

## The sport value framework – a new fundamental logic for analyses in sport management

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### Abstract keywords

Sport Value Framework, Value Configuration, Value Co-Creation, Service-Dominant Logic, Sport Management Models

### Management models and the nature of sport management

Many sport management approaches are based on economic theory which characterizes sport competitions as team production processes. Therefore, sport market models interpret sport as something which is “produced” (Parks, Quarterman, & Thibault, 2011). In Parks et al.’s (2011) text book, for example, three different models are used to describe the sport industry. These models are based on the understanding of sports competition as a production process with more or less additional services.

However, a number of unique characteristics in sport management (e.g. mixture of volunteers and professionals, cooperation, events sold directly and via different media, emotional customers) are not reflected in these models. Therefore, our conceptual work will address some of these characteristics and show why using alternative models of value creation will lead to better analyses, and hence, to better strategies in sport management.

We will use sport events as an example. However, the sport value framework (SVF) we develop should be understood as a general approach for analyses in sport management.

### Value configurations in sport management

Porter’s value chain framework (1985) is the common standard for the analysis of value creation in sport organisations. For sport events, the primary activities of the value chain have to be rearranged because events are sold before they are produced. Moreover, two or more value chains (one for each team involved) have to be connected.

The core of value creation through sport events lies in coordinating activities (linking teams or athletes who compete). The transformation of inputs into products as captured in the value chain does not sufficiently explain value creation in this case.

Hence, more suitable value configuration models (value shops, value networks) must be applied (Stabell & Fjeldstad, 1998). Particularly, the ‘value network’ should be used for the analysis of sport events because it sees the event organiser as a mediator who links different partners in order to create the event (Woratschek & Schafmeister, 2005).

### Service-dominant logic

The alternative value configurations presented above are a first step towards a better understanding of the nature of sport management. However, these approaches assume that value is produced by firms and delivered to the customers. But, in sport events the fans themselves contribute considerably to the value created. For some fans the competition itself is even not important at all. In marketing literature, this joint value creation by firms, organisations and the customer is referred to as “value co-creation” which is one of the central tenets of the service-dominant logic (SDL) (Vargo & Lusch, (2004). SDL argues that ‘service’ (the application of knowledge) is at the centre of economic exchange. In our opinion, SDL provides insights which have the potential to better help us to understand sport management problems and therefore, we will build on it in our conceptual work.

### Value configurations and SDL

If SDL is used as a lens through which we look at sport events, it is obvious that value is co-created by firms and the fans. Therefore, the value creation configurations have to be further developed, which we will demonstrate using sport events as value networks as an example.

First, an event is a value proposition of the organiser and all firms involved to the customer (the fan) who determines value. Second, the supply side is a (value) network of various organisations (value chains, shops, and networks) which jointly offer the sport event. Third, the demand side consists of different customer segments. Consequently, value creation occurs within a complex system which needs to be accounted for in sport management models.

### Evolving a sport value framework

Based on these considerations, we propose a sport value framework (SVF), which allows a better understanding of phenomena in sport management. The sport value framework consists of different levels depending on the analyser’s perspective.

Level 1 illustrates the relationships in the market system according to SDL in a holistic way. Level 2a shows the different roles of social and economic actors on the supply side and level 2b those on the demand side as well as their relationships. Level 3 is focused on the analysis of single social and economic actors. This level is the link to existing approaches in (sport) marketing, where we find a rich body of research dedicated to an understanding of the actors in the field of sport. We think, building this bridge between traditional sport marketing and management thinking and our newly developed SVF is important, because the perspectives of the levels 1 and 2 are new in sport management.

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## "Identification and re-engagement of lapsed consumers": empirical studies in the fitness industry

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### Introduction

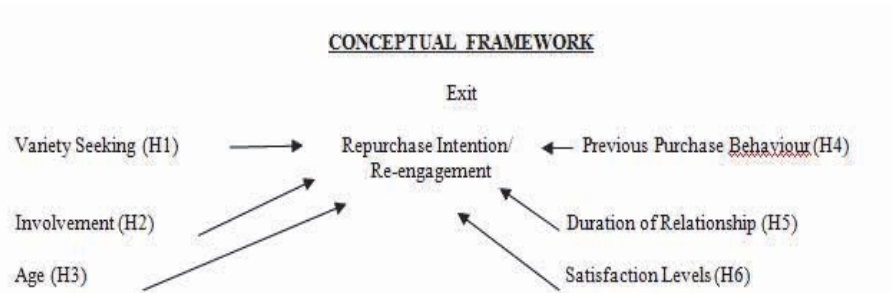
In a previous study by this author, only 52% of Irish health and fitness providers source why members discontinue membership of health clubs. Strauss and Friege (1999) emphasise the value of recaptured customers through their regain management model while Bolton et al., (2000) and Thomas et al., (2004) suggest that price impacts upon the reactivation of lapsed customers. Homburg et al., (2007)

note customer and relational characteristics as antecedents of revival performance while Robinson et al., (2010) build on this model.

### Aim

This study seeks to:

1. Identify factors influencing the propensity of members to lapse or discontinue membership of health clubs (Study 1)
2. Examine factors influencing the propensity of lapsed members to reactivate or re-engage with health clubs (Study 1)
3. Test reactivation incentives to reengage the lapsed member market (Study 2)



The conceptual framework above proposes to test the following hypothesis:

**H1** Intention to repurchase is negatively influenced by high variety seeking members who are more likely to exit and less likely to re-engage

**H2** Intention to repurchase is positively influenced by member involvement with frequent attendees less likely to exit and more likely to re-engage

**H3** Intention to repurchase is positively influenced by age with older members less likely to exit and more likely to re-engage

**H4** Intention to repurchase is negatively influenced by previous purchasing behavior with members who have a history of switching clubs more likely to exit and less likely to re-engage

**H5** Intention to repurchase is positively influenced by duration of membership with longer term members more likely to re-engage

**H6** Intention to repurchase is positively influenced by satisfaction levels with members reporting high satisfaction levels less likely to exit and more likely to reengage

### Research methodology & preliminary findings

**Study 1** involved a mail survey of 100 lapsed members to identify factors influencing the propensity of health club members to lapse or discontinue membership of health clubs. A 38% response rate was recorded.

### Preliminary results

An initial descriptive analysis of the survey revealed that 66% reported the club could have done nothing to prevent them discontinuing membership while 85% had not rejoined

another health club since discontinuing membership. 54% would consider rejoining the same health club if offered an incentive such as a price reduction (38%) or salon gift token (8%). Study 2 seeks to test these reactivation incentives to re-engage the lapsed member market.

Further analysis of study 1 will involve a more comprehensive analysis of the findings in order to test the hypothesis outlined in the conceptual framework above and will be available for conference presentation if accepted.

**Study 2** involves an experimental design to test incentives to reactivate the lapsed member market who will be offered a postal incentive of price reduction or salon gift token to entice reactivation of membership. The findings will be available for conference presentation if accepted.

### Implications & conclusion to date

Clearly the lapsed member market represents a unique opportunity for health and fitness providers to recover lost business with 54% of lapsed members in this study reporting to be predisposed to re-engagement. Study 2 proposes to test this lapsed member market and willingness to re-engage by offering reactivation incentives which provides a more

cost effective means for health and fitness providers to gain business in what is an increasingly competitive industry. Further analysis of study 1 and completion and analysis of study 2 will provide for a more thorough discussion of results/findings and implications for research and industry.

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## Customer-to-customer interaction in service eco-systems – measuring its contribution to customer value and the customers' willingness-to-pay for in case of a sport event provision

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### Abstract keywords

services marketing, customer-to-customer interaction, crowding, value co-creation, service-dominant logic

### Aim of abstract/paper - research question

A lot of services offered, so-called collective services, are used by a group simultaneously, e.g., public transport, a theatre play etc. In these cases (and a lot of others, of course,) customers usually interact with each other – and therefore they can one another disturb and/or enhance the service quality perceived (e.g. Grove & Fisk, 1997).

The purpose of this paper is to open up customer-to-customer-interaction (CCI) for a specific collective service: sport event provision. We focused on the "bright" side of CCI and, therefore, on answering the following two research questions:

1. How much is the contribution to customer value that stems from CCI?
2. What is a customer willing-to-pay for CCI?

### Theoretical background

Following Service-Dominant Logic the users of a collective service form a service eco-system – understood as a specific arrangement of resources that interact to co-create value (Lusch, Vargo & Tanniru, 2010). Resources can also be people, e.g. friends, family members or strangers – or, as in our case, visitors of a sport event: They interact and produce jointly the atmosphere at the location. Firms are well-advised to try to manage such service eco-systems.

According to Feehan (2006), in case of a sport event, the customer value due to CCI is the result of what he calls the "crowding-in effect": Crowding-in effects "assume that consumer utility depends upon how full the stadium is (that is,

capacity utilization) in that a capacity crowd improves the atmosphere at the game and adds to the sense of occasion" (p. 95).

### Methodology, research design and data analysis

As object for investigation we chose matches of a club of the first German football league, a collective service that on average 50,000 customers consume simultaneously. We interviewed football fans in the region of the club we cooperated with (n=781). The survey form, ten pages in length, included demographic information, questions about the respondent's sport consumption and the task to evaluate nine offerings (four attributes with each three levels including a measure for expected degree of capacity utilization). To determine the (relative) contribution of CCI to customer value and to estimate the willingness-to-pay we analysed the data by applying a conjoint analysis (Hair, Black, Babin, Anderson & Tatham, 2006; Jedidi & Zhang, 2002).

### Results, discussion and implications/conclusions

Companies offering service eco-systems might be able to commercialize CCI: 21% of customer value is according to our findings due to CCI. The club's customers are up to pay – on average – additional 10 Euro for the best level of CCI, i.e. for a match that is expected to be a sold out.

The paper offers a conceptual as well as methodological basis for the measurement of co-created value in all forms of spectator sport.

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# Exploring co-competition strategies in sport tourism: the central role of non-for-profit nautical sports clubs of the northern french coast

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## Aim

This paper studies the implementing of co-competition strategies between nautical sports clubs. More specifically, it is hypothesized that the non-for-profit organizations - thereafter called associations - draw from their capacity to work with competitors to overcome their internal weaknesses (i.e. amateurism with regards to supervision and administration as well as financing problems).

First, this contribution reveals the existence of co-competition within the sector. Second, the external development opportunities result in a panel of observable strategies which are described and discussed. Such strategies involve interplay between private non-for-profit, private for-profit and public organizations.

## Theoretical background

Co-competition is a neologism that defines a hybrid behavior of cooperation and of competition within a firm, between firms or at the scale of the network. It aims to create a value by fending off competitors, pooling resources and/or exchanging ideas (Dagnino & Rocco, 2009).

Emerging research on professional sport shows that clubs from League 1 simultaneously implement strategies of collaboration and competition during the season. Robert et al. (2009) identified that football clubs benefited financially from negotiating some resources together. They also suggest a typology of three types of clubs: the efficient (they keep their players and rarely use co-competition strategies), the merchandiser (strongly benefit from merchandizing), and the co-competitor. For the latter type, results show that clubs favoring cooperative co-competition insured very good financial profitability while having access to top players. This research also emphasizes the role of the professional governing bodies (here the *Fédération Française de Football*) in the optimization of crucial resources such as broadcasting rights. Vernhet et al. (2011) also postulate that such co-competitive strategies can also be mediated through the leagues, acting as brokers for the clubs. Both studies identify co-competitive strategies in professional sports clubs. However, outside of the realms of professional sports, one may wonder if amateur sports clubs equally resort to these hybrid strategies.

In the tourism industry, the idea that companies have to cooperate and share in the responsibility for tourism quality growth has emerged with 1992's World summit in Rio. However, co-competitive strategies in the tourism industry haven't been discussed academically until 2007. Indeed, Mariani (2007) first describes emergent co-competition

strategies and introduces the concepts of imposed cooperation and induced co-competition. Building upon this research, Kylanden & Rusko (2011) identify intentional and unintentional co-competitive behaviors between for-profit companies and between these companies and the public sector at a Finnish tourism destination (Pyhä-Luosto). Their findings suggest that such co-competitive strategies had a positive effect on competencies, marketing efficiency, and strategic regional development.

## Methodology

An in-depth qualitative approach was used for the study as it is consistent with our exploratory and descriptive aim. Therefore, on-site observation, both participatory and non-participatory, has been undertaken along with text-based data gathering and semi-structured interviews (n=12) (seven associations (non-for-profit) as well as four public organizations and one for-profit company working with nautical sports associations). The clubs have been chosen based on the quality of their development (their capacity to hire and the size of their budget). Each interview was conducted within the framework of a SWOT analysis (Strengths, Weaknesses, Opportunities, Threats), in order to identify the external factors (conjuncture, competition/cooperation, customers) and the internal factors (management, equipment, manpower, money, marketing) that influence the strategy. Each interview lasted between 45 minutes and 1:45 hours, and was the subject of an analysis following the protocol: study of the professions, general policies, financial analysis, SWOT analysis of each domain of strategic activity, synthesis.

## Results and discussion

Six types of co-competition strategies are described, and advantages and disadvantages of each observed types are discussed. The following examples illustrate the findings. First, simple horizontal network co-competition among associations presented the advantages of blocking of sporting competitors at the national or international level and sharing of experience and knowledge of sporting competition. However, it also presented the disadvantage of aiding other participating organizations in beating one another (potential social and financial negative impact which could out weight other benefits). Second, two types describe dyadic co-competitive strategies between an association and a public establishment, one being a horizontal co-competition and the other a vertical co-competition. Here, pooling advantages are also observed as well as more opportunities to specialize knowledge (for the vertical co-competition) and to create new products (for the horizontal co-competition). On the down side, both types were highly vulnerable to political disagreements (risks for the long-term sustainability of the partnership).

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## Sport leagues as an enabler of co-creation – what is the perceived value of offering a platform for co-creation?

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### Key words:

sport marketing, co-creation, league management

### Aim of the paper

Since the emergence of the service dominant logic (Vargo/Lusch 2004), co-creation is discussed in academia. Accordingly, a sport league cannot organise the value creation of a sport event solely. The contribution of other parties such as local organisers, athletes/teams, and spectators is necessary to co-create value. The league itself offers a platform that enables divers parties to co-create value. An obstacle of co-creation is the distribution of the proceeds. Managers often doubt that their organisation will participate appropriately. Here, the research question is: How is the value creation of a sports league perceived? The research is done at the example of the German Football league.

### Literature Review

The idea of co-creation in this paper is based on two fields of literature. The first is the discussion of co-creation as introduced by the work of Vargo and Lusch (2004). The second field of literature is the discourse on value creation as initiated by Stabel and Fjeldstad (1998). This discourse represents the traditional idea of an organisation that creates value for third parties. In the case of the value network (Stabel/Fjeldstad 1998, p. 427-433), value creation takes place if an organisation creates a platform for others to interact. The concept of co-creation substitutes the idea that an organisation creates value by offering such a platform. Instead, divers parties use the platform to create value. In this sense, sport spectators use a football match to interact and identify with other fans and/or the team. It may not be the match itself that they are looking for. However, the literature review leaves a white spot. If the value creation takes place as co-creation, what is the perceived added value of the platform organisers for third parties?

The literature review (Grönroos 2008, Vargo/Lusch 2004, Stabel/Fjeldstad 1998) and theoretical considerations allow the development of a long list of different kinds of possible perceived added values. This list answers the question of perceived added value from a theoretical perspective. Clusters of such a list are for

example: offering a physical platform for interaction (e.g. stadium), offering content for interaction (e.g. contest, regulations), identification of capable third parties (e.g. athletes/teams, international integration into other series such as the UEFA Champions League, relegation), sales (e.g. sales process, negotiations). The list is the starting point for the following study.

### Methodology, research design, data analysis

The literature review and expert discussions enabled the development of a quantitative questionnaire. The purpose of the research was to confirm or reject the above-mentioned clusters of possible perceived added value. The sample was drawn by an online survey from the population of sport spectators in general with a focus on German football. The data analysis applies descriptive statistics as well as multivariate analytics.

### Results

The study was run in January 2012 and the results are based on 455 completed questionnaires with an equal gender distribution. 66% are generally interested in sports. 65% are interested in the German Bundesliga football. 35% visit the stadium more than once every year. 46% watch Bundesliga football every week on TV. The above-mentioned clusters of added value are well perceived. The stated appreciation of the distinct added value clusters differs between 77% and 83%. 80% agree, that the success of the German Bundesliga is based on the collaboration / interaction of league, clubs, spectators, sponsors, media, and others. The German Bundesliga is seen as a brand (82%) but only 44% attest a positive brand image. The positive brand image correlates with the high level football (beta coefficient 0.292, p 0.002), the engagement in collective sale of broadcasting rights (beta coefficient 0.205, p. 0.040) and the competitive balance (beta coefficient 0.185, p 0.054). The German Bundesliga is seen as a brand (recall) in correlation with the participating clubs (beta coefficient 0.321, p 0.000) and the collective sales of broadcasting rights (beta coefficient 0.207, p 0.022).

### Discussion

The study demonstrates that the input of the German Bundesliga on the value creation is perceived. However, only parts of the input are appreciated in a way that the input is honoured with positive feedback (e.g. positive image, brand recall). First of all, the collective sale of broadcasting rights has a positive correlation with both image and recall. People seem to understand the value of the platform organiser because the organiser is responsible for the sales. Furthermore, the league should communicate the attractiveness of the participating clubs (increases brand recall for the league) as well as the high level of football and the competitive balance (both increases the positive brand image).

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

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**Keywords:** sporting community, Service-Dominant Logic (SDL), brand community, marginal subculture, neo-tribe, tribal marketing, individual and group/social identity theory, Australian Football League (AFL), sport marketing, global self-concept, fandom motivation, team identification.

### 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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## Value creation through relationship management

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### Keywords

Sport Management; Sport Organization; Value Creation; Relationship Management; Lean Thinking.

In the recent past years, we have seen more and more people, from different background or economic sector, struggling to come up with something different, original somehow. The ultimate goal of this task is to guarantee sustainability. In a business subject it means that one have competitive advantage to its competitors. That is, competitive advantage is achieved when the balance between value and cost is more positive than one's competitors'.

So, the question is how to more create value than before, than my competitors, than my resources seem to be able to. There will always be costs and shortages of capital, time and even human resources. The sport industry is getting a global dimension, economically, socially, environmentally, and this must be, more than a threat, an opportunity to develop areas superficially explored so far.

The identification and elimination of wasteful activities is considered an opportunity of value creation. The methodology employed, currently named 7 Wastes, was developed by Taiichi Ohno for the Toyota Production System in Japan. The basic principle of this methodology is the reduction of waste through the use of resources at the right time and the exactly amount required by the line of production (Ohno, 1978).

Shilbury (2000) states that the degree of complexity of the Sport Industry is caused by the increase of competitiveness and the growing sophisticated management practices. The current level of competitiveness demands that organizations develop areas and activities previously considered less important, in order to increase their competitive advantage and ensure its sustainability in the market. Given this context, this research aims to study the role of relationship management for value creation in sport organizations.

The way to relate with pairs, suppliers, customers, can create competitive advantage by adding value to the process and, consequently, to the final product (Allee, 2008; Lin & Lin, 2006; Porter, 1985). Porter (1985) mapped value creation activities in an organization and developed what he called the Value Chain, classifying the company's production activities in: Primary and Support. Allee (2008) uses a functional approach, where the actors in the network are represented by organizational functions and roles. To convert intangible activities into tangible ones and then realize value to the company, first it is necessary to

identify valuable activities not yet converted into activities to be commercialized.

To Lin and Lin (2006), companies must be aware of drivers and barriers for value creation and try to take advantage of these drivers and to avoid barriers. The interesting aspect for this work is that most of drivers and barriers are related to the employee personally (drivers: distinctive skills, personal experience, learning and training, team work; barriers: distrustful environment, inadequate knowledge) and to the firm's processes (drivers: innovation and evolution, R&D, capability for differentiation; barriers: short of core technology, poor resource support, bad services and attitudes). Organizational culture and structure can be drivers for value creation as well, in a way that encourages people to create value from the organization's resources.

Thus, the creation of value of an organization and, consequently, its sustainability is carried out by its employees. Lin and Lin (2006) understand that the purpose of any business is to create value for customers, employees, and investors. Therefore, the value creation can only be sustainable if value is created and delivered to all of them.

The object of study is a sport organization, world leader manufacturer of sport equipments for high competition and recreation. Data was collected and analysed using in-depth interviews to the main stakeholders involved in the production process. Qualitative approach was used as the research is a case study. For the instrument, it was used the principle of value chain and waste identification and elimination from Lean.

According to the analysis of the first data, relationship management is a value creation activity not formally recognized. The evidence of their concern lays on the organizational culture and regular operations and in the way they personally relate to their customers and clients for immediate and further value creation. The best and closer relationship they can have with athletes is expected to generate value for the company. Differently of a marketing general strategy, their idea is to try to get this relationship close enough to create reliance and trustfulness. The natural consequence is a stronger customer loyalty and lasting value creation. Of course the company trust in their technical expertise and products quality. Further analysis of data to be collected will reinforce the value creation through the identification of wasteful activities caused by bad relationships between employees.

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## An empirical model of sport fan consumption communities

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### Introduction & purpose

While marketers increasingly acknowledge the critical role of developing long-term strategies that enhance the value of the firm, collaborative and co-creation service and marketing activities are gaining importance. As firms shift their focus from creating value *for* consumers to creating value *with* consumers, collaboration between firms and consumers is increasing. At sporting events, the sport organization and its staff (e.g., managers, coaches and players) collaborate with event consumers to create the game experience. Sport consumers, however, rarely attend sporting events alone. Instead, sport consumers join and participate in networks of like-minded fans and engage in collaborative consumption activities. These activities include pre-, in-, and post-game behaviors and expressions of attachment, identification and involvement with the sporting event, sport organization, team and other consumers. While sport marketers recognize the importance of collaborative consumption, their understanding of the process is not yet well developed. As a result, the purpose of this research is to create and test a model of sport fan consumption community. The results of this research can be used to identify constructs and relationships important to the process of collaborative consumption in a sport setting.

### Theoretical background

Sport fan consumption community research is based on distinct yet overlapping notions of consumer groups (cultures/subcultures of consumption, consumer tribes and brand community). In these groups, consumers are informed, connected, networked and empowered (Ramaswamy, 2008). As the dominant logic of marketing has changed from a goods-dominant (G-D) logic (goods are embedded with value) to a service-dominant (S-D) logic (firms create value with consumers), relationships based on the co-creation of value and value-in-use are cultivated between the firm and its consumers (Vargo & Lusch, 2004). When sport organizations interact with fan groups at sporting events, value is co-created and experienced by those in attendance. Thus, the value of a sporting event is in large part determined by the interactions between the staff of the sport organization and the sport fan communities that consume the sporting event.

The Psychological Continuum Model (PCM) (see Funk & James, 2001) and the Theory of Reasoned Action (TRA) (see Ajzen & Fishbein, 1980) provide theoretical frameworks used to create a saturated structural model containing thirty-one hypothesized relationships among nine constructs. The PCM is used as a framework to model the relationships among the antecedents and potential mediators, and the

TRA is used to model the relationships among the potential mediators and consequences in the hypothesized model.

### Methodology, research design & data analysis

The methodology used in this research is based on Churchill's (1979) recommendations for developing and testing new marketing measures. First, the constructs representing the antecedents (knowledge and image), potential mediators (satisfaction, identification, loyalty and community membership), and consequences (attendance, merchandise purchase and word of mouth behavioral intentions) of sport fan consumption communities are identified and operationalized. Then, a pilot study ( $n=113$ ) is conducted to determine reliable and valid operationalizations of the constructs. Finally, the main study ( $n=627$ ) is undertaken to empirically test the relationships among constructs using confirmatory factor analysis (CFA) and structural equation modeling (SEM) procedures.

### Results, discussion & implications/conclusions

The model fit indices suggest that the data has good fit to the hypothesized model. The results of the structural model indicate that seventeen of thirty-one hypothesized relationships are positive and significant ( $p<.05$ ), and 45% to 68% of the variance in the seven endogenous constructs is explained. All thirteen of the relationships between the antecedents and the four potential mediators are positive and significant ( $p<.05$ ). In terms of the three consequences, a sense of membership in the community had positive and significant relationships with attendance and word of mouth intentions, while satisfaction and loyalty both had positive and significant relationships with merchandise purchase intentions. Regardless of the label, sport fan consumption communities are playing an increasingly important role in sport marketing strategy. While sport organizations have traditionally focused on individual consumption behaviors, sport marketers are shifting their focus to allocating more resources toward strategies that develop, foster and support sport fan consumption communities. Sport marketers are also beginning to realize the long-term value in collaborating with sport fan consumption communities. If current trends continue, then engaging in strategies and tactics that facilitate stronger sport fan consumption communities may result in consumers that are more attached, identified and involved in attending events, purchasing merchandise and giving positive word of mouth recommendations to others.

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## “Measuring co-creation of value by other customers – evidence in sports”

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### Aim of abstract – research question

Value of sporting events has traditionally been measured on characteristics such as quality of the game, catering, sanitation infrastructure etc. Based on Service-Dominant Logic (SD-logic) the value of a sporting event does not exist per se and cannot be determined by event characteristics alone. According to SD-logic, only value propositions are offered by the sporting event. As value is fundamentally derived and determined in use, the context influences the value experience which is uniquely and phenomenologically determined by the beneficiary (customers in this case). Therefore co-creation of value is always value-in-context (Vargo & Lusch, 2004).

Sport services like sporting events are often delivered in settings where many customers are present at the same time. Thus, other customers can have an essential impact on the event experience (Woratschek et al., 2007). From our prior qualitative research we have insights about relevant customer groups of a sporting event and their behaviours within the co-creation process (Woratschek & Durchholz, 2012). Moreover our qualitative work offers the base for the development of an innovative measurement scale for the value of a sporting event from a customer's point of view.

Against this background our research objective is twofold:

1. Which indicators determine the value of a sporting event?
2. What are the main influences on the co-creation process of a sporting event?

### Theoretical background

Based on a far reaching literature review we gained knowledge about the underlying context of a service setting and its potential influencing factors like other present customers during a service experience. From our qualitative studies we know that value of a sporting event (value-in-use) can be seen as fulfilled motivations. This notion forms the base for the formulation of a new measurement scale for “value” (Woratschek & Durchholz, 2012).

From our point of view, the traditional characteristic-oriented approach is not sufficient for measuring value, as SD-logic proclaims the relevance of the context and its relevant influencing factors like other present customers. Therefore, we focused on the interaction processes of customer groups as they contribute to the value creation process of a sporting event. This is why co-creation of value needs to be investigated by a combined approach of interaction- and characteristic-oriented measurements.

Moreover, we considered the potential effects of co-destruction of value since our qualitative research detected several negative contributions of other customers (see also Plé & Cáceres, 2010).

These theoretical findings support our approach to go one step further in setting up a model on co-creation of value by other customers.

### Methodology, research design and data analysis

The interaction-oriented approach was implemented by drawing from the results of the repertory grid we conducted in our qualitative study. Thus, we focused on contributions of the individual customer (i.e., the fans of the own team and the fans of the opposing team). From the grid, we derived items for every customer group operationalizing the contribution to a good atmosphere (co-creation of value), as well as to conflicts (co-destruction of value).

In addition, traditional characteristics like perceived team performance and perceived stadium service quality were added to the model. The according items have been adapted from the sports marketing literature (Woratschek et al., 2007).

Measuring value of a sporting event leads us to items which have been used in motivational research in sport management: e.g. atmosphere (Uhrich, 2007), entertainment (James & Ross, 2004), excitement (Funk et al., 2004).

We hypothesize that each customer group has a positive influence as well as a negative influence on the value of a sporting event. Additionally, we assume that perceived team performance and perceived stadium service quality have a positive influence on the value of a sporting event. Finally, we conjecture that the value of a sporting event will be reflected by fulfilled motivations (second-order latent variable).

We analysed our hypotheses by using structural equation modelling. The data collection was realized with online surveys focusing on spectators and fans of first- and second league football clubs in Germany during season 2010/2011. Altogether, a data set of  $n = 346$  could be generated. Prior to the analysis of the full structural equation model (SEM), exploratory and confirmatory factor analyses were applied. The so confirmed structures were finally measured in a comprehensive SEM.

### Results, discussion and implications

Our results show customer groups exert a dominating effect on the value of a sporting event, and thus lend compelling support to the concepts of co-creation and co-destruction of value. Furthermore, we establish that the value of a sporting event can be validly measured via fulfilled motivations. Based on these findings our study provides support of SD-logic and their contextual influences like other customers on the value of a service experience.

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## Assesing the value of sport licensed products though their meanings and exploring the impact on sport consumer behavior

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### Aim of paper

The aim of this work is to develop and test a scale intended to measure the meanings embedded in sport licensed products in an effort to capture the value those items have for their owners. The research also explores the dimensional structure of such a scale and investigates relationships between the meanings of licensed products and other aspects of sport consumer behavior.

### Theoretical background

Licensing has been defined as "a value-adding process that provides revenue-generating opportunities via the conveyance of the right to use another organization's intellectual properties for commercial purposes" (Fullerton, 2010, p. 345). Licensing agreements are significant revenue sources for sport properties, particularly for those based in North America (Sports Business Resource Guide & Fact Book, 2009; 2012). The popularity of sport licensed products extends beyond any utilitarian purpose as these items can assist fans in displaying their affiliation with and expressing their loyalty toward a team or athlete, connecting with other team supporters, or making a fashion statement (Mullin, Hardy, & Sutton, 2007).

In the sport literature, consumption of sport licensed products has been included in investigations on fan behavior, fan identification and loyalty, even branding (e.g., Cialdini et al., 1976; Funk & Pastore, 2000; Gladden & Milne, 1999; Kwon & Trail, 2005; Kwon, Trail, & Anderson, 2005; Wann & Branscombe, 1993). More directly, researchers have looked at how purchase of licensed products is influenced by impulse buying tendencies and fan identification (Kwon & Armstrong, 2002; 2006), consumers' perceptions of value of the licensed products (Kwon, Trail, & James, 2007), and perceived value of the manufacturer (Kwon, Kim, & Mondello, 2008). However, the value of those items as captured through the meanings they hold for their owners is rather unexplored. Furthermore, the review of literature revealed lack of standardized measures for the variable of 'meaning of licensed products' as well as inadequate understanding of its conceptualization.

Inspired by a rich consumer behavior literature that has extensively investigated the topic of meanings in possessions (e.g., Belk, 1988; Ligas, 2000; Richins, 1994; Sheth, Newman, & Gross, 1991), there have been a few efforts to

expand the scope of sport licensing studies by exploring the meanings embedded in those products. Most notably, Apostolopoulou, Papadimitriou and Damtsiou (2010) uncovered a variety of symbolic meanings reflected in Olympic licensed products, including notions of national identity and political history and achievement. That study offered evidence that sport licensed products carry symbolic meanings for their owners as well as meanings of experiential or functional/utilitarian nature, albeit at a much lower degree.

### Research design

#### *Study 1*

The goal of *Study 1* was to provide an in-depth understanding about the meanings attached to the display of sport licensed products. Attendees at a National Football League event (USA) ( $N=135$ ) were asked what it meant to wear team licensed items on game day and on other occasions. Their responses unveiled various public-symbolic and private-symbolic meanings expressing values of social relationships and connectedness and personal values and identity, respectively.

#### *Study 2*

Building on *Study 1*, another set of qualitative data was collected in order to capture additional personal and social meanings attached to sport licensed items. One hundred four ( $N=104$ ) undergraduate students (USA), who were in their majority Caucasian young males and avid sport fans, were asked to record what they considered to be their most prized team licensed item and to explain why that item was important to them. Responses revealed six sources of meaning coded as (1) Connection with favorite team or player — Expression of support, pride, passion, (2) Unique event in team's history — Celebration of success, accomplishments, (3) Display of tie with team or region to others, (4) Relationship with event in one's personal history, (5) Gift — Importance of gift giver, and (6) Rare item — Hard to obtain — Financial value.

#### *Study 3*

In *Study 3*, a Scale for the Value of Sport Licensed Products (SVSLP) was developed to enable a quantitative analysis of the meanings of those products. In addition to the psychometric testing of the scale and the exploration of its dimensional structure, this study (in progress) will also explore relationships of the dimensions of this scale with three sport consumption variables: intention to buy sport licensed products in the future, intention to wear sport licensed products in the future, and willingness to pay more for official sport licensed products. These variables were selected as they represent influential constructs in sport consumer behavior literature (e.g., Fink, Trail, & Anderson, 2002; Kwon, Trail, & Anderson, 2006).

### Intended contributions

The results of this study are expected to enhance existing theory by offering a more comprehensive understanding of the sources of meaning that give value to sport licensed products. Furthermore, sport organizations and their



marketing departments can benefit by a more informed and more strategic approach to their licensing programs.

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