

# Discussion of "Exclusive dealing in sports after *ESL* and *ISU*", by T. Klein

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# What I found (and liked) in the paper

- The question is very interesting and the paper discusses it in depth
- Two alternative approaches: vertical relations and two-sided markets
- In the vertical relations approach
  - ▶ Clubs and/or athletes provide inputs used by federations to produce championships
  - ▶ Championships are then "sold" to fans, broadcasting and advertising companies and sponsors
- In the two-sided markets approach
  - ▶ Championships are platforms
  - ▶ Various direct and indirect effects between clubs/athletes, fans and companies

## What I didn't find (and missed) in the paper (1)

- Some information about financial flows between the involved actors would be helpful
- Football clubs certainly care about "prestige", but they are also firms with financial objectives
- A richer discussion of clubs incentives is needed
  - ▶ Do they pay a fee to the federation to participate in championships? Or are they paid to do so?
  - ▶ How different is the fee depending on the clubs characteristics?
  - ▶ What is the impact of championship participation (and success) on clubs' revenue sources? And what are they?
  - ▶ What are the financial stakes of prestige?

## What I didn't find (and missed) in the paper (2)

- The federation is also an economic actor. We need to understand its incentives.
  - ▶ What are the amounts of money involved?
  - ▶ Do broadcasters pay to the federation or to the clubs (or both) for the diffusion of matches?
  - ▶ What about advertising?
  - ▶ What about sponsors? Are they sponsoring clubs? Players? The federation? The championship?

## To conclude

- Both approaches offered in the paper (vertical relations and two-sided markets) point at IO models and describe an industrial structure but...
  - ▶ do not define the strategy sets
  - ▶ do not define players' payoffs
  - ▶ do not define the timing of the game
- This is a bit frustrating for a typical IO guy (like me)
- Still a very nice paper I enjoyed a lot reading