflict of interest between the spectators on one side and the football experts, to some extend supported by the football clubs, on the other side. In some way, I think the argumentations from both sides are aiming at the same overall goal, i.e. to enhance the interest for Danish football. The spectators look at the number of clubs in Superligaen as an opportunity to increase the knowledge and expand the product of Danish football to more markets around the country. The same is the case for the football clubs and the football experts; they just try to enhance the interest by creating more exciting and intense games by decreasing the number of clubs and thereby increasing the quality of the product.

Playoffs

Another possible change to the league setup could be to introduce a playoff. That will secure more flexibility regarding the number of clubs in the league, and the playoffs could be designed in many different ways as it's seen in the case studies from Belgium and Scotland. Regarding this issue, the opinions are many and very different depending on whom you ask, and no one seems to agree totally on introducing it without some kind of precautions.

I chose to distinguish between playoffs about the championship and playoffs about relegation/promotion. These two also seem to be the most commonly used in the different football leagues (except for in Belgium, where a third playoff was also introduced for playing about a Europa League spot).

When looking at what the spectators want, they agree very strongly that playoffs about the championship is a bad idea, while the picture is a little more split when looking at promotion/relegation playoffs.

	Top 4 clubs playing for the championship	Top 6 clubs playing for the championship	Top 8 clubs playing for the championship
Good idea	10%	9%	7%
Bad idea	86%	86%	87%
Don't know	4%	5%	5%

Table 15 - What do you think about (re-)introduce playoffs regarding the championship? (Own work)

The position of the spectators seems very clear, and it is supported by comments from the blog stating that *“No league with self-respect splits the league up in “winners” and “losers” in the middle of the season, and those which did so, have dropped it again”*. Another respondent argues that *“It’s not a good thing that you can play poorly for the most of the season, and then you can win the league anyway by means of a lucky punch”*. The latter comment refers to the doubt about the fairness of the tournament design that is often linked with the introduction of a playoff. Firstly, as mentioned in the Scotland case, the league organizers might have some explaining to do when the clubs have been split up in 2x6 clubs and a club from the lower group manages to achieve more points than some of the clubs from the best group but in the end still ends up in a worse position in the league. Furthermore, it’s also argued that the introduction of a playoff including all clubs in a league might lead to tanking or shirking from the clubs that haven’t got anything to play for. For example in the case from Belgium, the league is split into three groups after the regular season. The only goal group 2 is playing for, is the right to play a club from the best group for a Europa League spot. But if a club is so far behind the other clubs that this scenario is out of sight, the club can lean back without risking being relegated. Because of the league design in Belgium, 14 out of 16 clubs are “safe” after the first 30 rounds – with still another 10 to go.

The idea about introducing a playoff by the end of a season doesn’t seem to be that important to the football experts.

“Maybe you could have some playoffs in the end...both about the championship and about the Europa League spots” (Troels Troelsen)

And about the possibility of a promotion/relegation playoff:

“Yes, it might very well be a good idea, I can’t deny that” (Rasmus Storm)

Opposite to the discussion about the number of clubs in the league, the experts don’t seem to have a very clear opinion about this issue. They argue that it might very well work, but somehow it feels like they are neither for nor against it.

From the clubs’ point-of-views, the opinion is very clear. A playoff doesn’t belong in Superligaen or in football leagues in general, especially not if it’s about deciding the championship.

“It’s so wrong...In general, I’m a huge opponent, because it dilutes the interest a lot of what has already been settled up until then” (Informant 4)

And the fear of having tanking and shirking accompanied with the introduction of a playoff also seem to make the clubs keep a distance.

“The disadvantage about a playoff...quickly, you have 2-3 clubs that don’t have anything to play for.” (Informant 1)

The picture changes when looking at how the respondents feel about promotion/relegation playoffs.

	Promotion/relegation between Superligaen and NordicBet Ligaen	Promotion/relegation between NordicBet Ligaen and 2. division Vest/Øst
Good idea	53%	44%
Bad idea	42%	43%
Don’t know	5%	13%

Table 16 - What do you think of introducing promotion/relegation playoff? (Own work)

Notice that once again, the difference in interest between the different divisions is clearly shown with only 5 percent of the respondents answering “don’t know” when the question is about Superligaen and NordicBet Ligaen while that number rises to 13 percent when it’s about NordicBet Ligaen and 2. division Vest/Øst.

Looking at the answers, more than half the respondents think it's a good idea to introduce a playoff about the promotion and relegation between Superligaen and NordicBet Ligaen. On the other hand, 42 percent think it's a bad idea, so there doesn't seem to be a clear answer to that. As mentioned earlier in this thesis, every country under UEFA should have at least one club relegated and replaced by a club from the division below, every season (Noll, 2003), so under the current structure, that means no. 12 from Superligaen must be replaced by no. 1 from NordicBet Ligaen. So any alternative structure for a promotion/relegation playoff between the two divisions could be like some of the respondents suggested in the questionnaire:

"I think that no. 11 from Superligaen and no. 2 from NordicBet Ligaen should play 2 playoff games about the right to play in Superligaen the following year." (A respondent from the questionnaire)

Another thing to consider before rejecting an introduction of playoff is that usually it brings several things to a league, and all of the stakeholders seem to have recognized that:

"It will ensure that the 'right' clubs are in Superligaen" (Troels Troelsen)

"You get an extra product, so regarding the media, it's good" (Informant 3)

So from what the experts and the informants argue, the benefits from having playoffs are actually two different things. Firstly, there is the sporting argumentation about ensuring that Superligaen consists of the 12 best clubs in Denmark. Often it's seen that a club is being relegated one season and without a problem promoted back again the next – the so-called yoyo effect. This effect can lead to economic troubles for the clubs that find themselves in that position (that will also be analyzed briefly later in the analysis). It can be circumvented by having the second-worst club from Superligaen playing the second-best club from NordicBet Ligaen by the end of the season.

Secondly, as informant 3 argues, playoffs will give Danish football an "extra" product to sell by the end of the season. Whatever it is a playoff including all clubs in the league or it is just a promotion/relegation playoff, that few extra games will most likely be close and intense because the situation is like "now or never" for the clubs. On one hand that kind of games

will most likely be very attractive to the spectators in the stadium but also for the TV providers to sell because of the excitement and importance.

In order to conclude on the question about introducing playoff, one obviously has to distinguish between championship playoff and promotion/relegation playoff. The first one seems to be outvoted by every stakeholder around Superligaen. First and foremost, this is because of the strong doubts about the fairness of excluding some clubs from playing about the championship before the end of the season. Secondly, the games that had then been played already in the regular season, in some way, would not be that important anymore, and the regular season games will in some way be diluted.

On the other hand, people seem to have a more positive attitude towards a promotion/relegation playoff. Even though the spectators do not totally agree about their attitude towards this playoff, it seems to be far more positively perceived compared to a championship playoff. The most obvious reason is that the league more easily can ensure that it is the 12 best clubs that are playing in Superligaen. It ensures a certain level in all the games and furthermore, it makes it easier for the clubs to plan for the future, both with regards to the economical part of it but also with regards to their players. So whereas the number of clubs in Superligaen divided stakeholders into two parts, the results from the question about introducing a playoff seem to be foggier.

The licensing requirements

As mentioned earlier, the licensing requirements are formed to ensure a minimum of standards that all clubs should fulfill. This is mainly done in order for the league to have some common standards surrounding the games (and the clubs in general) but also in order to secure a quality of the games both for the spectators and the TV providers.

In my investigations I assumed that most ordinary football spectators in Denmark wouldn't know much about the licensing requirements, and therefore I chose not to ask the spectators any questions about this topic. Hence, in the following the analysis is based solely on argumentations from the football experts and the informants from the football clubs.

Overall it seems like the football experts and the informants are quite satisfied with the present requirements.

“I think it’s fine that they have to live up to certain requirements...the league benefits from it” (Troels Troelsen)

*“It’s fine, but one could discuss if they should be tightened”
(Rasmus Storm)*

“It is very appropriate. I think it provides security in the football system that there are some unidirectional requirements one should fulfill...it creates development” (Informant 4)

Like more authors mention in the literature, having a common thing to sell (and that of a certain standard) is very important to a football club (Dietl, Franck, Grossmann & Lang, 2011) and it seems like the licensing requirements are just what is needed in order to achieve that common level in Danish football.

But more informants also mention the fact that the licensing requirements are not just in order to secure the quality for the spectators, but in particular also for the TV providers. As it’s shown in the part about the economy in Danish football, the TV agreement is one of the largest items in the budget for a football club, and therefore they also can demand a certain standard for the product they buy.

“First and foremost, it reflects that you want a professional product...you owe your employer (TV) to give them the product they bought” (Informant 3)

“So much money is being paid for this product from sponsors and especially TV and of course also the fans, so the product regarding decent ground, decent stadiums, should be there” (Informant 2)

The importance of money in the Danish football league

There is no doubt that money has something to say in the world of football (Sperling, Nordskild & Bergander, 2010), but how much is it exactly, and are the spectators aware of the importance of their money?

In this thesis, I have not chosen to go in depth with the economy of a football club in the Danish football system, but in order to give as broad a picture of the situation in the league as possible, I have chosen to include a brief section about it. With regards to how a change in the league system will affect the overall economy, I will rely on the Capacent report that was published in 2009.

Most football spectators know that money has some degree of importance in football. This is also clearly shown when looking at the answers from the respondents on the questions about the economy in football.

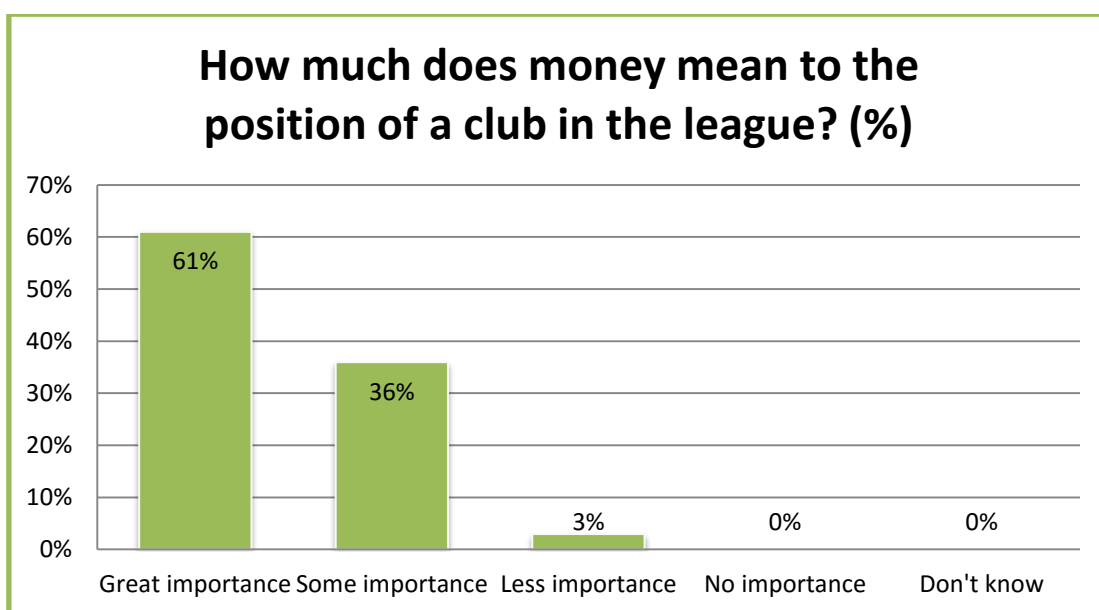


Figure 29 - How much does money mean to the position of a club in the league? (%) (Own work)

97 percent of all respondents answered that money have great or some importance. Only 3 percent answered less importance and out of all respondents, none of them answered “no importance”. With the mixed group of respondents in mind, this shows that whoever you ask, people are aware of the importance of money in football.

This is backed by the football experts, who are also able to put numbers on.

*“In one year, it’s 70 percent. In a 5-year period, it’s 90 percent”
(Troels Troelsen)*

*“...in 80 percent of the cases it (the money) can explain the
difference in the results” (Rasmus Storm)*

Also the clubs do recognize this very strong relationship between money and success in football.

“Money means everything” (Informant 1)

“The relationship is relentless” (Informant 2)

Every stakeholder is aware of the link between money and success in football, and one can argue that if the numbers from the football experts are correct, then predicting the final standing in a league should be quite easy to do, even before the beginning of the season. Looking at the Danish Superligaen as an example, FCK has by far the largest budget of all clubs (Sperling, Nordskilde & Bergander, 2010), and they have also found themselves in top 2 for the past 5 season – even winning 4 of them.

Sperling, Nordskilde & Bergander (2010) divided the Superliga clubs into top clubs, middle clubs and “yoyo” clubs and calculated the economy for every of the three segments based on the Capacent report. In the graph below it’s shown what sources of income are most important according to the position of the club in the league.

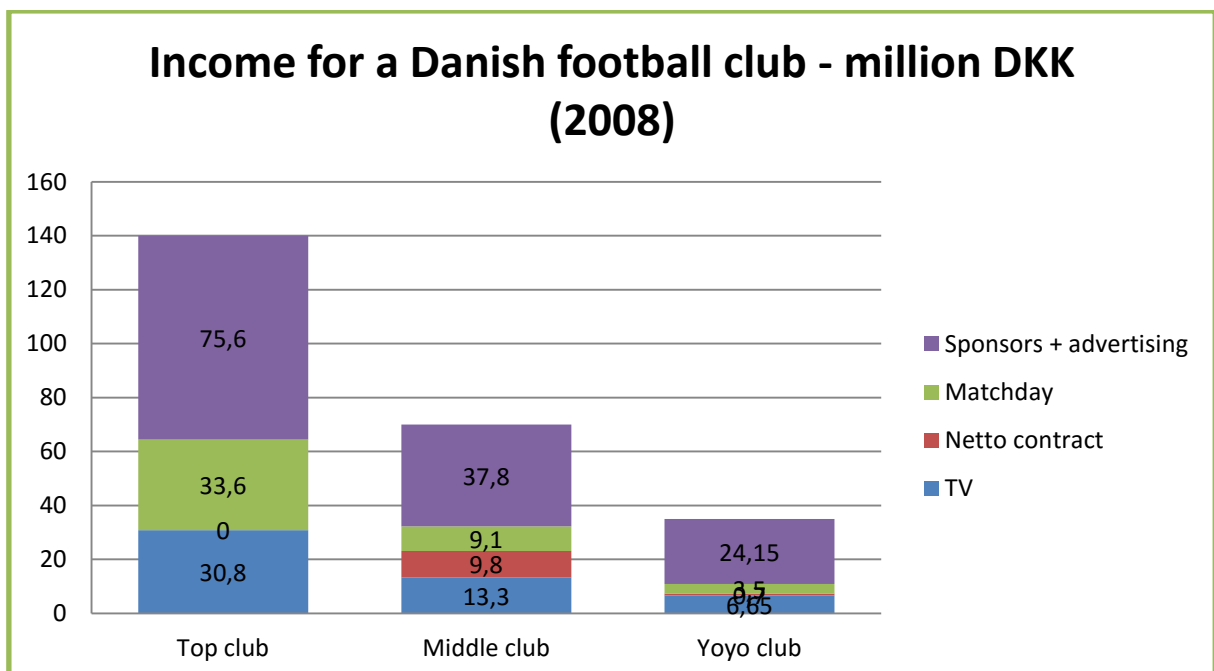


Figure 30 - Income for a Danish football club – million DKK (2008) (Sperling, Nordskilde & Bergander, 2010)

The first thing that shows very clearly is the significant difference between the clubs. The top clubs have around 4 times as much income as the yoyo clubs, which makes it even more

obvious that the top clubs should win without much trouble. This is also mentioned from one of the informants, whose clubs might very well be called a yoyo club.

*“...if Superligaen is index 100, then there is a drop to index 25”
(When being relegated to NordicBet Ligaen) (Informant 4)*

But the match day income seems to be calculated a bit too high compared to what the informants argue. In the graph above, match day income is calculated to be 24 percent for a top club, 13 percent for a middle club and 10 percent for a yoyo club, but the picture is somewhat different when looking at the answers from the informants.

*“The entrance fee is not a significant part of our revenue base”
(Informant 1)*

“Match day income is maybe 4-5 percent, whereas our TV income is probably 25-30 percent” (Informant 1)

Informant 1 mentions the 4-5 percent as being only from the ticket sale. If the sales from the stadium (food and drinks, merchandise, etc.) should be included, the overall match day income would be around 7 percent (Informant 1). Informant 1 answers on behalf of what might be called a top club, so one could argue that the numbers from the Capacent report may be a little excessive, at least when it comes to the match day income.

Furthermore, one can see that the further down a club is positioned in the league, the more it has to rely on money from sponsors and TV.

	Income from sponsors + TV
Top club	76%
Middle club	73%
Yoyo club	88%

Table 17 - Income from sponsors + TV for different types of clubs (Own work)

This also makes perfect sense, since the average number of attendance is only around 1,000-1,500 spectators per game while it's around 7,000 spectators in Superligaen.

It also seems to be a fact that avoiding relegation is crucial to a club in Danish football. A lot of money is lost if a club has to play in a lower division for a year, and in order to keep the

setup, both economical and sporting, the club should seek to be promoted again the following year, otherwise this could be very critical.

“Superligaen is brutal...regarding when the money is not there anymore” (Informant 4, about being relegated)

“For a club like ours...the difference is DKK 15-18 million” (Informant 4)

Informant 4 also represents a so-called yoyo club, and if they lose 15-18 million, then the loss for a middle club or a top club might be even higher, because they have so much more to lose when being relegated. But it also depends on the reaction from the sponsors and the loyalty of the spectators, so one can argue that the size of the loss should be seen in relation to many different factors surrounding the economy and the rest of the setup in the club.

When talking about the TV agreement, it has been mentioned in the literature review, that it has a substantial influence on a clubs' economy. That is also very clearly shown in table 17. Furthermore, the importance of the match day income seems to be smaller than both the money from the TV agreement and the sponsors and advertising. So do the clubs care about the number of attendance at all, and are they willing to put a little more effort into attracting more spectators to the stadiums?

The short answer to this question seems to be yes. But it has nothing directly to do with the match day income but rather indirectly with the amount of money given to the clubs via the TV agreement. Because when having more spectators in the stadium, the atmosphere will most likely increase, and so will the impression of the game for both the spectators in the stadium and the people sitting in front of their TV at home. This means that in the end, the product that the league try to sell to the TV providers will be more attractive, and the TV agreement will then increase to the benefit of the clubs.

“It means something in order to create a good atmosphere for the TV product” (Rasmus Storm)

In the same way, this will also affect the income from sponsors and advertising.

*“If there are more spectators, it will affect the sponsor income”
(Rasmus Storm)*

So even if the clubs can't really feel that extra couple of spectators when looking at their match day income, they might see the effect in the TV agreement the following season.

Marketing Danish football

When everything regarding the product “Danish football” has been taken care of, the last – but certainly not least – thing to take into consideration is in what way that product should be marketed towards the spectators. It's very good to have a nice product that's in line with people's wishes, but if it isn't communicated in the right way, it will lose some of its value along the way.

In such a case, one can talk about the synergy effect that occurs when all the clubs together try to sell the product, but according to the informants, this seems not to be the case in the real world.

“...there is some synergy about being together about a product” (Informant 1)

“Every club is looking at their own success” (Informant 1)

The experts also argue that this is very useful in order to get as much out of the product as possible.

“It's more important that the league does well than that the clubs do well” (Troels Troelsen)

This could be called conflict of interest, but as another informant mentions, this is not the only problem when it comes to the image of Danish football. There also seems to be a lack of common identity and cohesion between the clubs.

“You lack some identity around Superligaen...you should reach out to more people” (Informant 3)

It is of course a big problem that not as many people as possible know about Superligaen and Danish football in general. According to the informants, this also seems to be because of the TV providers and their power to design the league and the schedule as they want.

“You will never create a culture when you can’t determine a fixed time for the games to be played” (Informant 3)

This means that according to the informants, the best possible way to design the game schedule would be to have a fixed time for your club to play every game week in and week out. In that way, the spectators would know when to go to the stadium and they would be able to plan their weekends according to when the game would be played. This would increase the familiarity that both the experts and the clubs call for. If, at the same time, the clubs would stand more on common ground than it is the case now, the league would probably also be able to attract more people, which would then again affect both the atmosphere in the stadiums and the future TV agreements.

The Danish case compared to the case studies

Many of the initiatives that have been discussed and analyzed in this thesis remind somewhat of the models that have been introduced in both the Scottish and the Belgian league during the past decade. The argumentation from both the spectators and the clubs seems to be that something should be changed in order to circumvent the 12 clubs – 33 games model that exists now, mainly because of the “unfairness” in the schedule.

We learned from the case studies that every change in the league structure should only be done because of a good reason, and that good reason in Danish football seems to be the fact that some clubs have more home games than other, which in some way must give an advantage to that club – at least an economic advantage. With the huge amount of similarities that seems to exist between the two case studies and the Danish league, I think it’s fair to argue that the learning outcome from the changes in the structure can be transferred to the Danish league. This means that most probably, not much will happen with the number of attendance if anything is changed. There might be a little increase in the number, but eventually, this effect will decrease and the number of attendance will most likely be the same as now.

In the Capacent report, their main idea for a new league structure includes the introduction of a playoff after the regular season, just like it was the case in the two case studies; but I think this will do nothing good to the number of attendance. Neither the spectators nor the clubs seem to agree on the idea of introducing playoffs, at least not when it comes to playing for the championship. The spectators and the clubs may like the idea about a promotion/relegation playoff, but regarding the top, they all prefer a direct fight without any extra rules or post-competition to consider.

The most important outcome from the case studies that can be used in the case of the Danish league is that whatever the league organizers chose to do, then all stakeholders seems to agree on that *“keeping it simple”* is the way to do it. That is the main impression the respondents leave in their answers - and the clubs seem to agree.

The optimal league structure for the Danish league

From the findings of my analysis it's very hard to give a clear answer to the question about what is the most optimal league structure for the Danish league, but by looking at the answers from the different stakeholder, one can, at least, get a little closer to the answer about how it could be.

The football experts

From the perspective of the football experts, the league structure is about much more than just the number of clubs and the other game-related setup. They seem to focus more on the restrictions surrounding the league and want to make sure that the common product – Danish football – should be sold as one product instead of having the focus on 12 different pieces of it, i.e. the clubs. To them, the synergy effect is of a very high importance because it has shown to bring much more value to the league than if the clubs should attract spectators, sponsors and TV on their own. This leads to the football experts arguing for fewer clubs in the league, so that the standard, both on and off the pitch, is of as high an order as possible.

“10 or 12 clubs, a maximum of 8 foreign players in the squad, then there should be promotion/relegation playoff and approximately the same financial restrictions as today, they are fine. There

should be restrictions on the stadium facilities as well as entertainment...active restrictions to marketing” (Troels Troelsen)

The clubs

Like mentioned earlier on in the analysis, it’s hard – if not impossible – to have the clubs all voting for only one league structure. This of course has something to do with the difference in their league position and the resulting difference in interest, with the top clubs often arguing for less clubs in the league, both because they are not in danger of being relegated and in order to have a higher level of competition, while the bottom clubs are arguing for more clubs mostly in order to avoid relegation. Therefore, the picture of the preferred structure from the clubs perspective is also very confusing, as it’s clearly seen from the quotes below.

“I would say 10...16 clubs are way too many, then the difference is too big” (Informant 5)

“The optimal would be if we could have 12 clubs all playing each other 1 time, the top 8 will play a playoff about the championship and the bottom 4 will play the top 4 from Betsafe Ligaen (NordicBet Ligaen) about who will stay up and who will stay down” (Informant 1)

“Maybe 14 clubs is optimal, but to see the tournament structure in that...that I can’t figure out” (Informant 2)

“A good an healthy economy, full stadiums, it’s things like that I think is important that we keep working on” (Informant 4)

It’s clearly shown that the argumentation from the clubs points in multiple directions both with regard to the number of clubs in the league, the question about introducing playoffs and almost any other thing having an influence on the league structure.

The spectators

Opposite to the clubs, the spectators' wishes to the league structure seem more unambiguous. Regarding the number of clubs in the league, the majority wants more clubs, and most of them argue that 16 clubs might be appropriate in Superligaen. When talking about playoffs, the overall tendency is a big "No" towards a playoff about the championship, with the spectators pointing at the "unfair" element of having to play two different competitions, one regular season and then one playoff before the champion is found. If any playoff should be introduced, it could be a promotion/relegation playoff between the second-worst club in Superligaen and the second-best club in NordicBet Ligaen. Just like previous to the changes in both Scotland and Belgium, the spectators seem to be negative towards most possible changes, because of the fear that it could drag any new unfair elements with them. But as shown in the case studies, even though the spectators disagreed with the changes, the number of attendance hardly was affected.

6. Discussion and future perspectives

Through this study, the Danish football league system has been discussed and analyzed from multiple perspectives, including and based on the argumentation from different stakeholders. As far as I know, this is the first study in Denmark to include the clubs, the football experts and the spectators in one study, and because of that I think it can be argued that it adds new dimensions to the current literature on Danish football in general and league structure in football in specific. On the other hand, this fact also leads to the question about the reliability of the study, mostly because of the lack of comparison with other studies in Denmark, but by comparing the findings from the other research done in this field, the findings in this thesis seem to be quite reliable, as argued in the end of the methodology section.

I think the overall argumentation through the analysis part of this study is clear in the way that most stakeholders don't think the current system is optimal. All stakeholders seem to agree on that, but when looking for a possible solution to the problem, all agreements seem to stop. Because of the extensive number of stakeholders in Danish football, a lot of different (hidden) agendas are being suggested, and one might get the idea that every stakeholder is arguing for a solution with their own benefit in mind. That was also partly argued by the experts during the interviews, that the arguments from the other stakeholders might not necessarily support a solution for a common future for Danish football, but all the time the clubs might have their own identity and agendas in mind when arguing. The spectators, on the other hand, seem to be more unambiguous in their meaning; however, still with a hint of the interest of their own club in mind.

It's obvious that if anything should be changed in Danish football, people should agree on it and then introduce it properly. Cases from other countries, like the two that have been used for comparison in this study, also help to emphasize the importance of every stakeholder being a part of the changes and in particular that everyone agrees on it.

Introducing changes to a league system also seem to not only have an influence on the league itself but also all of the surrounding leagues as well as alternative cultural offerings. In the entertainment sector, everything seems to be interlinked, and therefore, changing the

conditions for Danish football will most likely cause changes throughout the entire industry. So even though changes should be agreed upon between the people inside the industry of football, stakeholders in all of the entertainment industry might get affected by them.

Following the latter argumentation, it seems obvious where future research could continue to study the field of football in Denmark. This study includes three stakeholders, i.e. the football experts, the clubs and the spectators. But as it is argued several times throughout the paper, more stakeholders are involved in the football industry in Denmark, including some with a lot of influence and power. The biggest stakeholder not included in this thesis is obviously the sponsors and the TV providers. As shown in the analysis section, TV and sponsors provide between 73-88 percent of the economy for a Superliga club, and therefore their say should not be neglected.

Furthermore, for the sake of heightening the reliability of the study, more clubs could of course be included. Even though I have tried to include clubs of different interest and league position, I cannot be sure how the other clubs would have answered my questions, and that means, if I had chosen 5 different clubs, the argumentation might have been varying. But since the clubs were so different, I think the general findings seem to be representative for the entire league.

The last stakeholder that could have been included is the league organizers, Divisionsforeningen and DBU. They would have been able to contribute with a more political angle to the problem, and most likely they are also subject to rules and regulations from their superior organizing bodies, UEFA and FIFA, who should also be taken into consideration regarding the a league structure.

7. Conclusion

This thesis sought to answer two overall questions both related to the current and future situation in Danish football. Firstly, the question about the level of competitive balance was answered, followed by the argumentation about how a possible league structure could be like, if the football experts, the clubs and the spectators were to decide. By combining the findings from the two questions, a clear picture of the current situation can be drawn as well as suggestions for a possible future structure could be given. Besides answering the two main questions, the thesis also adds to the current knowledge about the relationship between the league structure and the level of competitive balance by answering a number of sub-questions. These sub-questions provide the foundation that supports the argumentation during the analysis.

For the sake of having a more simple and straightforward line of argumentation through the analysis part, I chose to mirror the order of the different topics from the interview guide and the questionnaire.

The first thing that was analyzed was the level of competitive balance in Danish football. Based mainly on own work and supported by arguments from the informants and the respondents, it clearly shows that the findings depend on the approach of the research. When looking at Superligaen in general, the level of competitive balance seems to have stagnated during the past 18 years. But when looking deeper into the numbers, it turns out that the stagnation mainly reflects the fact that it was based on static competitive balance. A more realistic picture is drawn when calculating it using dynamic measures. Then the results are clearer: Superligaen has become less competitive over the past year, and it seems to be both with regard to the fight for the championship, but also when looking at the league in general. Furthermore, the answers from the questionnaire suggest that when people are talking about competitive balance in a league, they might focus more on the fight for the championship than on the league in general.

The aforementioned facts, together with the literature on competitive balance, lead to the conclusion that the competitive balance has a significant influence on the number of attendance. In the analysis there is a tendency towards the number of spectators decreasing

with the decrease in the level of competitive balance. The spectators seem to solely blame it on the fact that the top is more fixed than ever in Danish football, while the experts and the clubs have more solutions to the problem. They argue that surrounding factors like the fact that the country has just experienced a financial crisis might also have an impact. Furthermore, the fact that the quality of the TV product has increased during the past year, leaving more options for the spectators to see the games at home, also seem to be a valid reason for the drop in the number. In connection to that, the clubs argue that they haven't lost any spectators, because now they just watch the games at home instead of in the stadiums. So the argumentation is that the common interest in Danish football is the same, the distribution between the number of spectators watching the games at home opposite to going to the stadium has just changed in favor of the TV.

Because of this possible connection between the competitive balance and the number of attendance, the findings about the spectators wanting more competitiveness in Danish football shouldn't come as a surprise. The majority of the respondents would either attend the same or more games if the league would be more unpredictable. But again, the focus of the respondents turned out to be mainly on the top end of the league when answering about the competitiveness, so what people are really looking for might be more excitement in the top of the league rather than in the league as a whole. The same is the case when looking at the numbers of games watched on TV.

One of the most unambiguous conclusions that can be made, based on this thesis, is that nearly every stakeholder would like the league structure to be changed. This is mainly because of the one factor that gives the top 6 clubs from the previous season an extra home game compared to the rest of the clubs. This is a natural ramification from the number of clubs in the league, i.e. 12. Several times, this is argued to be "unfair" and something that skews the league even more. The interesting thing is that everyone seems to agree on this, but then the big question is what to do about it. This seems to be the hurdle that prevents the league structure from being changed. Furthermore, all stakeholders also seem to agree on the future for Danish football. They want the market (and thereby also the interest) to increase and in that way earn more money for the clubs. In that way, the clubs will hopefully do better in European competitions and at the same time, the clubs should also have

resources to develop talented players for the national team. But exactly how this should happen is a topic for discussion - just like it was the case with the Capacent report, where there was a consensus about that the league should be changed, but when they reached the negotiations, everybody had their own agenda, and nothing happened.

Largely, it seems to derive from the fact that every stakeholder is looking at the league with different eyes. From the analysis it's seen that the spectators are focusing mainly on the sporting aspect of the league while the experts and partly also the clubs are looking from an economic perspective. This means that the ideal league structure for the spectators would be to increase the number of clubs in Superligaen. This will increase the market and at the same time circumvent the issue about an unfair, extra home/away match. For them, 16 clubs seems to be appropriate. Then they also focus a lot on the danger of being relegated. That danger should be decreased so that more clubs would be sure about their position in Superligaen and would not end up as yoyo clubs. This could be done by introducing a promotion/relegation playoff including the second-worst club in Superligaen and the number 2 (maybe also number 3 and 4) from NordicBet Ligaen. This would ensure that Superligaen at all times contains the best clubs and thereby achieves the highest quality.

From an economic perspective, the football experts would like the league to either keep the number of clubs that are now, 12, and then introduce a promotion/relegation playoff or decrease the number to 10, which would mean the clubs had to play each other 4 times. Their argument is also to expand the market, but they argue that it should be done by increasing the quality of the games rather than the number of clubs.

Somewhere between the spectators and the experts are the clubs. They also want more spectators to attend the games, but this is mostly because it will make a better product for the TV providers. In that way they would get more money. Apart from that, they seem to disagree about everything else and regarding their position in the league, they argue for anything between 10 and 16 clubs in the league. Not surprisingly, the relegation threat also seems to be a bigger issue the closer to the bottom their club is placed.

Regarding the playoffs, there seems to be an ambiguous meaning towards a promotion/relegation playoff, while opposite to that the meaning about a playoff for the championship is very clearly a No! This is more or less the only point where all stakeholders

agree with a common argument, saying that the champions should be the club with the most points and not the club that plays the best during a final playoff.

So as it's shown, the stakeholders all agree on the fact that something should be done, but exactly what that is, seems hard to tell. If then something is decided to be changed, the league organizers maybe should have a look at some of the other leagues that have changed their structure, like e.g. the Scottish or the Belgian leagues that are also described in this thesis. Then they will see that changes, no matter to what extent, often do only have a small influence on the number of attendance.

8. List of references

8.1 Articles

Atkinson, A. (1970): On the Measures of Inequality. *Journal of Economic Theory* 2, 244-263

Balson, E., Fong, L. & Thayer, M.A. (2007): Corruption in College Basketball? Evidence of Tanking in Postseason Conference Tournaments. *Journal of Sports Economics*, 2007, 8, 19

Cairns, J.A. (1987): Evaluating changes in league structure: The reorganization of the Scottish Football League. *Applied Economics*, 1987, 19, pp. 259-275

Dejonghe, T. (2008): Football in Belgium from centre to semi-periphery: Analyzing the financial ground. *IASE/NAASE Working Paper Series, Paper No. 08-27*

Dietl, H., Franck, E., Grossmann, M. & Lang, M. (2011): Contest Theory and its Applications in Sports. *IASE/NAASE Working Paper Series, Paper No. 09-13*

Feddersen, A. & Maennig, W. (2005): Trends in competitive balance: Is there evidence for growing imbalance in professional sport leagues? *Hamburg contemporary economic discussions, No. 01/2005*

Fort, R. & Maxcy, J. (2003): Competitive Balance in Sports Leagues: An Introduction. *Journal of Sports Economics*, 2003, 4, p. 154

Fort, R. & Quirk, J. (1995): Cross-subsidization, Incentives, and Outcomes in Professional Team Sports Leagues. *Journal of Economic Literature. Vol. XXXIII (September 1995), pp. 1265-1299*

Frick, B. (2007): The Football Players' Labor Market: An Empirical Evidence from the Major European Leagues, *Scottish Journal of Political Economy*, 54, pp. 422-46

Giulianotti, R. (2005): Sport Spectators and the Social Consequences of Commodification: Critical Perspectives from Scottish Football. *Journal of Sports and Social Issues*, 2005, 29, p. 386

- Golafshani, N. (2003): Understanding Reliability and Validity in Qualitative Research. *The Qualitative Report*, Vol. 8, No. 4 December, p. 597-607
- Guba, E.G. (1990): The Paradigm Dialog. *SAGE Publications*
- Hadley, L., Ciecka, J. & Krautman, A.C. (2005): Competitive Balance in the Aftermath of the 1994 Players' Strike. *Journal of Sports Economics*, 2005, 6, p. 379
- Haan, M., Koning, R. & Van Witteloostuijn, A. (2002): Market forces in European soccer. *Groningen, Department of Economics*, 28p
- Hirschmann, E.C. (1986): Humanistic Inquiry in Marketing Research: Philosophy, Method, and Criteria. *Journal of Marketing Research*, 23, pp. 237-249
- Humphrey, B.R. (2002): Alternative Measures of Competitive Balance in Sports Leagues. *Journal of Sports Economics*, Vol. 3, No. 2, May 2002, pp. 133-148
- Joppe, M. (2000): The Research Process. Retrieved 28 August 2013 from http://www.academia.edu/930161/The_research_process
- Kesenne, S. (2000): Revenue Sharing and Competitive Balance in Professional Team Sports. *Journal of Sports Economics*, 2000, 1, p. 56
- Neale, W. (1964): The Peculiar Economics of Professional Sports. *The Quarterly Journal of Economics*, Vol. LXXVIII, Feb. 1964, No. 1
- Noll, R.G. (2002): The Economics of Promotion and Relegation in Sports Leagues – The Case of English Football. *Journal of Sports Economics*, Vol. 3, No. 2, May 2002, pp. 169-203
- Noll, R.G. (2003): The Organization of Sports Leagues. *Oxford Review of Economic Policy*, 19(4), pp. 530-551
- Quirk, J. & El Hodiri, M. (1971): An Economic Model of a Professional Sports League. *Journal of Political Economy*, Nov./Dec. 1971, 79, pp. 1302-19
- Price, J., Soebbing, B.P., Berri, D. & Humphreys, B.R. (2010): Tournament Incentives, League Policy, and NBA Team Performance Revisited. *Journal of Sports Economics*, 2010, 11, 117

- Rottenberg, S. (1956): The Baseball Players' Labor Market. *Journal of Political Economy*, Vol. 64, No. 3 (Jun. 1956), pp. 242-258
- Sanderson, A.R. (2002): The Many Dimensions of Competitive Balance. *Journal of Sports Economics*, 3, p. 204
- Schmidt, M.B. & Berri, D.J. (2001): Competitive Balance and Attendance. *Journal of Sports Economics*, Vol. 2, No. 2, May 2001, pp. 145-167
- Schmidt, M.B. & Berri, D.J. (2003): On The Evolution Of Competitive Balance: The Impact Of An Increasing Global Search. *Economic Inquiry*, Vol. 4, No. 4, October 2003, pp. 692-704
- Scully, G.W. (1974): Pay and Performance in Major League Baseball, *American Economic Review*, 64, 6, 915-30
- Storm, R.K. & Berg, P.U. (2010): National kompetitiv balance og europæisk succes – uforenelige størrelser? *Samfundsøkonomen nr. 6, December 2010*
- Troelsen, T. & Dejonghe, T. (2006): The need for competitive balance in European professional soccer: A lesson to be learned from the North American professional leagues. Presented at the 14th EASM Congress (European Association for Sport Management), Nicosia, Cyprus.
- Utt, J. & Fort, R. (2002): Pitfalls to Measuring Competitive Balance With Gini Coefficients. *Journal of Sports Economics*, 2002, 3, p. 367
- Vrooman, J. (1995): A General Theory of Professional Sports Leagues. *Southern Economic Journal*, 61, pp. 971-990
- Zimbalist, A.S. (2002): Competitive Balance in Sports Leagues: An Introduction. *Journal of Sports Economics*, 2002, 3, p. 111

8.2 Books

Andersen, I. (2005): Den Skinbarlige Virkelighed – Vidensproduktion inden for samfundsvidenskaberne. *Forlaget Samfundslitteratur*

Goldblatt, D. (2006): The Ball Is Round – A Global History of Football. *Syddansk Universitetsforlag*

Hansen, J. (2006): Fodbold: En kort verdenshistorie. *Syddansk Universitetsforlag*

Larsen, P. (2012): Spillet om Milliarderne – Pengenes veje og vildveje i europæisk fodbold. *Gyldendal Business*

Rasmussen, E.S. & Østergaard, P. (2005): Samfundsvidenskabelige Metoder – En Introduktion. *Syddansk Universitetsforlag*

Sperling, J., Nordskilde, H. & Bergander, E. (2010): Spillet uden for banen – Succes og fiasko i Dansk topfodbold. *L&R Business*

Storm, R. & Brandt, H. (2008): Idræt og sport i den danske oplevelsesøkonomi – mellem forening og forretning. *Imagine, Creative Industries Research global perspectives*

Thurén, T. (1995): Videnskabsteori for begyndere. *Munksgaard, København*

Wilson, J. (2008): Fodboldtaktikkens Historie – Fra Pyramiden til 4-4-2. *Orion Books, London*

8.3 Websites

<http://divisionsforeningen.dk/page.aspx?id=35199> (accessed on 27 June 2013)

<http://divisionsforeningen.dk/page.aspx?id=35190> (accessed on 27 June 2013)

http://www.dbu.dk/turneringer_og_resultater/Landsdaekkende_turneringer_herrer/Superligaen/DM-historie.aspx (accessed on 27 June 2013)

<http://www.tipsbladet.dk/nyhed/superliga/tv-millioner-stroemmer-ud-over-superligaen> (accessed on 7 June 2013)

<http://www.thefa.com/about-football-association/history> (accessed on 17 June 2013)

http://www.dbu.dk/oevrigt_indhold/Om%20DBU/DBUs%20historie/dbus_historie_1889-1920.aspx (accessed on 17 June 2013)

<http://footballblog.co.uk/belgian-jupiler-league.html> (accessed on 25 June 2013)

http://www.uefa.com/MultimediaFiles/Download/Regulations/competitions/Regulations/01/94/62/34/1946234_DOWNLOAD.pdf (accessed on 25 June 2013)

<http://thepathslesstravelled.wordpress.com/2011/04/10/belgian-playoffs-european-footballs-most-complex-system/> (accessed on 25 June 2013)

<http://www.bold.dk>

<http://www.cbs.dk/forskning/institutter-centre/institut-produktion-erhvervsoekonomi/medarbejdere/ttom#profile> (accessed on 14 May 2013)

<http://idan.dk/Omidan/Medarbejdere/Medarbejdere/RasmusKStorm/cvrasmus.aspx> (accessed on 14 May 2013)

<http://www.fdim.dk/charts/site/?site=bold.dk> – Accessed on 14 May 2013

<http://www.worldfootball.net/attendance/bel-jupiler-pro-league-2012-2013/1/>

<http://www.worldfootball.net/attendance/sco-premier-league-2013-2014/1/>

8.4 Reports

Licensing program - NordicBet Ligaen

(http://www.dbu.dk/~media/Files/DBU_Broendby/turneringer/1DIV_Manual_13-14.pdf)

Licensing program - Superligaen

(http://www.dbu.dk/~media/Files/DBU_Broendby/turneringer/SL_Manual_13-14.pdf)

Rambøll report (Rambøll Management, 2007)

(<http://www.dbu.dk/news/newsShow.aspx?id=236640>)

Capacent report (Divisionsforeningen, 2009)

Part 1 (<http://www.df.klubcms.dbu.dk/data/3123/filedb/19708.pdf>) and

Part 2(<http://www.df.klubcms.dbu.dk/data/3123/filedb/20018.pdf>)

Spectator report (Divisionsforeningen, 2013)

(<http://www.df.klubcms.dbu.dk/data/3123/filedb/30385.pdf>)

9. Appendices

See the CD attached.