

Report on the paper '*Broadcasting Revenues and Media Value in European Football*' submitted to *Economics* (Paper #1886).

Summary

The main objective of the paper is to assess the effect of the media value of professional football clubs on teams' revenues, both total and broadcasting. In doing so, the authors use data from a sample of European football clubs for seasons 1999/2000 to 2008/2009. Besides, the media value is assessed using the MERIT approach (methodology for the evaluation and rating of intangible talent). One of the foremost results found is a tough relationship between media values and revenues. Furthermore, it is found that broadcasting revenues in some of top European football leagues were below expected according their media value.

General assessment

In my opinion, the paper addresses a topic of relevance to researchers in the field of sport economics, and it is potentially interesting to the readers of *Economics*. However, I am also sorry to say that, in its present form, I find the quality of the manuscript below the standard of papers published in international peer-reviewed journals. Thus, I cannot recommend it for publication.

When I review a paper for an international top-rated journal I first look for two main contributions, namely, a methodological contribution pushing up the frontier of knowledge in the field of research, and/or an empirical contribution with results of interest for an international audience. Provided that the manuscript has no methodological purposes, its contribution should be found in the empirical application to assessing the media value of professional football clubs and the impact of this variable on teams' revenues. However, in my opinion, the empirical application in the paper is certainly puzzling. In this respect, I feel that in its present form the manuscript looks like more a draft or, at best, a document presented to a scientific meeting for discussion, than a paper ready to be submitted to an international journal for peer-review. I include below some few specific comments that support the abovementioned appraisal, which might also be used by the authors to improve their manuscript. They do not necessarily follow an order of importance but just a reading order.

Specific comments

1. In general, I find the manuscript poorly structured; e.g., the methodology is described before reviewing existing literature; the manuscript lacks a section of conclusions; while more than 7 pages are devoted to Sections 5 and 6, which are complementary with respect to the main objective of the paper, only 3 pages are devoted to the regression analysis developed in Section 7 (see some of my comments below)...
2. Introduction. The introduction does not provide, in my opinion, a good motivation of the research. In this respect, some key questions in any research remain unanswered; e.g., why is it important to analyse the impact of football teams'

media value on revenues? Which is the value added by the research to previous literature in this field of research? How could the results contribute to a better distribution of broadcasting revenues among clubs?

3. Section 2. Methodology. In my opinion, the methodology is very poorly described in the manuscript. In this sense, the comments regarding the MERIT approach are too general, e.g., the fifth paragraph of section 2 reads: '*...To carrying out the current paper is study, we have collected and take into account over the years hundreds of thousands news articles (from media sources that publish contents into the Internet)*', but..., which media sources have been used? How has this information been elaborated in order to assess the media value of clubs? Also, I miss a reference about the MERIT approach. In addition, this section mentions the data set ('*...The MERIT index of media value is expressed with respect to the average of the reference group in our data set...*'), when nothing about the data used in the paper has still been said (they are described in Section 4). In summary, after having read this section I have not a clear idea about how the media values have been constructed.
4. Also regarding the Section of methodology. In my opinion, it should be moved after the literature review.
5. Section 3. Literature review. I feel that this section lacks a coherent story line... Furthermore, after having read the literature review I still wonder which is the contribution of the manuscript to the *state-of-the-art* in this literature.
6. Regarding Section 4. Data sources and characteristics. The description of the data is very poor and would need to be extended. In this respect, 122 clubs are included in the study, but... Why selecting these clubs and not others? To which leagues correspond these clubs (see some of my comments below)? Also, the analysis is carried out with data from season 1999/2000 to season 2008/2009, but... Why have the authors only selected to season 2008/2009? In this respect, they mention that '*...The time period was delimited considering the data availability of some of the relevant variables*', but... Which variables are restricting the period of analysis? And why?
7. Also regarding Section 4. Are the descriptive statistics included in Table 2 averages for the 10 seasons included in the sample? If so, have variables such as revenues been deflated? The answers to these and other relevant questions are not clear in the manuscript. This table provides information about media values and the authors assert that '*...(they) are computed following the lines of the description made in Section 2. With the help of new technologies, we are able to identify millions of news articles and Internet contents associated to the protagonists*'. However, as I have mentioned above, I am sorry to say again that I am not able to understand from the information provided in Section 2 about the MERIT approach how these media value have been obtained. Finally, I might have missed something, but little (or nothing) is said in the manuscript about the sources of the variables employed in the analysis.
8. Section 4 (again...). Table 2 is just a *cut-and-paste* of the output from the software package used by the authors, as it happens with other tables in the manuscript, i.e., Tables 3 to 7. While this should not constitute a problem itself, in my opinion

it might be indicative of the lack of elaboration of the manuscript that I mentioned in my general appraisal.

9. Section 6. Stylised facts. In this section, the authors use '*...the information contained in our (their) data set to learn about relevant facts affecting the football industry*'. In this respect, Tables 3 to 6 provide information at the league level for England, Spain, Italy, Germany, France, Portugal and Others... However, Table 2, where the descriptive statistics of the data are presented, only includes statistics for England, Spain, Italy, Germany, France and Portugal (???)
10. Section 7. Regression analysis. This section, which in my opinion should constitute the core of the research, is very poorly developed in the manuscript and would require much more elaboration. Additionally, some choices in the estimation strategy are not adequately justified in the manuscript; e.g., from the point of view of less-specialised readers it would be helpful to justify why you are using FGLS estimation techniques. Also, the pooled FGLS model in Table 8 (total revenues) includes 10 temporal dummies, from year 2000 to year 2009, while temporal dummies in Table 9 (broadcasting revenues) only cover years 2003 to 2009 (???). Also in this respect, league dummies for England, Spain, Italy, Germany, France and Portugal are included in Table 8, while the dummy for the Portuguese league is excluded in Table 9. Is it (as I guess) due to a lack of data on broadcasting revenues? I also miss an interpretation of the meaning of the coefficients obtained for league dummies.