

Original Article

High Value Football Transfers: A Win or Loss? Correlation of High Value Football Transfers with Their Subsequent Performances

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Abstract - The study is based on the correlation between high value football transfers and the change in the market value of those transfers for their new clubs. Analyzing pre-covid data, from seasons 2017/18 to 19/20, a comparison has been made for the change in the market value of the top 10 valued transfers for goalkeepers, defenders, midfielders, and attackers over 2 years from their transfer. There has been minimal previous research on this; however, there has been researched on why football transfers do not work out well. Various reasons, such as not fitting in the team, locational preferences, problems with the coach etc., have always been of great interest as to why players who are bought for such amounts tend to not live up to their potential. A club makes this incredible investment so that the player plays well in the club and improves it, whereas it seems to be the opposite. Transfer fee seems to have an unexpected negative correlation with player performances, which has been verified by the results of this experiment also. We can also see that players with high value fees who transfer to Spanish clubs seem to have the greatest dip in performance. This study disrupts the common belief that players sold for more should live up to their potential and shows each player does not have to play well for every club in the world. It explores ways clubs can go about football transfers to make them successful, such as data analysis.

Keywords - Correlation, Football transfers, Market value, Transfer market, Top transfers.

1. Introduction

Football transfers have been a source of joy, disappointment, and upset for football fans worldwide. There is a winter and summer transfer window, and these two transfer windows, over the year, can change a team's fortune in a good or a bad way. Mismanagement or smart decisions in the transfer window is what leads to clubs winning trophies over the next few years and leading them to be competitive in even the most major competitions. There are many objectives clubs have in a transfer window. Some of these are to improve a weakness in the squad, like when Manchester city signed Erling Haaland to get the finisher they desperately needed (McAleer, 2022), to increase position depth, Barcelona signed Frack Kessie (Kennedy, 2022), to invest in youth Real Madrid signing Aurélien Tchouaméni (Parvizi, 2022), to sign a top player Bayern Munich signing Sadio Mane (Edwards, 2022). Whereas players are generally sold if they are playing well and a large fee can be demanded from them, the players want more game time and move to other clubs, or clubs want to get rid of excessive players in a position/player who aren't playing well. It is possible after the Bosman judgment implemented the transfer system in 1995. Whatever the circumstances or reasons for these deals, the transfer window never disappoints. Avid football fans religiously follow transfer

stories written by reputed journalists (even though they may not have the complete details of this), and there are always those unexpected or marquee transfers that the entire world. Players can be loaned, sold, or bought from a club; free agents can be signed.

Furthermore, two things need to happen for a football transfer to be completed. An agreement on the transfer price and other variables needs to be agreed upon with both teams (the club losing the player and the club gaining), and an agreement with the player and agent on his contract (salary, length of the contract, playing time). For example, for the transfer of Raphinha from Leeds United to Fc Barcelona, there is an agreement on personal terms but not on the fee with Leeds united, and the transfer cannot happen without that. Hence, other teams like Chelsea have swooped in (Childs, 2022)) For a free transfer, no other club is involved.

Most of the time, fans are often left in the dark about footballers' salaries and transfer fees; hence, they have to believe the incomplete information of trusted journalists. But why do clubs buy new players? How do they earn after making this hefty investment? First is sponsorships. To help the club get better and win trophies so that more companies



would pay more to have their name written on the club's kit, clubs have to buy players to improve their teams. Barcelona has recently started rebuilding their team, and it seems like they are coming back into form, which upgraded their 55 million a year offer from Rakuten to 280 million Euros over 3 years from Spotify (Byers et al., 2022). Naturally, the biggest and best clubs in the world get the largest sponsorships. Secondly, even though this isn't a massive addition, top players who come to clubs have a huge fanbase and attract more fans. It leads to more tickets being sold and more shirts of the player being bought (even though the clubs get a royalty for this). Juventus sold 54 million Euros worth of Ronaldo kit in 24 hours (Joseph, 2018)) Clubs also get money after winning trophies, as well as more fans who will buy merchandise from the club. It also adds to the revenue of clubs.

During the covid pandemic, this took a hit, but generally, there is always a lot of money spent in the market, with teams revamping. In the 2018/19 transfer market, there were 6.13 billion dollars in the summer, and premier league clubs spent about 180 million pounds on their own the entire season.

Speaking of spending, what determines a footballer's transfer fee? (i) Talent. The way the player has been playing for his club, looking at his statistics for the past few seasons. So, the better the statistics, the more the fee. Statistics such as injuries also matter; if the player is extremely injury-prone, he would demand a lower fee. Even the current form of the player, like a player playing exceptionally in one season, can lead to clubs spending even more money on this player than one who has been performing consistently for a few years. It is deemed more important for a club while buy a player. (ii) Age. Clubs tend to invest more in the future, as those players have much more potential. They also generally have not hit their prime and have many more years to play at the top than older players. Hence the younger the player, the more clubs spend on them. (iii) Popularity. The more popular the footballer is, the more fans he brings to the club; hence the club earns more revenue through his signing (Mahajan, 2020). Hence the more popular the footballer is, the more money it would take to bring him to a new club. (iv) Popularity of the club and contract with the club. The less popular the club is, the easier it is to lure a player from the club. The geography can also matter, as talents from non-footballing countries like India are cheaper to sign than players from England or Brazil. If the club is also not performing well or is in the lower division of the league, it may need more money and be more flexible in selling its top talents. In terms of the contract, if the player has a few years remaining in his contract, the club would be less willing to sell him, so a higher transfer fee would be needed to let the

club let go of the player. (Due to a contract till 2022, FC Barcelona had to shell out 142 million pounds to sign Coutinho in 2018 (McNulty, 2018)) If a player has a higher release clause due to his performance, his transfer fee would be more. Neymar's move to Paris Saint Germain activated his release clause of 222 million euros (Simpson, 2017)). Clubs may also not want to negotiate a deal below the player's release clause.

There are many determinants of a football transfer fee; these are just some of the more important, common ones. As mentioned previously, the geography of a player can increase his transfer fee, but it also directly correlates with the clubs' spending. The players from well-known footballing nations also mean that clubs of those nations have higher spending in the transfer market. For example, it is well-known that the transfer of English players within the English premier league is much more inflated than those from non-English nations. It is commonly referred to as the "English tax". Harry Maguire joined Manchester United for 80 million pounds (BBC, 2021), whereas Victor Lindelöf joined for approximately 40 million (Crellin, 2017)

Currently, EPL is the most popular league in the world, leading to premier league clubs spending the most in the transfer market. Players prefer a move to the premier league due to its popular appeal, and 5 of the 10 highest spending clubs in the world are from the premier league. (Tripathi, 2021)

2. Methodology

2.1. Research Aim

This research paper aims to find the correlation between high value transfers and subsequent market value changes.

2.2. Data Collection

Transfer market.co was used to find the change in the market value of players over two years, based on the season they joined the club. The site was also used to find the data on the transfer fee for the 120 players used. The country they were transferred to was also found on this site. After this, the data of players' market change in market value was averaged out for each position and year and graphed. Then the change in market value was clubbed with the countries for each position, and the thirty players were divided based on the country they were transferred to and the average change in market value for the particular country. It was again graphed

3. Results

The following results were obtained after analyzing the data from the Transfer market.

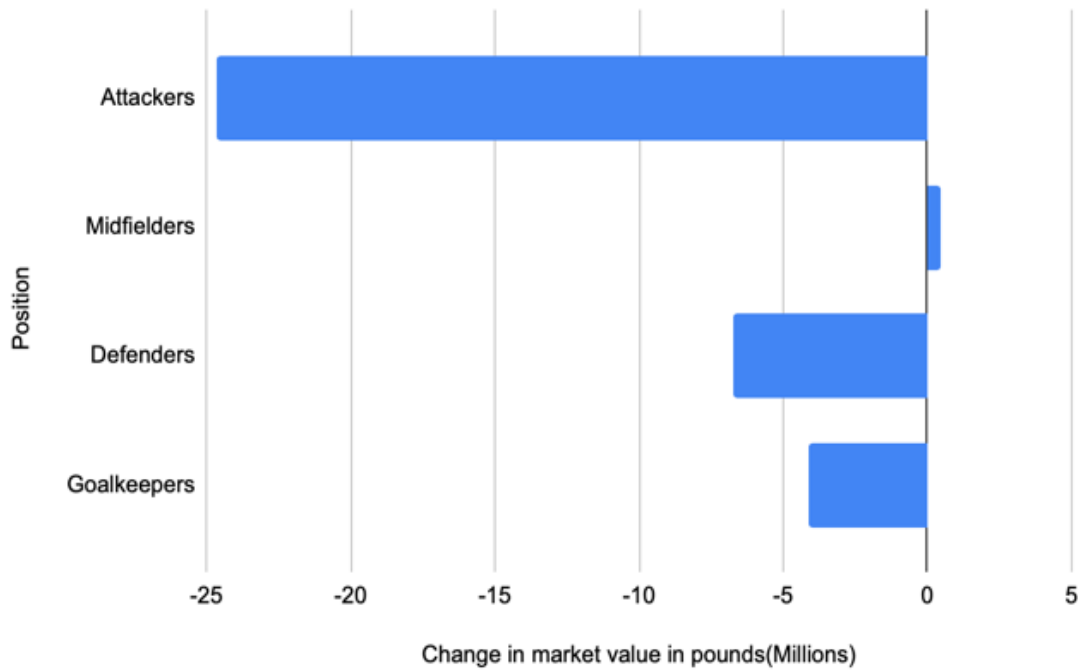


Fig. 1 Average change in market value for top 10 highest spending for Attackers, Midfielders, Defenders, and Goalkeepers transferred in the 2019/20 season to 2022.

Change in attackers has been the most, with their market value dropping by almost 25 million pounds, followed by defenders and goalkeepers. Midfielders are an exception in this due to a massive increase in the market value of Bruno Fernandes (Manchester United, +37.8 million pounds), Youri tielemans (Leicester City, +29.7 million pounds), and Franck Kessie (AC Milan, +10.8 million pounds). (*Football Transfer Values and Play Market Values*, n.d.)

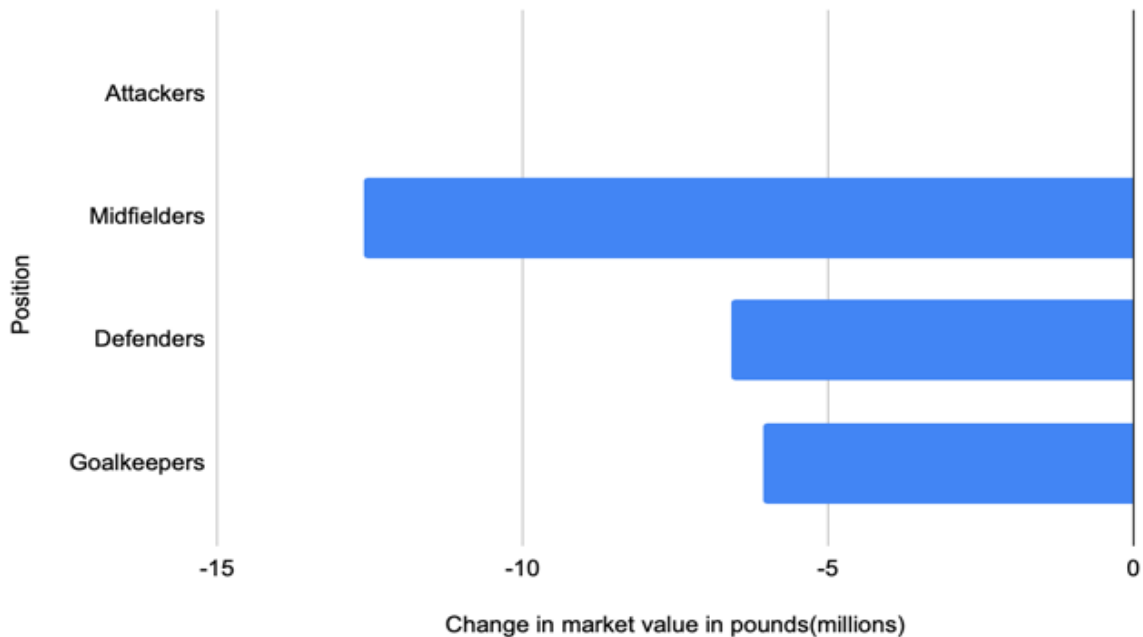


Fig. 2 Average change in market value for top 10 highest spending for Attackers, Midfielders, Defenders, and Goalkeepers transferred in the 2018/19 season to 2021.

There was no change in market value for attackers, with midfielders being the most at -12.6 million pounds, followed by defenders and the goalkeepers. (*Football Transfer Values and Play Market Values*, n.d.)



Fig. 3 Average Change in market value for top 10 highest spending for Attackers, Midfielders, Defenders, and Goalkeepers transferred in the 2017/18 season to 2020.

In this case, attackers' and midfielders' market value was reduced; however, the average change in market value was positive for defenders and goalkeepers, with defenders being more than goalkeepers. (*Football Transfer Values and Play Market Values*, n.d.)

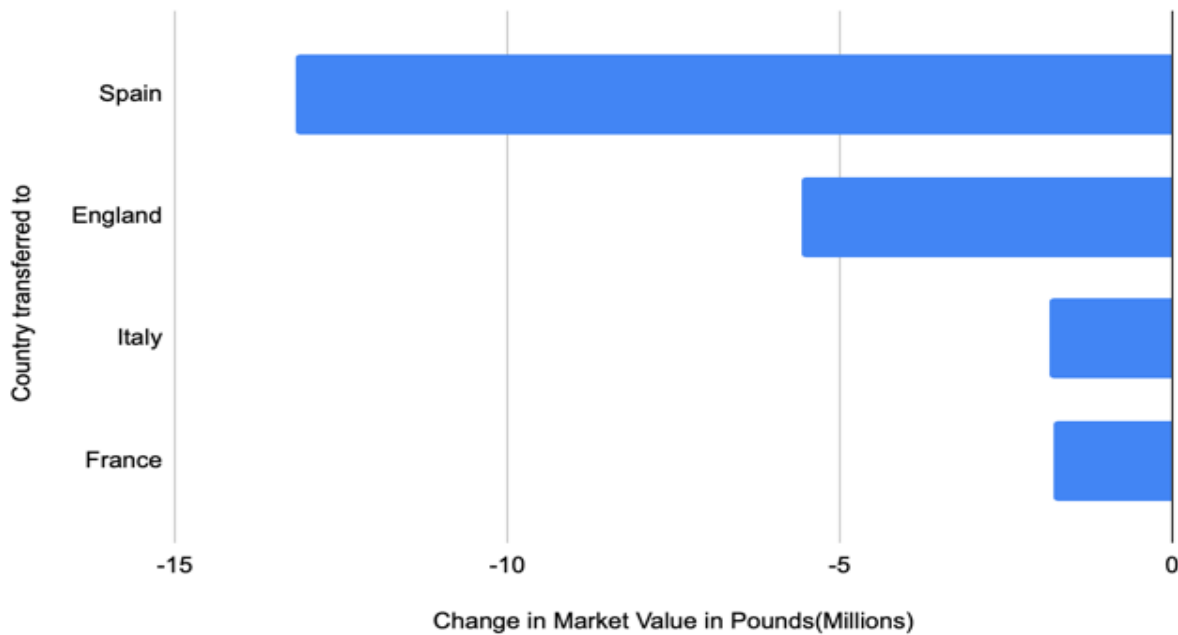


Fig. 4 Average Change in the market value of attackers for the club that bought them over the course of 3 years, with respect to the country they are transferred to.

The market value for attackers who went to Spain dipped the most, followed by England, Italy, and France simultaneously. (*Football Transfer Values and Play Market Values, n.d.*)

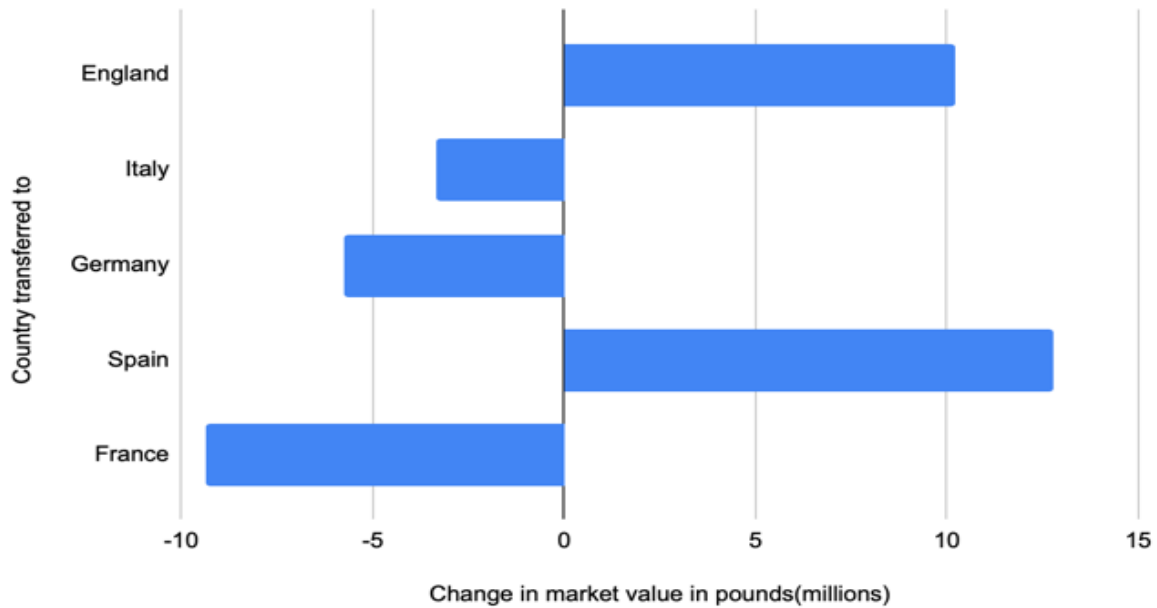


Fig. 5 Average Change in the market value of midfielders for the club that bought them over the course of 3 years, with respect to the country they are transferred to.

The market value for midfielders who went to France dipped the most, followed by Germany, then Italy. The market value for midfielders rose the most in Spain, followed by England. (*Football Transfer Values and Play Market Values, n.d.*)



Fig. 6 Average Change in the market value of defenders for the club that bought them over the course of 3 years, with respect to the country they are transferred to.

The market value for attackers who went to Spain dipped the most, followed by Germany, France, England, and Italy simultaneously. (*Football Transfer Values and Play Market Values, n.d.*)

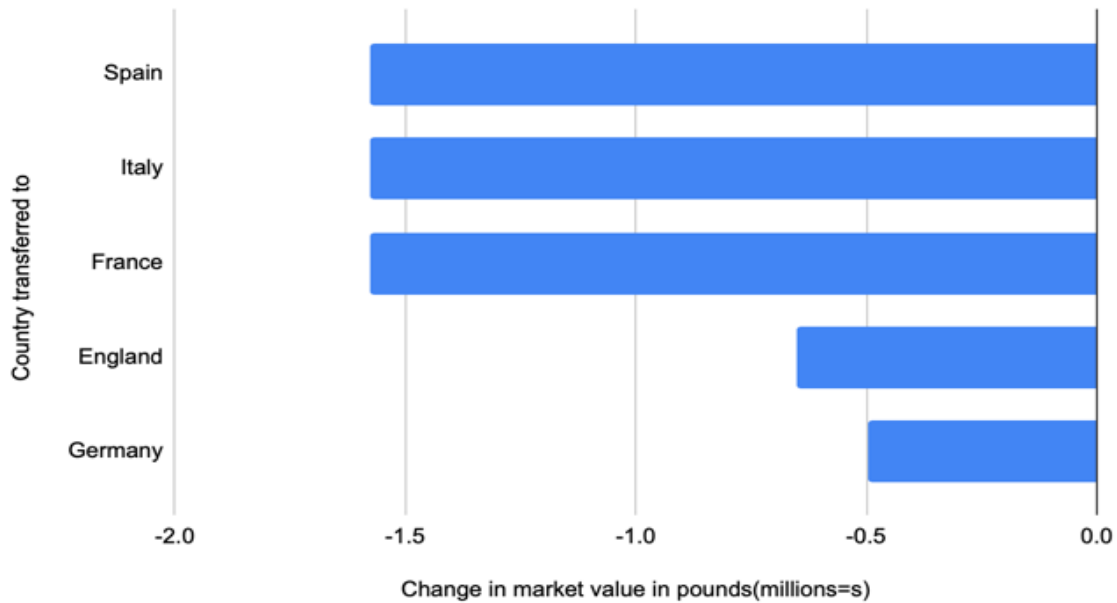


Fig. 7 Average Change in the market value of goalkeepers for the club that bought them over the course of 3 years, with respect to the country they are transferred to.

The market value for attackers who went to Spain, Italy and France dipped the most, followed by England and Germany. (*Football Transfer Values and Play Market Values*, n.d.)

4. Discussion

The data is for the 10 highest transfers for each position for three seasons. 2017/18, 2018/19, 2019/20. Seeing the difference in players' market value over 2 years, it is safe to say the player's performances have reduced after the transfers. The market value of the players has generally decreased after switching clubs. When a club invests big money in a player, they expect him to perform to a standard attached to that investment, hoping he will play better for the club. This means there's been a dip in performances, and an extremely big one too. Barring 2018/19, the dip in the attacker's performances is generally the most. This is because attackers are generally bought for a higher price, as their statistics, such as the goals and assists, are far more valued than any defensive statistics. It leads them to get more popularity by the fans and media, and in the end, due to them being hailed every time the team wins a match due to their goals and assists, their prices are far more inflated (X, 2013)

Hence, except for midfielders in the 19/20 season, and defenders and goalkeepers in 2017/18, all big transfers have led to player performance reduction. It means that clubs splurging massively on players have generally led to a worse performance by the team, which should not be the case. The main reason for this is that a hefty price tag comes with a lot of responsibility. Players feel the pressure of being worth multi-million dollars and see that the club has invested in them, which they must fulfill. They understand the club, trust

their talent, and have something to prove. However, this immense pressure leads to a negative reaction on the pitch, as players start to feel the pressure on the field and cannot express themselves on the pitch the same way (Williams & Wigmore, 2020). If they cannot play like they used to, they tend to worsen, so there is a dip in performance. The second reason is that one bad coach can ruin a player. If the player is unable to have an understanding with the coach, then the player will not be able to improve in training sessions, and he will start to be kept out of the squad, and as he is not playing, his market value will dip (Edger et al., 2012). The third reason is that players take time to adjust to new teams. They have been playing in a system for a while, so adjusting to a new system could be difficult and take a few years of patience from the player and club. Some players also never adjust to teams, so they generally must be offloaded by the clubs.

Furthermore, figure 4-7 reflects these transfers from 2017-2020 as a measure of the country they have transferred to. It's fair to say that for each country, the teams could not recoup the worth of the players they bought for a large sum. It is because moving to different countries means adapting to the playstyle of that country. The playstyle in each league is very different, hence proving successful in one league need not mean the player's playstyle is suited to the other. It would mean buying players from different countries for a large sum may be a gamble. Even moving to different teams in the

same country is a huge gamble, as mentioned above, due to the difference in playstyle and tactics of each team.

However, overall, the value for players transferred to Spain has reduced the most. It is because the best players are attracted to play for two iconic clubs, Barcelona and Real Madrid; hence when they want to sign players, they generally can. The clubs are known for having the best players, so they tend to buy the best players worldwide. These transfers take place for an abnormal fee, without proper analysis of the player's fit in the team. For example, Griezmann was sold to Barcelona to play as a left winger, even though his predominant position was as a center forward. Same for Phillipe Coutinho, being asked to play as a left winger is a center mid. So, the players don't always fit in the team, and even if they do, as already discussed, transfer prices negatively correlate with players' performances. 5 of the 10 highest transfers in football of all time have been in the La Liga (Desk, 2022).

5. Limitations

1. Football transfer fees are generally hidden from the public and fans; hence the data for the transfer fee is generally an estimate that reliable sources get, which everyone must trust. Hence the transfer fee may not be the same as what is known by the public and what is mentioned in the data in this research paper.
2. Have not explored data for factors such as age and how different KPIs after the transfer affect the performance.

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6. Conclusion

In conclusion, the data proves that the players with higher transfer fees generally perform worse than they were in the previous club. The players may have transferred to better clubs with better players, which should mean that they strengthen the team more; however, that does not seem like the case.

Clubs tend to buy world-class players for a high price, assuming they will play at a similar level or better than the old club. In reality, that is not the case. These world-class players generally have a system built around them and a particular understanding with each player, which may not be replicated in another club. Hence when a club buys a player, they should confirm that the player fits their system before spending huge money on them. It can be done using data analytics or Moneyball. Studying the team's play style seeing its weaknesses, and then finding suitable players to fit in the team perfectly is the future of football. A data-driven transfer is an effective model that all clubs should use before buying any player, so there is minimal chance of the signing being a flop. Liverpool uses this and has been extremely successful in their transfers because of it (Andrews, 2021)

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