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# Attendance Demand in Sports Economics

*A New Methodological Approach*

John Embery

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# Palgrave Pivots in Sports Economics

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John Embery

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## CHAPTER 1

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# Introduction

**Abstract** In this brief introduction to this short book, I provide concise summaries of the three main chapters which constitute its main content. The chapter breakdowns are based on the abstracts for the three main chapters; in these I highlight the thematic structure. There is a debate to be had that is not currently being had regarding economic theory of sports attendance demand. That debate turns on a contrast between the standard economic agent and the social nature of attendance demand. A different approach to attendance demand is possible.

**Keywords** Attendance demand • Methodology • Economic agent • Critical realism

The three main chapters that constitute this short book follow a simple theme. Theory, method and research in sports economics focused on attendance demand takes its concept of an ‘agent’ (the decisionmaker) from the discipline at large. This agent makes decisions based on given preferences and with reference to a ‘budget constraint’. The starting point, however, is isolated self-interested decision-making. This is a form of ‘atomism’ and is quite different than starting from an agent who has been



socialised and encultured as a supporter or fan. As a long-suffering Preston North End FC football fan who has over 25 years taught courses on microeconomics, behavioural economics and sports economics, this has always struck me as odd.

I first started to think about how to articulate my concerns and explore the degree to which they are warranted in 2003 when first writing a degree module on sports economics. There were relatively few undergraduate textbooks on the subject and dedicated academic journals had only started to appear at the end of the 1990s. Over the years teaching from this material reinforced my sense that there was an obvious mismatch that warranted investigation. When I finally got round to writing about the subject, I realised the problem naturally decomposed into three simple parts.

In Chap. 1 I undertake a detailed survey of published sports economics articles dealing with attendance demand. This is not a simple ‘state of the field review’. It is rather a critical review of the conceptualisation of the agent. This work confirmed my impression that the agent is appropriated from the field at large (what we might call ‘the mainstream’) and is adapted to sports economics, especially in work undertaken since the advent of dedicated journals. I identify the limits this places on developments in the field, including the limited use made of the potential of behavioural economics, and make the simple point that there is a debate to be had, which is not currently being had regarding the appropriateness of this agent.

In Chap. 2 I develop an argument focused on the terms of debate. The core of the chapter contrasts a participant observation ethnographic account of ‘a day at the football’ with the standard economic agent used or presupposed in theory and research on attendance demand. This leads to the question, ‘is it reasonable to think that the person who attended a sports event of the kind described becomes some version of the standard economic agent at the point of purchase of the ticket that secures attendance?’ The contrast leads to a discussion of the difference this makes and this in turn leads to reflection on why it is that the standard economic agent is used. I place this in the context of a broader ‘divide’ in economics and suggest that sports economics finds itself on one side of this divide. I then briefly discuss possible conceptual resources that might place attendance demand on the other side of the divide but also suggest a fuller account remains to be provided.

In Chap. 3 I set out an alternative approach to theory and research in attendance demand, which places the agent on the other side of the divide I have previously identified. I begin from the question, ‘if we don’t start

from the standard economic agent, what does a theory of and research strategy for sports attendance demand look like?’ I make the case that it makes sense to ‘go back to basics’ in order to place attendance demand on the other side of the divide. To do this I draw on critical realism and combine this with behavioural economics. I then provide a ‘sketch’ of a research strategy that brings these together.

To summarise the thematic structure is:

1. There is a debate to be had.
2. That debate turns on a contrast between the standard economic agent and the social nature of attendance demand.
3. A different approach to attendance demand is possible, which situates the agent quite differently.

Clearly, the main focus of this short book is methodological. Its originality lies in the overview it provides of the field and the insight it offers regarding a fundamental issue. It requires considerable experience and long years of reading to be in a position to write a book like this. Moreover, it should also be clear that the intended wider audience is one that has not been encouraged to engage with methodology (and in my case ontology). This required careful thought regarding a writing strategy, which might be summarised as simple but not simplistic, engaging but not overly partisan.



## The Curious Case of the Missing Social Agent in Sports Economics

**Abstract** In this chapter I explore an extensive survey of published literature on the economics of sports attendance demand. I break this down into publication before and after the establishment of dedicated sports economics journals. My focus is the concept of an economic agent and I make the case that this has, for various reasons, been adopted and adapted from the discipline at large. I argue that this has definite limits since sports attendance is a quintessentially social activity and this sits awkwardly with this concept of an agent. This leads to the conclusion that there is a debate to be had which has not yet been had.

**Keywords** Sports economics • Attendance demand • Decision-making • Economic agent

Bobby Robson, the archetypical Football Man, once asked ‘What is a club in any case?’ and then nailed the definition of it in eighty-one words, imagining his beloved Newcastle as he did so. ‘Not the buildings or the directors or the people who are paid to represent it,’ said Robson. ‘It’s not the television contracts, get-out clauses, marketing departments or executive boxes. It’s the noise, the passion, the feelings of belonging, the pride in your city. It’s a small boy clambering up the stadium steps for the first time, gripping his

father's hand, gasping at the hallowed stretch of turf beneath him and, without being able to do a thing about it, falling in love.

Hamilton, D. (2018) *Going to the Match*, pp. 21–22

## INTRODUCTION

Who sits at the centre of the model of demand for attendance at professional sport events?<sup>1</sup> The obvious answer is an economic agent. The agent in research on the demand for sport is either explicitly appropriated from the ‘mainstream’—a standard repository of state of the art for the economics profession—or implicitly invokes that agent.<sup>2</sup> This is odd. Mainstream microeconomics describes the agent as a highly focused rational calculative entity, who prefers more to less and most to least. The agent is constructed from axioms, typically endowed with unlimited cognitive resources and is assumed to be the relevant decisionmaker in all situations that have a transactional component.<sup>3</sup> They are in this sense universal, but most importantly, the decisions they make are individual—they are self-regarding and taken in isolation from others. Various methodologists and philosophers of economics have referred over the years to the approach as methodological individualism and to the isolation as ‘atomism’ (for range of philosophers interested in the subject see, e.g. Blaug, 1992; Mäki,

<sup>1</sup>Note: throughout the chapter I switch between use of ‘I’ and ‘we’ as appropriate to context. Throughout the chapter I mainly refer to attendance demand, but the issues apply more generally to demand for spectation which may or may not be in person and different scholars who I draw on for the literature use a variety of terms.

<sup>2</sup>Note: there is an extensive literature which discusses the many uses of the term ‘neoclassical’ economics and which distinguishes mainstream economics and a concept of orthodox economics. For use of terminology see Dequech (2007). For a popular summary of core commitments of ‘neoclassical’ economics, see Arnsperger and Varoufakis (2006). For debate concerning the many meanings, see Morgan (2016a, 2016b).

<sup>3</sup>Note: I will be discussing the difference behavioural economics makes to this statement regarding cognitive resources in later work.