DO SPORT CLUBS MAXIMIZE WINS OR PROFITS?
And does it make any difference?

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Introduction
Since the rapid growth of revenues and costs in professional sport, modern sport clubs have become full commercial businesses, much to true sport enthusiasts’ regret. Although sport contests are still, ultimately, about gaining victory, one could wonder whether the advent of large monetary investments has not made realizing financial returns take precedence over sport successes. This chapter does not aim at evaluating this question from a normative, moral or nostalgic perspective. In contrast, the intention is to present a theoretical economic analysis of the question of whether it makes any difference that soccer clubs try to gain maximum profits – which is considered to be commercial enterprises’ main objective in microeconomic analysis – instead of trying to pursue maximum sport successes in (inter)national championships.

At the outset the question could be asked as to whether or not the two objectives are actually that different. Are sport successes not the best way to make more profits given that ticket sales and TV rights, as well as sponsorship deals and marketing licenses, correlate with a club’s sport success to a considerable extent? And is gaining greater profits not the best way to fund the club’s budget in order to be able to hire the best players? In this chapter it is shown, using the well-known Quirk and Fort fixed-talent supply model (Quirk and Fort, 1992), that differences in emphasis upon these two objectives indeed can make a substantial difference. This is not only in terms of differences in competitive balance, player salaries and total league revenue, but also because of the different impacts of league regulations such as transfer systems, revenue sharing and salary caps. The special case of imposing a maximum wage-turnover ratio is analyzed; that is, the imposition of a financial prudence rule. The conclusion of the chapter argues that differences in the objectives of sport clubs do affect the competitive balance and the level of the average player salaries differently. Moreover, the effects of league regulations by the national federations, such as restrictions on player mobility by means of a transfer system or a redistribution of the clubs’ revenues, can vary under such differences in objectives. It follows that more detailed empirical research is required to explore and to test these differences to inform sport league governance.
Profit maximization or win maximization?

A team whose goal is to gain maximum profits will hire talents as long as the extra profits for the club exceed the extra costs – that is, in microeconomic terminology, as long as the Marginal Revenue (MR) of a talent is larger than its marginal cost (MC) or its salary (c). Based on the law of diminishing marginal returns, this marginal revenue will decrease in function of the number of talents. In other words, if a club already has a strong team, an additional player will not add much to club revenue. This implies that, in equilibrium, the marginal revenue of talent equals the unit cost of talent. If all clubs are wage takers, and the unit cost of a talent is determined by supply and demand in a competitive talent market, the equilibrium condition can be written as:

\[ MR = c. \quad (27.1) \]

Consequently, the demand curve for talent from a profit-maximizing club will be determined by the marginal revenue of talent. This curve is depicted graphically in Figure 27.1. So, with a unit cost of talent equal to \( c_0 \), the club will recruit \( t_0 \) talents.

A team that seeks sport successes will recruit as much talent as its budget allows. However, under the assumption that unpaid debts to investors, players, social security or tax authorities are no longer tolerated by established license commissions, a break-even condition should be respected, i.e.:

\[ R(t) = C(t) = ct. \quad (27.2) \]

In this scheme, \( R \) stands for total season revenue and \( C \) stands for the total season costs. Both are a function of the number of talents \( t \), and \( c \) is the unit cost of talent. It is assumed here, for simplicity reasons, that the total cost only consists of player salaries. This condition implies that a win-maximizing club will hire talent until the decreasing average revenue of

![Figure 27.1 Marginal (MR) and average (AR) revenue curves](https://example.com/figure27.1.png)

374
Do sport clubs maximize wins or profits?

Talent (AR) is equal to the unit cost of talent (c). Assuming that the capital costs are zero, it holds that in equilibrium:

\[ AR = \frac{R}{t} = AC = ct/t = c. \]  (27.3)

Consequently, the demand curve for talent of a win-maximizing club is determined by the average revenue curve (AR). In the case of declining average revenues in the number of talents, the marginal revenue will be smaller than the average revenue. Figure 27.1 gives the development of both the marginal revenues (MR) and the average revenues (AR).

When the unit cost of talent is given, the demand for talent from a profit-maximizing club is determined by the curve of the marginal revenues, based on expression (27.1), while the demand for talent from a win-maximizing club is defined by the curve of the average revenues based on expression (27.3). Figure 27.1 shows that, given a unit cost of talent \((c_0)\), the demand of talent from a win-maximizing club \((t_1)\) will be larger than the demand of talent from a profit-maximizing club \((t_0)\).

This is logical indeed, because a win-maximizing club will spend its entire budget on player costs, given its sole objective – to win as many games as possible – while a profit-maximizing club’s aim is for the largest positive difference between revenues and costs.

Competition is a fundamental feature of sport, and an attractive league requires a fairly competitive balance among the clubs. Sport will lose its attraction if the winner is known beforehand. We will prove that this competitive balance is disturbed to a greater extent in a league where all clubs try to win as much as possible. This can be illustrated by a simple model with only two clubs: a rich team (x) in a big city and a small club (y) with a limited budget in a small town. Here we take it for granted that with a given salary, the large-market club will hire more talents than the small-market club. This is illustrated in Figure 27.2, where the demand curves of both clubs are drawn against each other, each from its own origin \(O_x\) and \(O_y\). The distance between the two origins is determined by the total market supply of talent, which is considered a constant in this representation.

![Figure 27.2 Market equilibrium](image-url)
Figure 27.2 shows both the marginal revenue (MR) curves and the average revenue (AR) curves, so the win maximization and the profit maximization equilibrium can be compared. Notice that talent is more in demand by the large-market club than the small-market club. The equilibrium between the total market demand and the market supply on the talent market can be found at the intersection of the demand curves of the two clubs. Hence this equilibrium simultaneously determines the unit cost of talent or the average salary level of the players. The equilibrium under profit maximization is indicated in Figure 27.2 by the point of intersection of the two MR curves (E_p); the equilibrium under win maximization can be found at the intersection of the two AR curves (E_w). The comparison of these equilibrium points shows on the horizontal axis that the competitive balance is more disturbed in the case of win maximization (T_w). Also, the remuneration of talent will be higher in the case of win maximization (c_w > c_p), as can be seen on the vertical axis.

It can also be shown that total league revenue will be higher under profit maximization, implying that win maximization causes a welfare loss, indicated by the shaded triangular area in Figure 27.2. This is due to a misallocation of talents among the clubs; players are not playing in the team where their marginal revenue is highest. All talents between the points T_w and T_p should be playing in the small-market team, where their marginal revenue is higher, but, under win maximization, they are playing in the large-market team.

Based on this analysis, it can already be concluded that it makes a difference whether clubs want to win or to make profits. In the case of win maximization, a larger competitive imbalance can be expected in the league but the players are better paid. Moreover, win maximization causes a welfare loss in terms of total league revenue.

It is also important to note that, in case of a flexible talent supply with an exogenously given unit cost of talent, which is a more realistic description of the economy of the European football leagues since the Bosman verdict in 1995, win-maximizing clubs are willing to invest more in talent which can yield a higher absolute playing quality in a league.

**Impact of market regulations**

Since the equilibrium allocation of talent in a free talent market can be heavily influenced by market power, and player salaries can rise greatly as there is no natural substitute for playing talent in the sport industry, national sport associations have traditionally regulated their markets. Their main objective was to realize a more balanced spread of talent between the large-market and small-market teams in order to have a more balanced league. In this section it is shown that the effects of these regulations differ substantially, depending on whether win maximization or profit maximization is at stake. The analysis begins again from the equilibrium positions as depicted in Figure 27.2. From this basis successive study of the effects of the transfer system and a system of revenue distribution between the large-market and small-market club are analyzed.

**Transfer system**

Before 1995 in European football, a transfer system was used with the intention of preventing all talents joining the large-market teams that could afford to pay the highest salaries, which would result in a distorted league. The system stipulated that a player, when his contract had ended, could not move to another club without an official agreement on the transfer fee between the former and the new club. In December 1995, this transfer system was abolished.
Do sport clubs maximize wins or profits?

by the Bosman verdict of the European Court of Justice. Restrictions on the free mobility of players in the EU were found to be in violation of the European competition rules.

However, the so-called Invariance Proposition of Rottenberg (1956), which was formally proven later by El-Hodiri and Quirk (1971), stated that the transfer system’s restriction on the free mobility of playing talent does not have any impact whatsoever on the competitive balance when the clubs’ objective is profit maximization. This can be explained by the fact that, in the end, the best players will play for the richest teams anyway. When this does not happen in a free player market, it will be achieved by a free transfer market. Only by forbidding transfers altogether can the distribution of talent be kept more balanced.

One could argue here that it does make a difference if a player is transferred by means of the transfer market or in the free player market. In the first case, the poor small-market club will receive a transfer fee, and this money can be used to hire more talent, which results in a more balanced competition. However, the profit-maximizing poor club will not use the received transfer fees to hire more talent, but will consider this money as extra profits, since the demand for talent, in the case of profit maximization, is determined by the marginal revenues. And these marginal revenues of talent are not affected by the received or paid transfer fees. Hence, the demand for talent by the large-market club and the small-market club will not change and so neither will the competitive balance in the league. Nevertheless, a transfer system may enhance the financial viability of small-market clubs.

In the case of win maximization, the small-market club will use the received transfer fees to hire more talent and the large-market club will necessarily hire less talent due to the transfer fees that were paid, which results in a more balanced competition in the league. This is depicted in Figure 27.3, where the market equilibrium shifts from $E_{w1}$ to $E_{w2}$.

It should be noted here that this positive effect on competitive balance will be minimal because, in a small market, a poor club cannot find many talents that can be sold to the rich club. Consequently the European Court of Justice abolished a system that not only was

![Figure 27.3 Transfer system under win maximization](image-url)
ineffective, but also violated the fundamental right of an employee to freely choose his employer. Up to the present day, the world of sport still tends to develop laws and rules of its own that are in manifest violation of social laws.

Another important question is how a transfer system affects the level of player salaries. In order to analyze this, it is necessary to comprehend that a transfer system reduces the player market to a monopsony, i.e., a market with only one buyer of talent, which is the current club or the national sport federation or association. This association – as a cartel of clubs – deploys strict transfer rules as a result of which in the end there is only one employer for a player. After all, if a player does not yield to these rules, he will not be able to be a professional player in a league organized by the sport federation that holds a monopoly position. Thus, the sport federation, being the professional players’ sole employer, is facing an increasing supply curve of talent, because the higher the salary, the more athletes will seek to become professional. In order to attract one more player or talent, the association will need to offer that player or that talent a higher salary. In this case, a non-discriminating monopsonist will have to pay this higher salary to all employed talents. This does not mean that all players are paid the same salary level, because some players have many talents and others have few talents. Consequently the marginal cost curve of talent will increase much more than the talent supply curve, as depicted in Figure 27.4.

A profit-maximizing monopsonist will hire talent until $MR = MC$, that is: $t_p$ talents. Yet the salary that will be paid will not exceed $c_p$. A profit-maximizing monopsonist will not pay a higher salary than $c_p$ if he needs only $t_p$ talents to reach profit maximization. So the powerful position of the monopsonist, being the sole employer of professional players, results in underpaying and exploiting players, because $c_p < mr_p$.

Again, a different picture can be seen when win maximization is concerned: now the monopsonist will hire talent until the average revenue (AR) of talent equals the salary (AR = c). This is the point where the AR curve intersects the supply curve of talent so that $t_w$ talents are hired. The salary is now as high as $c_w$ and that is clearly above the marginal revenue ($mr_w$) so players are now rather overpaid. This point of intersection is at the same

![Figure 27.4 Monopsony under profit and win maximization](image-url)
Do sport clubs maximize wins or profits?

Time also the free market equilibrium so the transfer system does not affect the players’ salaries. When it is the clubs' objective to maximize winning, players are overpaid both in a free market and in a monopsony market \((c_w > mr_w)\). Empirical research supports such predictions (Scully, 1974, 1989; Forrest and Simmons, 2006; Szymanski and Kuypers, 1999).

The consequences of the Bosman verdict

In order to comprehend the effects of the Bosman verdict the contemporary soccer scene in Europe can be analyzed. To begin with, it should be noted that, apart from the abolition of the transfer system, the Bosman ruling also meant that UEFA’s “3+2” rule was in violation of the free mobility of goods and services, capital and labor within the EU. This 3+2 rule stated that a club was allowed to field a maximum of three foreign players plus two semi-foreign players who had played in the country for more than five years. It is the abolition of this rule that reshuffled the talent distribution in Europe. It should be noted, however, that clubs tried to evade the impact of the ruling. After the verdict, clubs extended the length of the player contracts, so buying and selling contracted players on the transfer market simply continued. Only out-of-contract players were free. Another evasion trick was to put heavy pressure on players to sign a new contract before the current one had expired. This way, a player can never reach the end of their contract with a club.

Nevertheless, the abolition of the 3+2 rule has caused a real exodus of all soccer talent toward the major soccer leagues with their vast budgets, resulting in a huge performance gap in international competitions between the top teams in the large and wealthy countries such as England, Spain, Italy, Germany and France, on the one hand, and the top clubs in smaller countries such as the Netherlands, Portugal and Belgium, as well as in the poorer Eastern-European countries, on the other hand. The budget gaps between these clubs were already large before the Bosman verdict, mainly as a result of the increasing broadcast rights during the last few decades. The large revenues from broadcast rights do not depend so much on the size of a club’s local market – Brussels or Amsterdam are not smaller cities than Manchester or Liverpool – but on the size of the national market. England is simply much bigger than Belgium or Holland, and so Manchester United and Liverpool have more broadcast rights than Anderlecht or Ajax. The performance gap increased dramatically after the Bosman verdict (see Kesenne, 2007).

Revenue sharing

In all countries, professional sport federations have established some kind of revenue sharing arrangement between the large-market and small-market clubs. In most cases, the broadcasting rights are redistributed because they make up an ever-growing part of the clubs’ budget. In a number of North American leagues, such as the National Football League (NFL) and the National Baseball Association (NBA), gate receipts are also distributed between the home team and the visiting team.

Economic research has shown that, under profit maximization, these revenue-sharing arrangements do not have a positive effect on competitive balance; they only lower player salaries. This can be explained by the reduction of the demand for talent by both the large-market and small-market clubs if they have to share the extra revenue of a new talent with the other club. Hence, as is depicted in Figure 27.5, the competitive balance will not change: both clubs will reduce their demand and so the new market equilibrium \((E_{n+1})\) is to be found at exactly the same distribution of talent as the former one.
We also see on the vertical axis that the average player salary comes down from \( c_{p1} \) to \( c_{p2} \), which is a logical consequence of a declining market demand and a constant market supply.

Once again the effects of revenue sharing in the case of win maximization are quite different. The small-market club will use the extra money that it receives from sharing to invest in talent and hence its demand for talent will go up. The demand for talent of the large-market team will come down because the large club loses money from sharing with the small club.

Figure 27.6 shows that these shifts of the demand curves move the equilibrium from \( T_{w1} \) to \( T_{w2} \), which is a more balanced talent distribution. We also see on the vertical axis that the average player salary has risen after the distribution, caused by the fact that the increase of a small-market club’s demand curve is larger than the decrease of the large-market club’s demand curve. A simple numerical example will illustrate this situation.

Assume that the large-market club has 100 talents and the small-market club has 50 talents; if a total amount of 1,000 euro goes from the large-market club to the small-market club through the revenue sharing system, then the Average Revenues of the large-market club (\( AR_x \)) would decline with \( 1000/100 = 10 \), while the Average Revenues of the small-market club (\( AR_y \)) would increase with \( 1000/50 = 20 \). Hence, also, the unit cost of talent will increase by this increasing market demand.

The conclusion is that only in a win-maximization league will revenue sharing have a positive impact on the competitive balance. In a profit-maximization league, revenue sharing will lower player salaries; in a win-maximization league, it will raise player salaries.

**Monopolizing broadcast rights**

The most popular revenue sharing system, in the US major leagues and in European football, is the redistribution of television rights. The collective sale and distribution of media rights is
Do sport clubs maximize wins or profits?

common practice in the US major leagues and in most European national football leagues. As was the case with the transfer system, this monopolization of the broadcast rights turned out to be in violation of European competition laws. Europe advocates revenue sharing and more solidarity in European football, but is opposed to a monopoly in the market of the broadcast rights, created by the national football federations (see the “White Paper on Sport,” European Commission, 2007). In most countries, the TV rights are sold by the national federations in a package deal, containing all league games. The collected money is then distributed among all clubs based on specific distribution rules.

It is a widespread misunderstanding that a monopoly of the broadcast rights is necessary for a distribution of the TV money (see Andreff and Bourg, 2006). A distribution is perfectly possible without creating a monopoly. However, the monopoly is probably lucrative for the national federations and the clubs, because more television money can be obtained this way, but it disadvantages football fans who pay too high a subscription fee for too small a number of games that are broadcast. In economic theory, it can be shown that monopolies cause a welfare loss, by reducing market supply and increasing prices. It is also important to know that, in a number of court cases, judges have concluded that the clubs, and not the national federation, are the legal owner of a game’s broadcast rights. Consequently, the clubs can individually sell the broadcasting rights for their home games to the highest bidding TV company. However, this does not exclude the fact that the national federation can take measures for a fair redistribution afterwards. This will probably increase transaction costs by more complex administrative procedures. Furthermore, empirical research has shown that there is no correlation between collective or individual selling and competitive balance (see Peeters, 2009). Moreover, some theoretical research has indicated that decentralized selling, combined with a performance-related redistribution of the money, is the best guarantee for a more balanced competition in the case of profit maximization (Kesenne, 2009).

Figure 27.6 Revenue sharing under win maximization
If neither the transfer system nor revenue sharing have any impact on the competitive balance in a profit-maximization league, is there nothing a national federation can do to make the competition more attractive? In North America, some large major leagues, the NBA (basketball) and the NFL (American Football) have adopted the so-called salary cap, which is actually a misleading term. It is not the individual player salaries that are capped but the club’s payroll; the total expenditures of a team on player salaries, which is in fact a payroll cap. The amount of the cap, which is the same for each team, is determined by a negotiated percentage of the previous season’s average club budget. In most cases, this cap is relevant only for the large and rich clubs; the small clubs cannot even afford to pay the amount of the cap on player salaries. This salary cap can be depicted graphically as an hyperbolic function, because the product of the number of talents \( t_x \) and the unit cost of talent \( c \) can maximally equal the amount of the cap \( \text{cap} \) fixed by the federation, i.e.:

\[
\frac{c}{t_x} \leq \text{cap},
\]

So, the functional form of the \text{cap} curve will be:

\[
c = \frac{\text{cap}}{t_x}.
\] (27.5)

In Figure 27.7 this cap curve is drawn for the big club \( x \) only. The product of the unit cost of talent and the number of talents must not exceed this \text{cap} curve. This actually implies that, given the salary level, the large-market club’s demand of talent is now defined by this cap curve. Hence the market equilibrium is now at the intersection of the demand curve of the small-market club and the cap curve, that is: at \( E_2 \).

\[ Figure 27.7 \text{ Salary cap} \]
Do sport clubs maximize wins or profits?

We can now derive that the distribution of talent or the competitive balance moves from T₁ to T₂, which is more balanced, and that the unit cost of talent comes down from c₁ to c₂ because of the salary cap.

Obviously, the impact of a salary cap in a win maximization league is similar to this result, but now the new market equilibrium is found at the point of intersection of the cap curve and the small club’s average revenue curve (AR), suggesting greater competitive balance still.

Payroll cap of the European Club Association in European football

The European Club Association (ECA), which is an association of the most successful football clubs in Europe, and which was originally called the G-14, has proposed a payroll cap that differs fundamentally from the North American system, discussed above. The proposal, which was to be not more than a kind of gentlemen’s agreement, was to impose a maximum wage/turnover ratio to each club or:

\[ \frac{\alpha}{R_i} \leq \alpha \quad \text{so that:} \quad cap_i = \alpha R_i \quad \text{with} \; \alpha < 1 \]  

(27.6)

where \( \alpha \) is a fixed (at 70 percent by the ECA) wage/turnover ratio. Unlike the North American cap, the maximum amount that a club can spend on player salaries is different for each club, so that a different impact on competitive balance and salary level can also be expected.

Starting with profit maximization, this payroll cap has some resemblance to the macro-economic “share economy” proposal of Martin Weitzman (1984) to fight stagflation. An implication of Weitzman’s labor compensation system, which grants the employees a percentage of a firm’s total revenue, is that the marginal revenue of labor is always higher than the marginal cost. Based on the payroll cap in expression (27.6), \( MC_i = \alpha MR_i \) the profit function can be written as:

\[ \pi_i = (1-\alpha)R_i - c_i^0 \quad \text{where} \; c_i^0 \; \text{is the capital cost.} \]  

(27.7)

So, all profit-maximizing clubs are willing to hire talent until the marginal revenue of playing talent is zero. If all playing talent is looking for the best-paying team, it can be shown that this type of payroll cap worsens the competitive balance. If this payroll cap is binding for both the large- and the small-market club, the new market equilibrium is found at the point of intersection of the AR-curves:

\[ \frac{\alpha R_i}{t_i} = \epsilon \quad \text{or} \quad AR_i = \frac{\epsilon}{\alpha} \quad \text{for all} \; i. \]  

(27.8)

It follows that the profit maximization equilibrium under this payroll cap results in the same equilibrium as in a win maximization league. It can be seen in Figure 27.8 that this will cause a more unequal distribution of talent compared with the market equilibrium in a profit maximization league.

However, the salary level that emerges after the introduction of the payroll cap is not found at the point of intersection of the AR-curves, because the payroll is only a fixed percentage \( \alpha \) of total revenue. Given the objective of the payroll cap, the parameter \( \alpha \) will be
chosen low enough to lower the average player salary level. In Figure 27.8, the new unit cost of talent, or the average salary level, is given by \( c_t^p = \frac{R_t}{l_t} = \alpha AR \).

If the payroll cap is not binding for the rich large-market clubs, because they usually have a relatively low wage turnover ratio, this payroll cap still worsens the competitive balance. If the payroll cap is not relevant for the large-market club but only affects the payroll of the small-market club, the result is also a more unbalanced distribution of playing talent as can be seen from Figure 27.9.
Do sport clubs maximize wins or profits?

The large-market club’s demand curve for talent is still given by the marginal revenue curve \( MR_x \) while the small-market club’s demand is given by the curve \( \alpha AR_y \). The new market equilibrium is found at the point of intersection \( E^f \), also with a more unequal distribution of talent. The unit cost of talent or the average salary level will then be \( c^f \). One can conclude that the proposed ECA payroll cap worsens the competitive balance in a profit maximization league.

In a win maximization league, where a club’s demand for talent is given by the net average revenue curve \( (NAR) \), that is: after subtraction of the capital cost, the free market equilibrium is found where:

\[
NAR_i = \frac{R_i - c_i^0}{t_i} = \epsilon \quad \text{for all } i. \tag{27.9}
\]

If the G-14 payroll cap is imposed, and if the cap is relevant for both clubs, the market equilibrium is again given by expression (27.8) so that both equilibria can be compared. Different outcomes are possible now, depending on the size of the capital cost.

If the capital cost is assumed to be proportional to total revenue with proportionality factor \( k \):

\[
c_i^0 = kR_i \quad \text{so that} \quad AR_i = \frac{1}{(1-k)} NAR_i \tag{27.10}
\]

the distribution of talent, as well as the wage-turnover ratios, will be the same as before, but with a lower salary level.

However, if the wage turnover ratio is lower in the large-market club, the proportionality factor \( k \) is larger, the ECA cap worsens the competitive balance in a win-maximization league. This can be seen by considering the shifts of the demand curves of the large- and small-market club in Figure 27.10. If the free market equilibrium is given by \( E^w \), the point of

![Figure 27.10 ECA payroll cap under win maximization](image_url)
intersection of net average revenue curves, the distribution of talent after the introduction of
the payroll cap is given by point $E^w_\gamma$ with the salary level equal to $\xi^w_\gamma$.

Given the higher value of the proportionality factor $k$ in the large-market club, the $AR$-curve of the large-market club is much steeper. It follows that the ECA salary cap will also worsen the competitive balance in a win maximization league, with an average salary level equal to $\xi^w_\gamma$.

Given that the major concern of the ECA was the sound financial structure of the European football clubs, the point of reference for analyzing the impact of a payroll cap should not be the break-even point. If the financial problems of the small-market clubs were, on average, worse than those of the large-market clubs, the reduction in spending on talent would be stronger in the small-market clubs. So, also in this case the ECA payroll cap will worsen the competitive balance (see Kesenne, 2003).

**Conclusion**

Fairly simple economic theory indicates that the objectives of sport clubs will affect the competitive balance and the level of average player salaries differently. Moreover, the effects of league regulations by the national federations, such as restrictions on player mobility by means of a transfer system or a redistribution of the clubs’ revenues, can also be very diverse. Hence it is essential to know what the sport club’s objectives are. The empirical research still has not found conclusive answers even though some tests have shown that the hypothesis of profit maximization cannot be dismissed (see Ferguson et al., 1991). However, these tests are all based on the ticket pricing rule, and this rule is identical in the win-maximization and the profit-maximization case; so the tests confirm the hypothesis of win and profit maximization (see Kesenne, 2007). More conclusive tests are needed to answer this fundamental question.

**Note**

1 The reference to large and small towns refers to traditional catchment areas for fans. Conceptually the important point here is that clubs face different, unbalanced, access to revenue.

**References**


Do sport clubs maximize wins or profits?


