

Heterogeneity in Fan Demand[‡]

New Results on Uncertainty of Outcome from Quantile Regression

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Revised version: July 7, 2006

Abstract

The relationship between match attendance and the corresponding degree of uncertainty of outcome has been studied by many researchers in the field of sports economics. Although this relationship seems intuitively appealing, the empirical results have been far from unambiguous. We suggest that these results might (at least) partly be driven by the application of estimation techniques, which exclusively focus on conditional mean attendance. These techniques assume that regressors exclusively affect the location of the conditional distribution. Still, it could be that regressors influence the shape of the distribution, which would mean that there is a certain kind of heterogeneity in the demand for sport. To identify this heterogeneity, we use quantile regression techniques as this approach allows for a better understanding of the complete conditional distribution. Based on data from the first division of professional German football (soccer), we present empirical evidence for the existence of heterogeneity in fan demand, which exhibits significant influence on uncertainty of outcome variables.

JEL Classification: C14, C24

Keywords: heterogeneous fan demand, censored quantile regression

[‡]For helpful comments we thank Rainer Winkelmann, Stefan Boes and participants at the International Association of Sports Economists(IASE) Conference 2006 and at the 81st meeting of the Western Economic Association (WEA) in 2006. Financial support from the Swiss National Fund is gratefully acknowledged. All errors remain our own.

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