



Euro 2016: But will the Germans win?

Home may be where the heart is despite all odds

ING International Survey special report – Cup-o-nomics 2016

thinkforward



This survey was conducted by Ipsos on behalf of ING



Sporting passion at home to the fore for Euro 2016

The home team is a natural choice for fans, age and gender may have less impact in ING International Survey

Football – especially large international tournaments like Euro 2016 – is great fun and no one should take it too seriously. Nevertheless, it's clear from our findings that sports events can also shine a light on certain natural human foibles and tendencies.

In the ING International Survey – Cup-o-nomics 2016, around 1,000 people in each of 13 countries across Europe (500 in Luxembourg) were surveyed by online poll between 18 March and 6 April 2016. European consumer figures are an average, weighted to take country population into account.

Results indicate how people think about sport and how emotions in particular can affect choices. Many of us love to support our own favourite sports team or athlete – but how much of this is down to a natural home team bias?

“Many people may follow their feelings rather than make a rational decision when choosing who to support”

Backing the home team

Many people may follow their feelings rather than make a rational decision when choosing who to support. When people are asked which team they will support, 64% of all respondents choose their own country. If those who don't support a team are excluded, the share rises as high as 79%.

Many people may also offer support to neighbouring countries when asked to make a second choice.

However, when asked who they think will actually win, more people vote for Germany than any other team. Current champions Germany have won the FIFA World Cup four times and the European championships three times. Bookmakers in April also favoured Germany.

Yet our survey finds that those who support their home team also often expect them to win. Eighty percent of people in Italy and Turkey support their home team – the highest share in the survey. More than one in four Turks and Italians with an opinion expect their team to win – but bookmakers rate their chances much lower.

What is your team “worth”?

The Spanish team – which won Euro 2008 and 2012 tournaments – could be worth €658 million when the estimated transfer costs of all 23 players are added.

The most expensive player on the Spanish squad is mid-fielder Sergio Busquets (value €47 million). Busquets' “value”, however, is less than half the highest valued Euro 2016 player: Portugal's Cristiano Ronaldo, whose estimated worth is €103 million..

Will these estimated values be reflected in the final results? Until the final whistle is blown, nothing can be certain – which is, of course, part of the fun.

Still, our findings confirm that most people, however passionate, are only prepared to spend small sums at

best to see their idols perform, or for the chance of a win for their national team. This reluctance to spend may partly reflect a difficult economic environment.

How much will people pay?

In all countries except Turkey and Poland, most people say they would not pay anything to see their team play if they made it to the final.

Turkey appears in our survey to be the home of the “super fan”. Not only do people in Turkey say they'd pay for a last-minute ticket to watch their team in the final, but they appear keener to sacrifice a portion of earnings or give up their mobile phone for a month to secure a win.

Home bias might be expected to play into a desire to make a sacrifice – as might other well-studied behavioural foibles, including overconfidence, loss aversion and availability bias.

While men (86%) are somewhat more likely than women (76%) to support a Euro 2016 team, most responses are broadly similar across age and gender. This may be a surprise to some observers.

Ian Bright, senior economist
Fleur Doidge, writer/editor



A sporting chance?

Many people love to support their favourite sports team or athlete – but how much of this passion is based on the phenomenon of home bias? This thinking trap has been widely documented; people do tend to exhibit a natural bias towards their home country. But home bias can also encourage errors of judgement: what might it cost fans of Euro 2016?



Many may follow their hearts – and lose money

In the ING International Survey, 64% of respondents favour their national team most – although they may also support neighbouring countries for their second choice.

If the views of those who don't support any team are excluded, the share of home-team supporters rises to 79%.

In the table opposite, the 11 countries with a Euro 2016 team are ranked with the highest share supporting their home team at the top.

The countries with high support levels for their national team as well as relatively high expectations of first place may be exhibiting more home bias. People in some countries – Poland for instance – may have a high share who support their home team, but most do not expect to win.

Italy, Turkey and Spain show the most home bias. In Spain, which won Euro 2008 and 2012, feelings of home bias may be more based on reality. People's expectations of a win may be based on successful past performances.

Others may follow their feelings above all when deciding who to support. If having a friendly bet, it might be worth comparing expectations of a win with actual bookmaker odds – see p10.

Investing in home bias?

In finance, home bias is a term used when people are inclined to put more money into their home country than may be prudent. This phenomenon, documented by a lot of research, means they are less diversified – breaking one of the main rules of investing. Of course, people are typically more familiar with conditions where they live – meaning they can be overconfident and neglect alternatives.

Does home team passion match reality?

	Support for the home team	Expect home team to win?
Italy	80%	28%
Turkey	80%	27%
Spain	73%	54%
Poland	72%	18%
Romania	65%	10%
Germany	59%	55%
United Kingdom	58%	12%
Czech Republic	58%	11%
Belgium	56%	26%
Austria	50%	10%
France	49%	23%

Meet the dream team – how football values its talent

How deep a pocket would you need to buy a Euro 2016 football team? The ING International Survey, using transfer estimates for major league players from global football industry database Transfermarkt, shows the “dream team 2016” hails from Spain.

The Spanish team – which won the Euro 2008 and 2012 tournaments – is worth €658 million when the estimated transfer cost of all 23 players expected to be on the squad is added. The most expensive player is mid-fielder Sergio Busquets (estimated value €47 million).

Busquets’ figure, however, is less than half the estimated value of Portugal’s Cristiano Ronaldo (€103 million). Ronaldo’s estimated “worth” is higher than that of nine individual squads and than any other player on a Euro 2016 squad.

Second most expensive single player is Gareth Bale, who plays for Wales. His estimated €75 million transfer cost is nearly half (47%) the total amount for the entire Welsh team.

After Bale, the next most expensive player is German forward Thomas Muller, with a listed Transfermarkt “price” of €70 million.

Can “a bag of money” score a goal?

Is there a risk that Hungary could beat Germany? Comparing the estimated value of the teams, one might say “no”. Yet in sport, anything can happen – which keeps things exciting. As the late Dutch football legend Johan Cruyff reportedly said: “Why couldn’t you beat a richer club? I’ve never seen a bag of money score a goal.” Until the final whistle is blown, nothing is certain.

Can money buy you victory?

1	Spain	€658m	13	Russia	€135m
2	Germany	€566m	14	Ukraine	€120m
3	France	€493m	15	Austria	€119m
4	Belgium	€452m	16	Slovakia	€85m
5	England	€447m	17	Republic of Ireland	€83m
6	Italy	€314m	18	Sweden	€81m
7	Portugal	€305m	19	Czech Republic	€65m
8	Croatia	€260m	20	Romania	€59m
9	Poland	€174m	21	Iceland	€40m
10	Turkey	€171m	22	Albania	€38m
11	Switzerland	€170m	23	Northern Ireland	€35m
12	Wales	€160m	24	Hungary	€28m

Values in euros are based on predicted composition of national Euro 2016 squads, using combined Transfermarkt data on “friendly” and extended national squads and players in April 2016

Do you qualify as a “super fan” of Euro 2016?

Some observers might expect Germany to be the home of the super fans, given the team’s history of wins and strong performances. However, based on the four measures detailed opposite, ING finds the most enthusiastic Euro 2016 fans are people in Turkey.

In Turkey, people strongly support the home team and seem keener to buy a last-minute ticket to see their team play in the final, or sacrifice earnings or their mobile phone temporarily for a win.

Second, third and fourth spots go to people in Poland, Romania and Italy – with fans in Germany only in sixth place. Two other past strong performers, Spain and France, also come well down the “super fan” rankings.

Perhaps repeated wins that become almost “expected” by supporters can act to reduce the amount of passion involved. This can be an example of adaptive expectations, where the pleasure or displeasure felt from a change of circumstances fades as the change is sustained.

In all countries except Turkey, Poland and Romania, most people say they would not pay anything at all to see their team play in the final.

Does age or gender matter?

Perhaps surprisingly, the survey did not find a noticeable difference by gender or age in tournament support. Men (86%) are somewhat more likely than women (76%) to support a team, and older age groups may possibly be less enthusiastic about Euro 2016 than younger people. Women in Italy (86%) and Turkey (95%) appear about as likely to support a Euro 2016 team as the men (94%, 98%).

Home of the super fans

1	Turkey
2	Poland
3	Romania
4	Italy
5	United Kingdom
6	Germany
7	Austria
8	Spain
9	Czech Republic
10	France
11	Belgium
12	Luxembourg
13	Netherlands

Countries are ranked on their responses in each of four measures:

1. The share who support a team;
2. Those who would give up 1% of income for a win;
3. The proportion who would give up their mobile phone for one month;
4. The share who would buy a ticket to the final.

The results are then added up to reach a final ranking, where 1 is highest and 13 lowest.

Turkey and Poland lead field in salary sacrifice for the cup

Winning isn't everything, as the saying goes. However, a proportion of people in Europe say they would give up 1% of their earnings for their favourite team to win Euro 2016.

Fifty-four percent of respondents in Turkey who supported a team indicate they'd be prepared to sacrifice a portion of salary to ensure their team won, compared with 42% of people in Poland and 33% in Romania. Responses from these three countries push the European consumer average to 24%.

While other nations remain passionate about a Euro 2016 win, most are not prepared to lose even 1% of annual earnings to achieve one.

The smallest share of people who say they'd sacrifice annual income is in Luxembourg, which does not have a team in Euro 2016.

Yet even in Spain – with a highly successful team and a reputation for passion – only 12% of people say they'd give up earnings in return for the trophy. Adaptive expectations may come into play here – see also the results for Spain, Germany and France in the “super fan” rankings on p6.

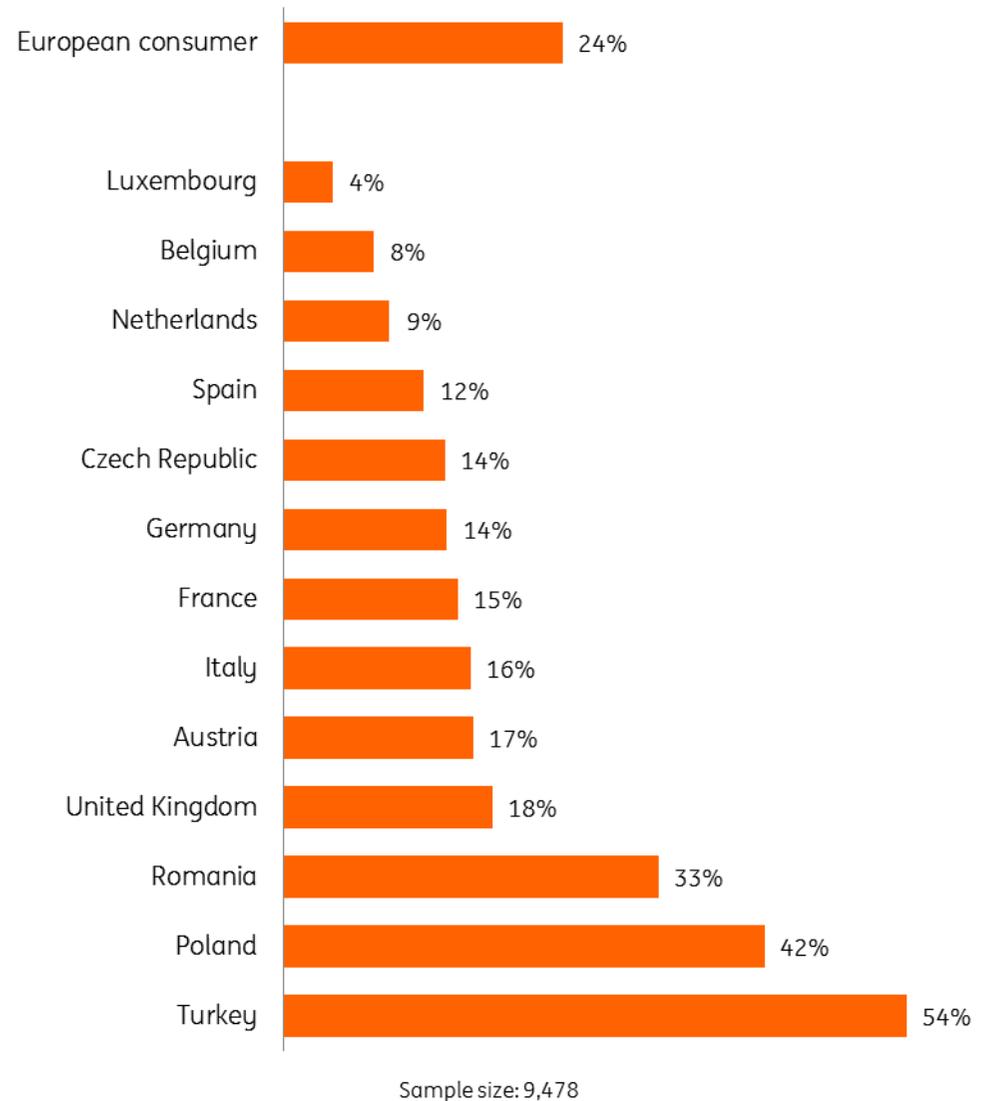
Ten cities across France are hosting the tournament – but just 15% of people in France say they'd give up a portion of annual earnings to secure a win.

People across Europe may love sport, particularly football, but the ING International Survey suggests passion is typically reined in when it comes to a potential loss of income – especially in a difficult economic environment.

The question

Would you be prepared to give up 1% of your annual income in 2016 for the team you support most to win Euro 2016?

Percent saying “yes”. Asked only to those who supported a team.



Football fun not worth the mobile phone penalty

Many people say they would be lost without their mobile phone.

ING's Euro 2016 survey suggests people might be slightly more likely to give up their mobile phone temporarily than a percentage of their earnings to ensure a win for their chosen team.

Again, Turkey, Poland and Romania are the three countries most likely to make the sacrifice, with 42% of people in Turkey saying they'd give up their mobile phone for a month if that would secure first place.

Germany, the UK and France hover around the European average of 26% in this question.

If anything, the average may seem low – correlating closely with the share who would give up 1% of income – for a choice which amounts to a short-term loss or inconvenience.

When it comes to Cup-o-nomics, it seems even people who are passionate about an activity or a form of entertainment, like watching football, tend not to add financial risk to the chance of a team loss.

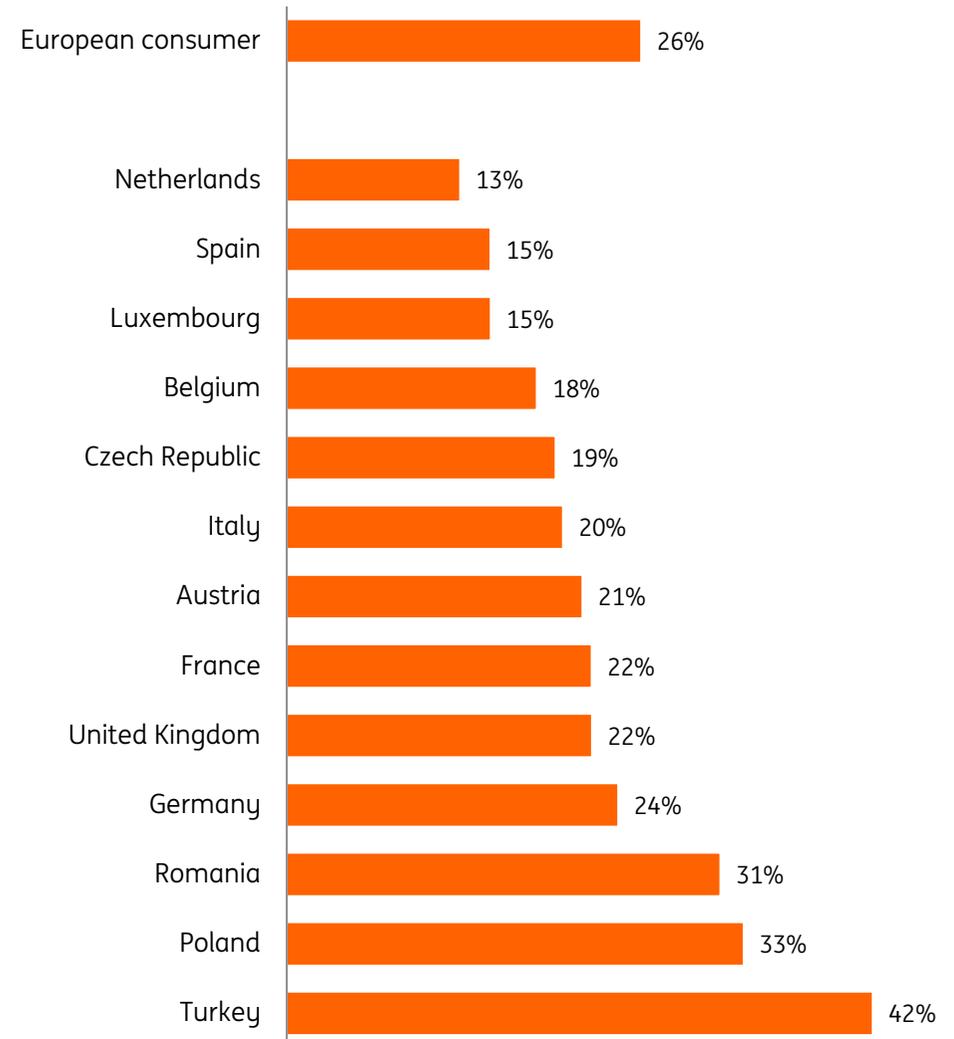
Endowment versus entertainment

The small difference in responses between those prepared to give up income and those who would abstain from their mobile phone may seem surprising. However it may be a demonstration of the endowment effect. Because people tend to value items they own more highly than their actual worth, they are reluctant to give them up. Even keen Euro 2016 fans may be unwilling to sacrifice much.

The question

Would you be prepared to give up your mobile phone for a month for the team you support most to win Euro 2016?

Percent who said "yes"



Sample size: 9,478

Few prepared to pay much to see favourites at final

Research concluded in 2014 by Dr Thomas Gilovich at Cornell University claimed that investing in experiences, instead of material possessions, may make people happier in the longer term.

As the cost of entertainment continues to rise, it might make sense to wonder about the “real” value of an experience.

The ING International Survey asked people across Europe how much they would pay to see a favourite team play if they reach the final – and nearly half (49%) are not prepared to pay anything to attend such a match. The exceptions are people in Turkey and Poland.

Few from any country are prepared to pay €200 or more.

The survey also asked all respondents how much people would pay for a private one-hour conversation with their favourite footballer – 78% would not pay anything. Seven percent state they would pay €50 or less and 7% would pay €50 to €125.

People may, quite sensibly, balance their budget against perceived longer-term value before deciding to pay for an “experience”.

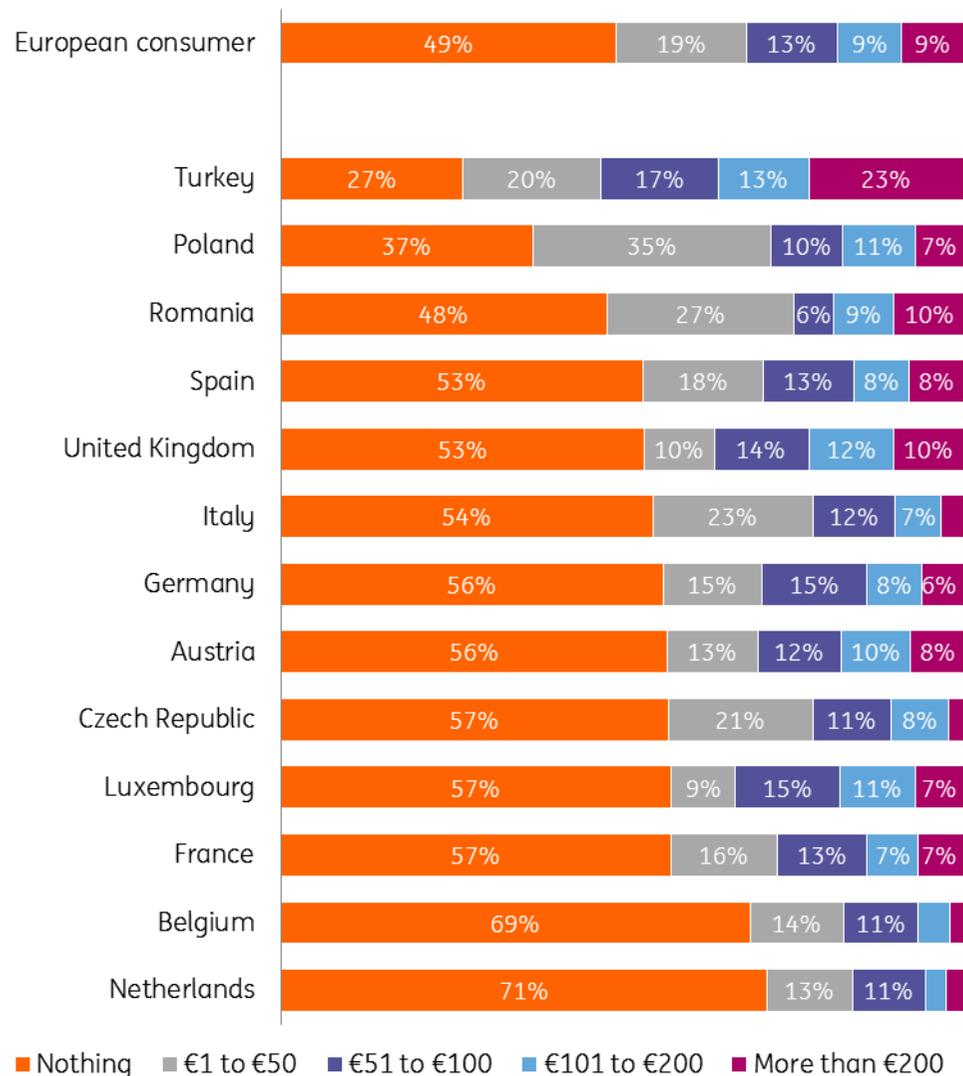
Interpreting the news

Newspaper reports of individuals who pay large sums to attend high-profile events can play to our natural human tendency towards availability bias. It can be easy to feel as if you’re missing out. But these high-profile media stories effectively conceal the much larger share who are not prepared to offer financial support even to see “their” favourite team play.

The question

If the team you support most were to reach the final for Euro 2016 and it was still possible to buy a ticket for the match, how much would you be prepared to pay for it?

Asked to those who indicate they support a team for Euro 2016



Sample size: 9,478

Look before you leap into that office football pool

In the ING International Survey, approximately 24% of people across 13 countries in Europe say they plan to compete against friends or colleagues to guess who will win Euro 2016.

The largest share who plan to participate in an informal sweepstake or pool is in Turkey, with Spain and Romania not far behind.

People appear least tempted to take part in Luxembourg, which does not have a team playing. Yet interest in the Netherlands, the other surveyed country without a team, is at 19% not far below the average.

Perhaps surprisingly, given their surveyed expectations for a win, only 18% of Germans say they'll take part in a pool.

Friendly office sweepstakes typically only involve a small sum of money, if anything. Often, people's wagers are picked at random – for instance, individuals are asked to pick numbers blindly out of a hat or other container.

Joining in with an office sweepstake can be an easy, fun way to share in the excitement of a major sporting event, whatever the odds of a win and with limited fear of loss.

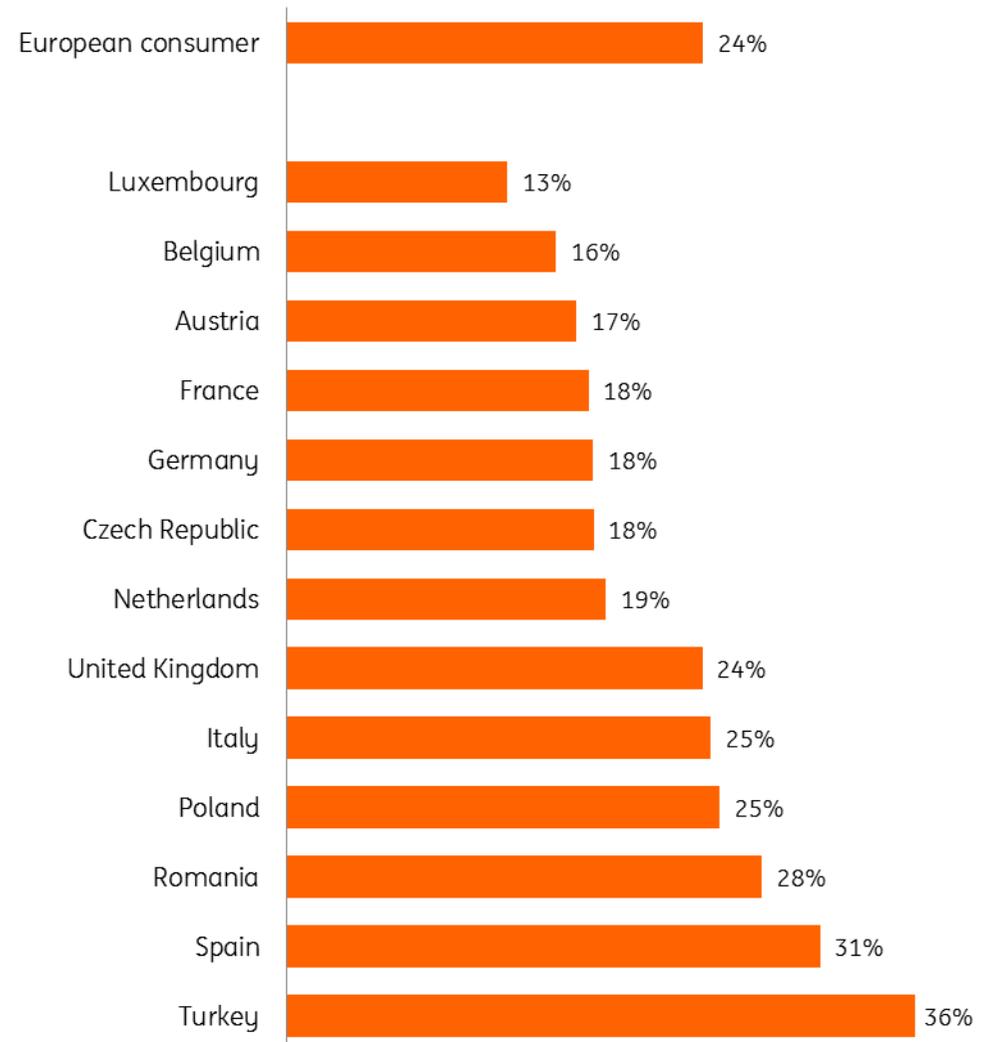
And what do the bookmakers say?

Bookies in April gave Germany and France a 20% chance of winning. In our survey, 55% of Germans and 23% of the French expect a home-team win. And bookies gave Turkey just a 1% chance – but 27% of Turks say they expect to win. In a friendly wager, it might make sense to bet against Turkish friends, or with the French. Of course, this cannot be construed as advice.

The question

Do you plan to participate in a pool for Euro 2016?

Percent saying "yes". Asked to everyone.



Sample size: 12,561

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