The Effect of Team Record on Fan Loyalty in the National Football League

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Abstract: The paper explores the relationship between a team’s performance in the National Football League (NFL) in terms of win and loss records and fan loyalty. It examines to what extent winning matters in order to sustain fan loyalty and what is therefore the incentive for the owners and players to improve a team’s performance. This research uses computer data mining and predictive modelling techniques through JAVA Programming to answer this question. Linear and Quadratic regression analysis are undertaken to see if the results differ for teams with a winning versus a losing record. The contribution of this paper is to establish that fan attendance at home games can be significantly improved by the winning record of the team.

1 INTRODUCTION

Football is an American passion. Every season, millions of fans rush to the stadiums to see their favourite teams play, and hundreds of millions watch the games on their televisions. The recent explosion of fantasy football as a popular new pastime of millions also attests to the increasing popularity of NFL amongst its keen followers. Scores of other fans are now using the Social Media like Twitter and Facebook to express support for the teams.

While each NFL team and its performance plays a huge part in its fans’ lives, interestingly we observe that every year at the end of an NFL season there are the usual elite teams like the New England Patriots, Green Bay Packers, Baltimore Ravens, Indianapolis Colts, Pittsburgh Steelers etc., that are most successful, ending up in the playoffs and even making a run at the Super Bowl (Table 1). On the other hand, most other teams seem to have a habit of experiencing moderate to poor season year in and year out. One is therefore left to wonder, what keeps the fans loyal to a team despite its poor performance year in and year out?

Maintaining a loyal fan base should be of utmost importance to every owner and manager as that is most likely a key factor driving the earnings from the team. This would show up in, for example, ticket sales (attendance to the home games), TV viewership (showing excitement surrounding the games) and purchasing of a team’s merchandise (Jerseys, Caps etc.). Fan loyalty, one would think, would be driven to a large extent by how successful a team is. One could therefore assume that some of the winningest teams in the league would command stronger fan loyalty than some of the lower ranked teams which would most-likely see their fan loyalty and

<table>
<thead>
<tr>
<th>Team</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Baltimore Ravens</td>
<td>2000</td>
</tr>
<tr>
<td>New England Patriots</td>
<td>2001</td>
</tr>
<tr>
<td>Tampa Bay Buccaneers</td>
<td>2002</td>
</tr>
<tr>
<td>New England Patriots</td>
<td>2003</td>
</tr>
<tr>
<td>New England Patriots</td>
<td>2004</td>
</tr>
<tr>
<td>Pittsburgh Steelers</td>
<td>2005</td>
</tr>
<tr>
<td>Indianapolis Colts</td>
<td>2006</td>
</tr>
<tr>
<td>New York Giants</td>
<td>2007</td>
</tr>
<tr>
<td>Pittsburgh Steelers</td>
<td>2008</td>
</tr>
<tr>
<td>New Orleans Saints</td>
<td>2009</td>
</tr>
<tr>
<td>Green Bay Packers</td>
<td>2010</td>
</tr>
<tr>
<td>New York Giants</td>
<td>2011</td>
</tr>
<tr>
<td>Baltimore Ravens</td>
<td>2012</td>
</tr>
<tr>
<td>Seattle Seahawks</td>
<td>2013</td>
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</table>
subsequently fan attendance dwindle. Therefore from a revenue point of view, it is in the interest of the owner and/or manager/coach of a team to improve its winning record in order to improve fan loyalty or at least maintain a high level of loyalty.

The objective of this paper is to test if the fan loyalty of a NFL team is largely determined by its success in the field. Fan loyalty is being defined here as the percentage of stadium capacity filled in the home attendance for each team from 2005-2013. This definition is most effective for the purpose of this paper as the attendance data is the most comprehensive and the easiest to interpret. Percentage of stadium capacity is being used because different teams have different sized markets and in turn different sized stadiums, so it is not in the interest of this experiment to give a significant advantage to teams with larger stadiums by simply using the raw attendance numbers.

The computer science technique of data mining and predictive modeling and is being used for the analysis. The data mining process involves discovering interesting and useful patterns and relationships in large volumes of data (Marchi, 2010). By applying predictive modeling techniques to sports, this research contributes to a better understanding of underlying factors that govern human behavior associated with sports followings. The programming language JAVA is used to create and run the regression models for the data.

This genre of scientific research falls under the relatively new area of “Sports Data Mining”. This area has experienced rapid growth in recent years (Baker and McHale, 2013; Hamadani, 2006; Stekler, 2007). Sports organizations are keen to find more practical methods to extract valuable knowledge using data mining techniques (Lewis, 2003; Silver, 2012). By finding the right ways to make sense of data and turning it into actionable knowledge, sports organizations have the potential to secure a competitive advantage over their peers. Professional sports organizations are multi-million dollar enterprises with millions of dollars spent on a single decision. With this amount of capital at stake, just one bad or misguided decision has the potential of setting an organization back by several years. With such a huge risk at stake and a critical need to make good decisions, the sports industry is an attractive environment for applications of data mining (Boulier and Stekler, 2003; Sinha and others, 2013; Schumaker and others, 2010).

2 HYPOTHESIS

IF a team has a greater winning record, THEN the team will have stronger or greater fan loyalty (in this case, percentage of stadium capacity filled during home games) BECAUSE the team will be more enjoyable to watch and will attract greater attention in its local community, leading to new fans joining the fan-base, and former fans coming back as well. More people will tune in to the team on television, more merchandise will be sold, and teams will have an increased following on social media, in addition to more people coming to the games.

3 DATA AND METHODOLOGY

Data for this research comes mainly from websites such as NFL.com and ESPN.com. JAVA programming is used for analysis. Eclipse (an integrated development environment for programming Java) is used to code the program used for outputting the results of the experiment. In correspondence with Eclipse, certain Java libraries found online were used to help with the coding. These included Apache POI (used to read data from the excel file), Apache Commons Mathematics (used to help create the linear/simple regression), and Princeton’s Algorithms and Clients (used to help create the quadratic regression).

Here are the specific steps:
1. The JAVA development kit was downloaded from Oracle’s website (http://www.oracle.com/) and then installed
2. The IDE (integrated development environment) Eclipse was downloaded and installed, which was used for the actual coding of the regression models
3. The data was read from the Excel file using the Apache POI library and was subsequently stored in a two-dimensional matrix
4. The 2-dimensional matrix was then inputted into a Simple Regression call, using the Simple Regression class in Apache Commons Mathematics library (commons.apache.org/math/)
5. The results of the linear (or simple) regression model were then outputted.
6. The matrix was split into 2 separate arrays of data, one for the x-values (Wins in a season), and one for the y-values (average percentage of home attendance in terms of stadium capacity)
7. This was inputted into a Polynomial Regression call, using the Polynomial Regression
There are two main things that are measured—team success and fan loyalty. The correlation between success and fan loyalty is examined using predictive modelling approach controlling for various factors. The regression equation estimated to reflect this is:

\[ Y_t = a + bX_{t-1} + e \]  

(1)

Y (Dependent Variable) is the attendance for a team as a % of stadium capacity in Season ‘t’;
X (Independent Variable) is the number of wins for a team in Season ‘t-1’;
b is the change in average attendance due to change in previous season’s winning record;
a is the constant; and

e is the error in predicting the attendance, given the team record.

For the winning record, the preceding season (t-1) is the one that matters since the ongoing season would not be expected to make a significant impact on ticket sales, as for the most part tickets are sold prior to the season beginning, with most in-season ticket transactions being between people who already have tickets (or are season-ticket holders) to non-ticket holders and other general public.

The coefficient ‘b’ is of interest for the purpose of this paper as it indicates the change in ticket sales as a percentage of stadium capacity that results from change in the number of wins in the previous season. While equation (1) suggests a proportionate change in attendance with respect to wins, it is quite plausible that attendance is more responsive to wins for teams with losing records than winning records. In such a case a quadratic formulation is needed to test a possible non-linear relationship between the number of wins in the previous season and team attendance in a particular season. The regression equation estimated for the quadratic formulation estimated is:

\[ Y_t = a + bX_{t-1} + (bX_{t-1})^2 + e \]  

(2)

4 RESULTS AND ANALYSIS

The analysis is done for all of the 32 NFL teams over a period of 8 years for which the data is available. The home attendance varies from a minimum of 70.3 percent of capacity to 116.5 percent of capacity. It is important to clarify here why a stadium capacity would exceed its maximum limit, i.e. 100 percent. Stadium “capacity” is measured in terms of seats. This number is set and seldom changes if the stadium is specially built for the team in question. What then happens is seats are added—usually in less desirable places or standing-room only tickets are sold. In addition, luxury boxes which have stated occupancy numbers could also contribute to stadium capacity, but are not closely monitored during events. So it is becomes possible for stadiums to sell tickets in excess of the official capacity.

Figure 1 depicts the fitted values compared to the scattered real observations and linear regression results are reported in Table 2. The results suggest that a team’s winning record in the previous season significantly impacts the attendance for home games. A “t” statistic of 5.93 at 95 percent confidence interval attests to this significance. Interpreting the coefficient of independent variable one can say that each additional win in the previous season leads to 0.72 percent or almost 1 percent increase in current stadium attendance as a percent of its capacity.

![Figure 1: Graphing of Fitted Values using Linear Formulation.](image-url)

For example, if on average the stadium attendance is 85 percent of its capacity it will increase to approximately 86 percent for each additional win in the previous season. If the total capacity is 100,000 then that would mean that for each additional win 1000 more people will come to the stadium. If a team improves its record from 4 wins to 9 wins then approximately 5000 additional people will show up
for the games. This is important from a business viewpoint for an owner or manager. If the average price of a ticket is $125 then each win brings additional revenue earnings of $125,000. If one were to include parking fee and money spent on food and beverages for each additional person attending the game, it will add on average another $75 on average or $75,000 in total. If a team improves its record by 5 games then it could be looking at additional revenue of over $1 million.

The results of the quadratic regression are given in Table 3. It suggests that attendance as a percent of stadium capacity increases with number of wins but at a decreasing rate. As it can be seen in Figure 2, interestingly the impact of winning record on attendance is much larger for losing team than winning teams. While the attendance increases as the winning record improves it increases at a decreasing rate. For a team with 12 or more wins it does not change much, and eventually, it even starts to fall a little bit.

Table 2: Linear Regression Results (Equation 1).

<table>
<thead>
<tr>
<th>Independent variable</th>
<th>Coefficient of Independent Variable</th>
<th>Standard Error</th>
<th>R-Square</th>
<th>Constant</th>
<th>F( 1, 254)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wins in the Previous Season</td>
<td>0.7257376</td>
<td>0.126</td>
<td>0.114</td>
<td>90.88</td>
<td>32.80</td>
</tr>
</tbody>
</table>

5 CONCLUSIONS AND WAY FORWARD

The aim of this paper is to examine how a team’s performance affects its fan loyalty controlling for other factors. The major finding here is that the number of wins in a season has a significant impact on the loyalty of fans. Also, one major trend found in the quadratic formulation is that the rate of growth of fan loyalty decreases as the number of wins increases, showing that fan loyalty of a lower-level team is affected a lot more with a win or a loss than with higher-level teams.

The significance of the constant term suggests that there may be many other factors, such as family history (who one’s family supports), home-town support, home-town income, price of tickets favourite players, and so on.

Even if a team has a winning record there is always a possibility that a team does not make it to the playoffs. A way to extend the analysis would be to see to what extent attendance will depend on whether or not a team makes it to the playoffs or even wins the Super Bowl.

Similarly, one can substitute television market share for stadium attendance as the dependent variable. Television market share is usually defined as percentage of TV homes in that market with TV “physically tuned” into the game. It also provides a good barometer to gauge the fan intensity for the home team. One can also potentially look at team merchandise sales or social media popularity as representations of fan loyalty once more data becomes available.
When the initial analysis is extended to test the significance of playoffs on home game attendance, it suggests a much bigger impact on team attendance than a mere winning record. A playoff appearance would increase the average attendance in relation to the stadium capacity by 3.2 percent! This could off course be studied more carefully in the future.

Similarly when the analysis is extended using share of the local television market share, the results suggest that each win in the current season increases the share of the television market by 1.4 percent and each win from the previous season increases TV share by almost 1 percent. A playoff appearance in the previous season on the other hand increases the share of local TV market by almost 7 percent! Again this is an area which could be studied in detail in the future. The analysis can be extended also to look at jersey and other team merchandise sales and social media popularity.

Professional sports organizations are multi-million dollar enterprises with millions of dollars spent on a single decision. With this amount of capital at stake, just one bad or misguided decision has the potential of setting an organization back by several years. The results therefore suggest that owners and management along with coaches and players would benefit significantly by putting together a winning combination! Nothing more matters for the fans than to see his/her team wins.

REFERENCES


APPENDIX

Java Programming

```java
import java.io.*;

public class ScienceFairProject {

    @SuppressWarnings("resource")
    public static void main(String[] args) throws Exception{
        // TODO Auto-generated method stub
        File excel = new File("C:\Users\Mita\Desktop\NFLFanLoyaltyData.xls");
        FileInputStream fis = new FileInputStream(excel);
        HSSFWorkbook wb = new HSSFWorkbook(fis);
        HSSFSheet ws = wb.getSheet("POINTS");

        int rowNum = ws.getLastRowNum() + 1;
        int colNum = ws.getRow(0).getLastCellNum();
        double[][] data = new double[rowNum][colNum];

        for(int i = 0; i < rowNum; i++)
        {
            HSSFRow row = ws.getRow(i);
            for(int j = 0; j < colNum; j++){
                HSSFCell cell = row.getCell(j);
                double val = cell.getNumericCellValue();
                data[i][j] = val;
            }
        }
        System.out.println(Arrays.deepToString(data));

        SimpleRegression regression = new SimpleRegression();
        regression.addData(data);
        System.out.println("Intercept: " + regression.getIntercept());
        System.out.println("Slope: " + regression.getSlope());
        System.out.println("Slope Error: " + regression.getSlopeStdErr());
        System.out.println("R-squared value: " + regression.getRSquare());
        RegressionResults results = regression.getRegression();
        System.out.println("Adjusted R-squared value: " + results.getAdjustedRSquared());

        double data1[] = new double[rowNum];
        double data2[] = new double[rowNum];
        for(int i = 0; i < rowNum; i++)
        {
            data1[i] = data[i][0];
            data2[i] = data[i][1];
        }
        System.out.println(Arrays.toString(data1));
        System.out.println(Arrays.toString(data2));

        PolynomialRegression quadratic = new PolynomialRegression(data1, data2, 2);
        System.out.println(quadratic);
    }
}
```