

# Value co-creation in the Australian Football League (AFL): a service-dominant logic (SDL) approach to an old problem

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## Aim of the Abstract

Marketing segmentation focuses on individualistic consumer behaviour or emphasises collective demographics. Both provide little information about social behaviour if target markets consume the product in groups, as in sports (i.e., sporting communities).

Service-Dominant Logic (SDL) states service systems offer opportunities for value co-creation via the interaction of people, technology and shared information (Vargo & Lusch, 2008). This study extends the SDL paradigm into sports fandom, exploring how consumers obtain value from sport involvement using sociological, group consumer behaviour and SDL frameworks. The two main constructs under scrutiny are: (1) 'types of sporting communities' to discover the ethos and structure of different fandom groups; and (2) 'fan value co-creation behaviours' to map the activities that co-create value for the members and their Australian Football League (AFL) team, via SDL.

## Literature Review

The concept of community has evolved since the nineteenth century. In the field of marketing, fragmented studies explored the theme. Nonetheless, they mistakenly used the terms (1) 'brand community' (e.g., Muniz & O'Guinn, 2001), (2) 'subculture' (e.g., Schouten & McAlexander, 1995), and (3) 'neo-tribe' (e.g., Cova, 2003) interchangeably, although later research found them to be discrete concepts.

It has been argued the different types of sporting community are merely different terms scholars coined when analysing group affiliation through the consumption lens. However, Cova (2003) and others found these communities had contrasting attributes yet this has never been scrutinised and tested in the sporting environment. Similarly, while Schau, Muñiz, and Arnould (2009) proposed a four-factor construct identifying and clustering all SDL activities, namely (1) social network, (2) impression management, (3) community engagement, and (4) brand use – no scale has been developed to measure this. Neither have SDL studies

incorporated other types of community rather than brand communities and organisations.

## The Research Problem

The research problem is to clarify how each 'sporting community' (i.e., brand community, marginal subculture, and neo-tribes) co-creates value for their AFL clubs via the four sub-factors (i.e., social network, impression management, community engagement, and brand use) of the 'fan value co-creation behaviours' model (based on Schau, et al., 2009). The literature indicates that each sporting community has specific preferences and behaviours. The lack of a quantitative instrument with items designed to measure both models demands a scale be developed.

## Methodology

A multi-method approach is adopted to explore AFL supporter's group behaviours. A phenomenological study will gather and analyse the data to identify themes to be discussed in the interviews and focus groups. The first stage comprises: (1) a convenience sample of fans ( $n < 20$ ); (2) 15 focus groups of fans from three professional AFL teams ( $n = 45$ ), and (3) ten depth interviews ( $n = 10$ ) to refine the scale.

In the quantitative stage, the draft scale will be pre-tested on University student AFL fans ( $n > 250$ ) to refine the items. Exploratory Factor Analysis (EFA) will be used for the screening and a Confirmatory Factor Analysis (CFA) performed on remaining items. Structural Equation Modelling (SEM) will be undertaken to propose a model of the interrelationships between the constructs. Specific hypotheses will then be developed. After, the refined scale will be tested for validity and reliability using a larger sample of AFL supporters ( $n > 1,500$ ). The data analysis of this major study will validate and/or refine the: (1) instrument, (2) prototype conceptual model, and (3) proposed hypotheses.

## Results and Implications

Data collection is ongoing and preliminary results will be available in July 2012 and by August 2012 a draft scale will be developed to initiate the final quantitative testing.

Results are expected to confirm that value is differently co-created by each type of sporting community (brand community, subculture, and neo-tribe), and highlight that sporting brand managers should focus their efforts on promoting and managing the interactions and relationships amongst members because, under the SDL paradigm the maximisation of fan's value is the key to boosting club income, match attendance, club involvement and loyalty.

Sporting managers and marketers will benefit by better understanding how clubs can facilitate value creation activities among fan groups. Furthermore, by showing how each type of sporting community differently co-creates value, practitioners may use this model to: (1) segment their public by type of sporting community affiliation considering their group social and purchasing behaviour (i.e., segmentation based upon group behaviours); and (2) develop improved marketing plans targeting members of each type of community so they generate value for themselves and their club. This cutting-edge application of the SDL framework to

sports marketing will provide new opportunities to both fans and clubs in the increasingly competitive world of professional sports.

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