The Beckham Effect: David Beckham’s Impact on Major League Soccer, 2007-2012

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On January 11, 2007, Major League Soccer (MLS) announced the signing of international superstar David Beckham to a five-year playing contract. Beckham’s MLS playing salary was reported to be $32.5 million over the five years; $6.5 million per year (Wahl, 2010). Additionally, Beckham’s salary was augmented by the opportunity to earn millions more through merchandising and endorsement deals. He was also given the right to purchase a future MLS expansion team for $25 million, a price considerably below market value. Some media outlets valued the total dollar amount of the contract at over $250 million (ESPN.com, 2007). After that contract expired, Beckham signed an additional two-year contract for the 2012 and 2013 seasons. During the 2012 season, however, Beckham announced that would be his final year in MLS.

The effect of Beckham’s presence on the marketing of soccer in America, and specifically MLS, has been widely reported in the media. The short-term impact of Beckham’s arrival was immediately felt by MLS. In 2007, league-wide jersey sales increased by 700% with Galaxy jersey sales increasing 5,210%. Traffic on the MLS website increased 117% the first month Beckham appeared in Galaxy games, and the team sold an additional 11,000 season tickets in 2007 (Wahl, 2010).

While the short-term marketing effects of David Beckham on MLS were obvious, only one academic study by Lawson, Sheehan, & Stephenson (2008) has been conducted to analyze his impact on MLS attendance. Additionally, no studies have investigated the relationship between David Beckham and MLS attendance over the entire six years that he played. While average league-wide game attendance grew by over 2,000 spectators from 2007 to 2012, the amount of that growth attributable to David Beckham has not been empirically studied.

The purpose of this research was to construct an economic demand model to empirically analyze the relationship between the presence of David Beckham and MLS attendance from 2007 to 2012. The economic demand model allowed for the determination of Beckham’s relationship to MLS attendance while controlling for other demand-related factors. The model’s variables were selected based on a review of past literature focused on the relationship between star players and sport event attendance. By examining the entire six-year length of Beckham’s MLS career, we also had the ability to determine how the relationship between MLS attendance and Beckham changed from year to year.

In response to the general trend of major sport franchises taking a risk on signing star athletes, there has been ample past research focused on the impact of star players on demand in MLB, NFL, NBA, and NHL (Baade & Tiehen, 1990; Greenstein & Marcum, 1981; Hanson & Gauthier, 1989; Jones, 1984; Kahane & Shmanske, 1997; Morse, Shapiro, McEvoy, & Rascher, 2008; Noll, 1974). With respect to professional soccer, there have also been studies examining the influence of star players on attendance (Bainbridge, Cameron, and Dawson, 1996) and MLS specifically (DeSchriver, 2007; Jewell & Molina, 2005; Lawson et al., 2008). These investigations found that star players in general played a significant role in spectator demand for soccer.

DeSchriver (2007) took a unique approach by examining the impact of a specific star player, Freddy Adu, in MLS. The presence of Adu for DC United road games during the 2004 season was related to an attendance gain of approximately 11,000 spectators per game. In the most direct comparison to our study, Lawson et al., (2008) estimated that David Beckham’s presence in a 2007 game increased attendance for that game by approximately 50% in comparison to a game in which Beckham did not play. However, the work of Lawson et al. (2008) was limited to the 2007 season. Our research extends Lawson et al.’s (2008) work by examining the relationship over six years. This study is also unique in that it focused on the addition of a worldwide sports celebrity to a league that is relatively minor in size and scope in comparison to other leagues previously analyzed such as the NBA, NHL, MLB, NFL and English Premier League.
An economic demand model for MLS spectator attendance was constructed using interval regression analysis. The interval regression method, a form of censored regression, was utilized due to the capacity constraints that exist for many MLS soccer-specific facilities. The dependent variable for the interval regression equation was game-specific spectator attendance. More than 25 explanatory factors were incorporated into the interval regression model. Other factors in the demand model included market income, percentage of market population that is Hispanic, number of competitor teams in the market, home and away team performance, the presences of expansion teams and soccer-specific facilities, along with several other commonly used variables from the previous literature.

For the purpose of this study, attention was focused on the relationship between David Beckham playing in a contest and attendance. The Beckham phenomenon was measured through the use of two categorical variables representing his presence in either an LA Galaxy home or road game. Categorical variables were also included to account for Beckham’s presence in games over each year of the data set. The data consisted of regular season MLS contests played from 2007 to 2012. Each team played in 30-34 regular season contests during that time period, thus the total sample size was 1,472 games.

Preliminary results from the interval regression model found that, all else equal, Beckham’s effect on attendance related to a statistically significant increase of 7,866 spectators, which equated to an increase of 46% above the average game attendance. Not surprisingly, David Beckham’s impact followed the “honeymoon effect” for new facilities and demand found in McEvoy et al. (2005). Beckham’s largest impact was in 2007, his first MLS season, followed by successive years of declining marginal impact. However, there was an increase in attendance in games played by Beckham in his final season of 2012. This may perhaps be a result of fans' desire to watch him play a final time prior to his MLS retirement. Also as expected, Beckham’s impact at home, while substantial at 4,395 additional spectators is much lower than for Galaxy road games. The road impact was 11,054 additional attendees; a 64% increase in attendance over average game attendance. The scarcity to see Beckham in person is much higher on the road since he may only visit each market 1-3 times per season. The regression analyses explained about 45% of the variation in spectator attendance and did not suffer from multicollinearity.

Our findings indicate that David Beckham has a significant positive impact on MLS spectator attendance over the course of his playing career. Additionally, this impact diminished from 2007 to 2011 but then rebounded during 2012, his final year in MLS. Lastly, Beckham’s impact on attendance was almost three times greater for LA Galaxy game played on the road versus home in Southern California.