Assessing Customer Discrimination in NCAA College Basketball Television Viewership

Byungju Kang, University of Georgia
Steven Salaga, University of Georgia

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Since Kahn (1991) first categorized four manifestations of discrimination in professional sports, discrimination has been extensively studied by sport economists due to readily assessable data on the performance and compensation of athletes and coaches not found in other industries (Longley, 2006). Customer discrimination is of particular interest in this study not only because it cannot be eliminated by competitive market forces (Kahn, 1991), but also because it seems to be the most likely cause of other forms of discrimination (Romei & Ruggieri, 2013).

A common approach in customer-based discrimination studies is to examine the relationship between the racial composition of players and related customer preferences. Previous studies have addressed this topic by examining sports memorabilia prices (e.g., Nardinelli & Simonm 1990), fan voting for all-stars (e.g., Hanssen & Andersen, 1999), and stadium attendance (e.g., Brown, Spiro, & Keenan, 1991). Television viewership as a proxy of demand is preferred over match attendance not only because it represents a more diverse consumer base, but also it allows for the ability to identify consumer preferences for ex post factors such as in-contest contest characteristics (Chung, Lee, & Kang, 2016). However, due to data accessibility, television viewership studies on customer discrimination are limited and only a few studies are known to exist (Aldrich, Arcidiacono, & Vigdor, 2005; Jane, 2015; Kanazawa & Funk, 2001).

Accordingly, this study empirically examines the relationship between the racial composition of the competing teams and television viewership in college basketball. The data utilized include all nationally-televised regular season and post season conference tournament contests in NCAA Division I men’s college basketball in the 2013-14 and 2014-15 seasons (1,860 total observations). Our dependent variable is the total number of viewers for a given contest provided by the Nielsen Company and collected at SportsMediaWatch.com. All independent variables are publicly available. The general form of the regression equation follows:

\[ V = f(\text{Anticipated contest quality, Actual Contest Quality, Temporal Factors, Consumer Availability}) \]

where viewership (V) is a function of anticipated contest quality (e.g., Pomeroy ratings and closing line point spread), actual contest quality (e.g., difference between closing line point spread and final scoring margin), temporal factors (e.g., day of week and month of season), and consumer availability (e.g., channel). Our variables of interest are the ratio of White, Black, Hispanic, and other races of athletes on a team roster, respectively, as well as the ratio of minutes played by the aforementioned races.

Albeit this study has yet to be concluded, preliminary analysis suggests after controlling for all other factors, viewership decreases for every additional White player on a team roster. Similarly, viewership also declines with every additional minute played by White and Hispanic players. Opposing previous research, the results indicate that contests with more Black players enjoy significantly higher viewership. This suggests potential customer discrimination against White and Hispanic players. The results indicate customer preferences related to race are strong and an important factor of viewership. Further implications in terms of potential policy will be presented at the conference.