

Report on Bachelor / Master Thesis

Institute of Economic Studies, Faculty of Social Sciences, Charles University in Prague

Student:	Jan Sinčák
Advisor:	PhDr. Radek Janhuba, M.A., Ph.D.
Title of the thesis:	Determinants of Football Players' Market Value in the Czech Football League

OVERALL ASSESSMENT (provided in English, Czech, or Slovak):

Please provide your assessment of each of the following four categories, summary and suggested questions for the discussion. The minimum length of the report is 300 words.

Contribution

The author collects an extensive dataset of Czech football league players and analyzes the effect of large number of variables (manly performace-related) on transfer fee (approximated by market value). The author claims his work to be contributive in terms of a) Czech league data and b) new variables (concretely performance in early football carrer – i.e. youth competitions). Overall, I believe the author could be more specific in contribution of this piece of work such as intended recipients (who might be interested in this analysis) or implications for football industry from economic or financial standpoint (i.e. could this be used for detection of the „right“ price for a player?).

Methods

The author applies OLS analysis which is well chosen and serves well for this type of data and model structure. However, there are several issues in the methodology/estimation section. First, since the author uses large number of performace indicators on the basis of goals, assists and minutes spent on the pitch, detailed correlation analysis would be very helpful (since there it is likely that number of goals for example in the domestic league and other competitions might be closely correlated). Further, I would welcome more background on the motivation and construction of the variable *Topteam* especially if the variable turn out to one of the dominant explanatory variables, existing reasoning in text sounds a bit arbitrary and raises questions about robustness of the *Topteam* effect on the player' value. Further, I see a slight contradiction with respect to inclusion of the variables capturing performance in youth national teams. The author claims: „... we are convinced, that clubs look at player's most recent performance when deciding whether to sell or to buy him and for how much money.“ At the same time, we see that the sample includes also older players and therefore motivation to include the youth competition variables seems incoherent with this statement (may be some interaction with *Age* would be interesting, since the youth competition performance would likely be important for younger players, since it is still a „valid track record“ for their potential employers). Also it would be for the reader more comfortable to see proper definitions of the dummy variables used – i.e. definition of 1 value and 0 value (e.g. *Foot*) – to find out, the reader must wait for the Estimation results sections to learn that from the author's interpretations. I appreciate relatively detailed robustness check, but, as mentioned above, I miss the key candidate for such check – *Topteam*. Estimation results are discussed thoroughly. However, when comparing two regression coefficients, proper testing of the signiicance of the difference should be mentiond (at least when not immediately apparent from the estimation results). Finally, it would be more clear to present the chosen model based on performed diagnostics (i.e. including robust SEs) only.

Literature

The author has performed a thorough literature review. The existing findings of the relevant works are well presented.

Manuscript form

The thesis is well structured, however, more detailed introduction presenting the general system of player transfers as well as key considerations related to the topic would be very helpful before moving to very detailed literature review. Further, it would be more easy to follow if position of relevant tables

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corresponds to the text, i.e. text description immediately following / preceding the respective table in the text (e.g. descriptive statistics or estimation results).

Summary and suggested questions for the discussion during the defense

The author chose an interesting topic inspecting the drivers of football players' market value in the Czech environment. I appreciate very well compiled and presented literature review as well as large portion of the authors' independent thinking of estimation results in context of local environment and of existing empirical evidence. On the other hand, multiple questions came up when reading the methodology section of the thesis, especially in terms of selection and construction of independent variables as well as robustness of the results.

To conclude, I recommend the thesis for defense with grade C.

I also suggest to discuss the following questions during the defense:

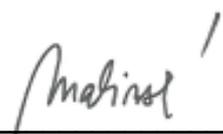
- It seems that variable *Topteam* carries large explanatory power for a players' value. Most probably the variable „contains“ rich information affecting the value. Could you think of these variables which are probably „hidden“ in *Topteam*?
- When assessing general performance (of any kind), relative measures are usually employed in the analysis (such as profit margins in company analysis). How would your model and estimation results change if a relative measure of *Goals/Minutes* or *Assists/Minutes* were included?
- It might be the case that the position of the football player might be also influencing the market value for his performance (goals, assists, minutes). How would you amend the model to test also for this phenomenon?
- Please elaborate how a „valuation“ of a football player compares to a company valuation exercise? Do you see some commonalities?

SUMMARY OF POINTS AWARDED (for details, see below):

CATEGORY	POINTS
<i>Contribution</i> (max. 30 points)	18
<i>Methods</i> (max. 30 points)	16
<i>Literature</i> (max. 20 points)	20
<i>Manuscript Form</i> (max. 20 points)	17
TOTAL POINTS (max. 100 points)	71
GRADE (A – B – C – D – E – F)	C

NAME OF THE REFEREE: *Mgr. Barbora Malinská*

DATE OF EVALUATION: 18.5.2020



Referee Signature

EXPLANATION OF CATEGORIES AND SCALE:

CONTRIBUTION: *The author presents original ideas on the topic demonstrating critical thinking and ability to draw conclusions based on the knowledge of relevant theory and empirics. There is a distinct value added of the thesis.*

METHODS: *The tools used are relevant to the research question being investigated, and adequate to the author's level of studies. The thesis topic is comprehensively analyzed.*

LITERATURE REVIEW: *The thesis demonstrates author's full understanding and command of recent literature. The author quotes relevant literature in a proper way.*

MANUSCRIPT FORM: *The thesis is well structured. The student uses appropriate language and style, including academic format for graphs and tables. The text effectively refers to graphs and tables and disposes with a complete bibliography.*

Overall grading:

TOTAL	GRADE
91 – 100	A
81 - 90	B
71 - 80	C
61 – 70	D
51 – 60	E
0 – 50	F