

The Sport Value Framework - A New Fundamental Logic For Analyses in Sport Management

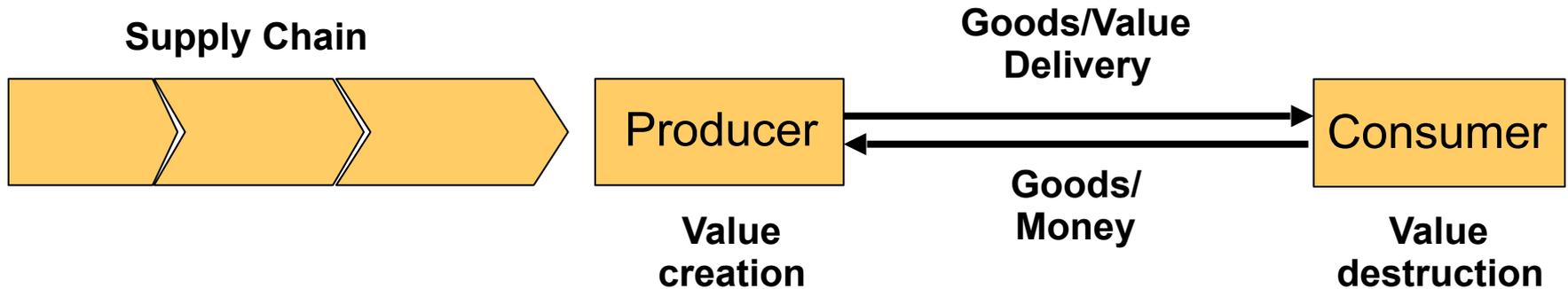
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Agenda

1. Goods-Dominant Logic
2. Status quo of Sport Economic Thinking
3. Service-Dominant Logic
4. Sport Value Framework
5. Conclusions

1. Goods-Dominant Logic (GDL)

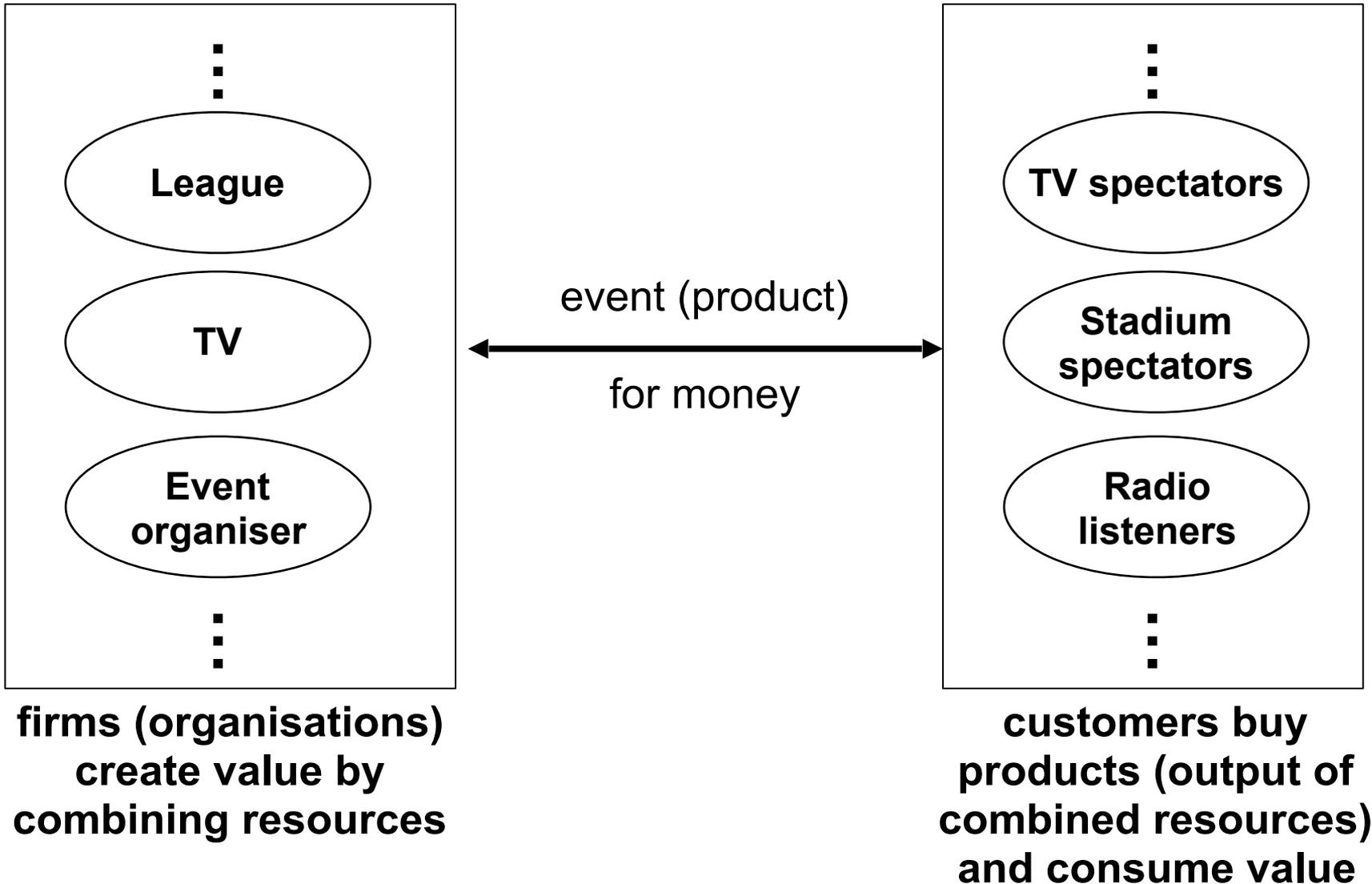


Goods are mainly
but also

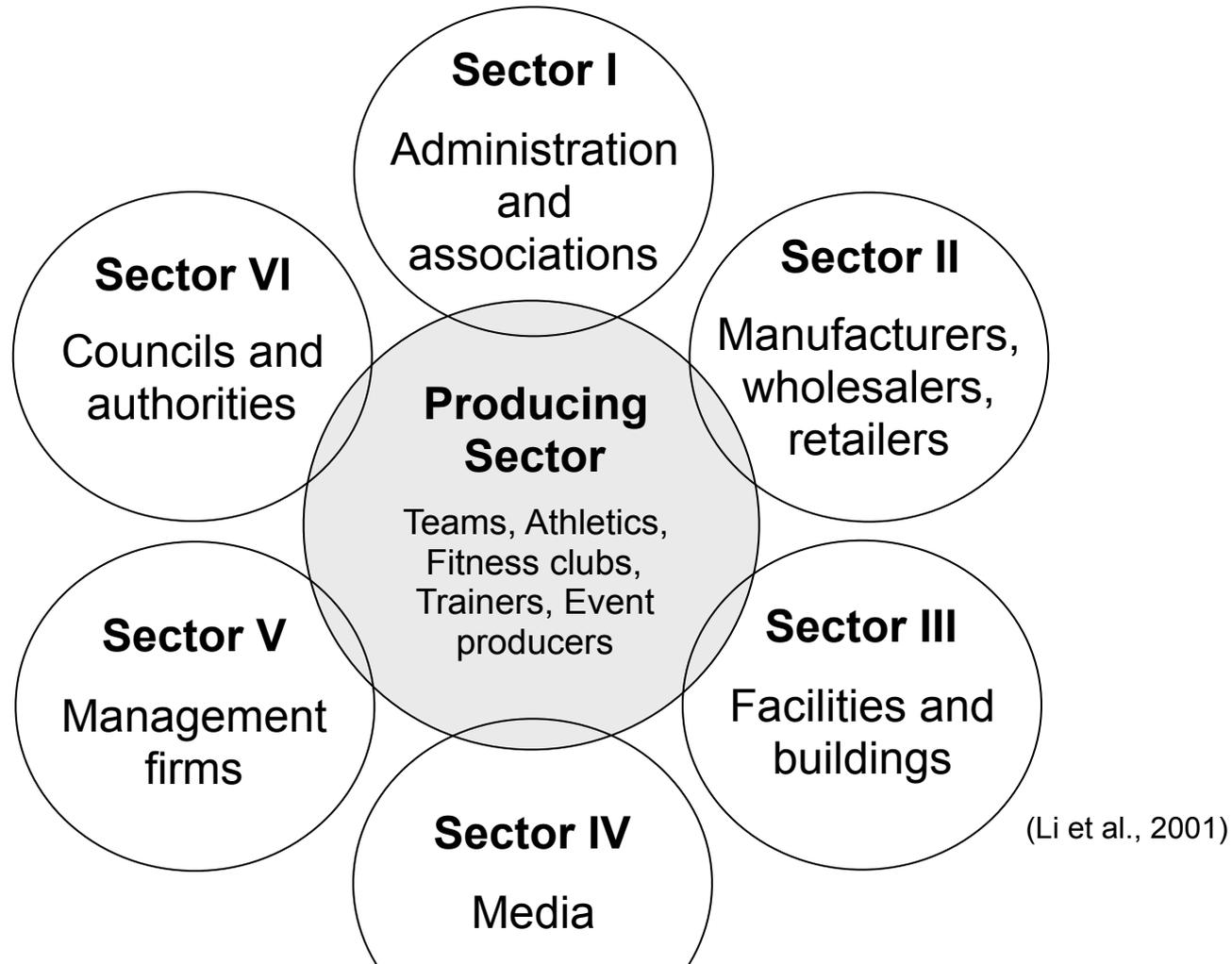
- **products,**
- **services.**

(adapted from Vargo 2009)

2. Status Quo of Sport Economic Thinking



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Sport Events are „core products“ supported by other firms

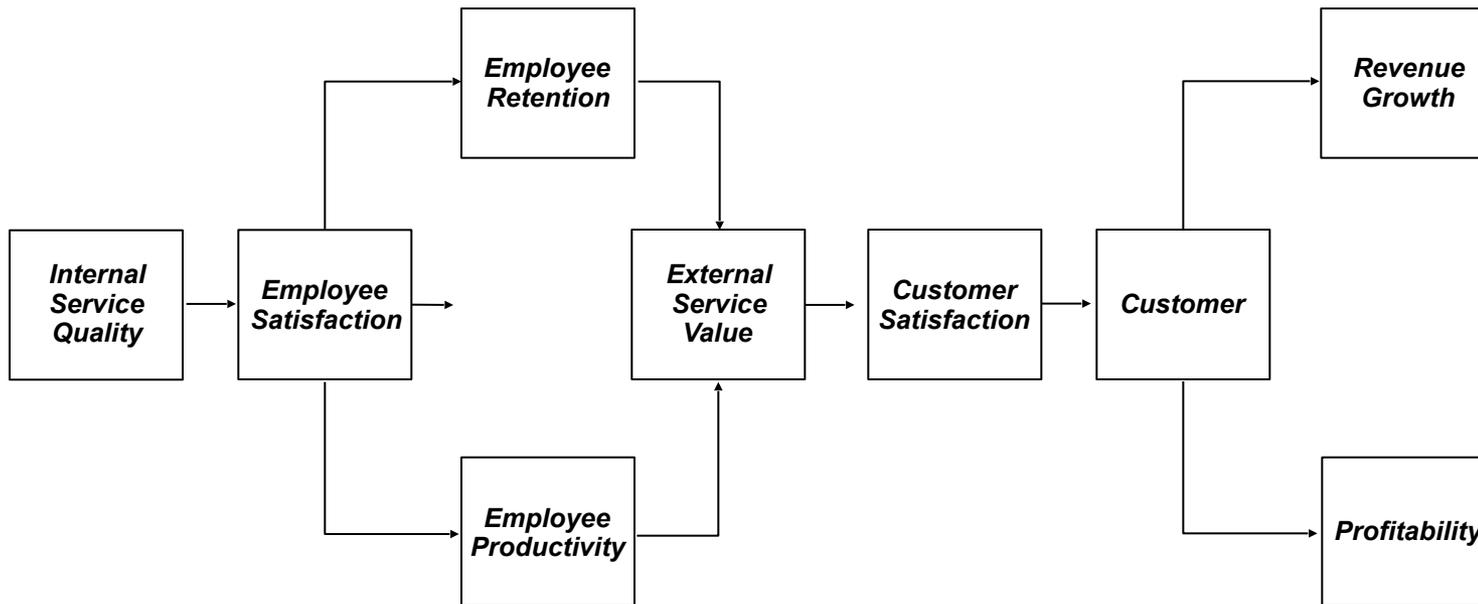
2. Status Quo of Sport Economic Thinking

What about consumers?

- Customer segments and fan typologies,
(Tapp (2004; Hunt, Bristol, & Bashaw (1999))
- Psychological variables as predictors of customer behavior
- Customer buying behavior

Sport Consumers are buying units (and consume “event products”)

2. Status Quo of Sport Economic Thinking



(Heskett et al., 1994, 2008)

2. Status Quo of Sport Economic Thinking

- Do we really capture the nature of sport management with this status quo of sport economic thinking?
 - Probably not...
- What do we miss?
 - Focus on relationships in networks
 - Role of customers in value creation processes
 - Non-producing value creation processes (e.g. problem solving activities and intermediating activities like coordinating market partners (Stabell & Fjeldstad 1998))
 - ...

>> Examples

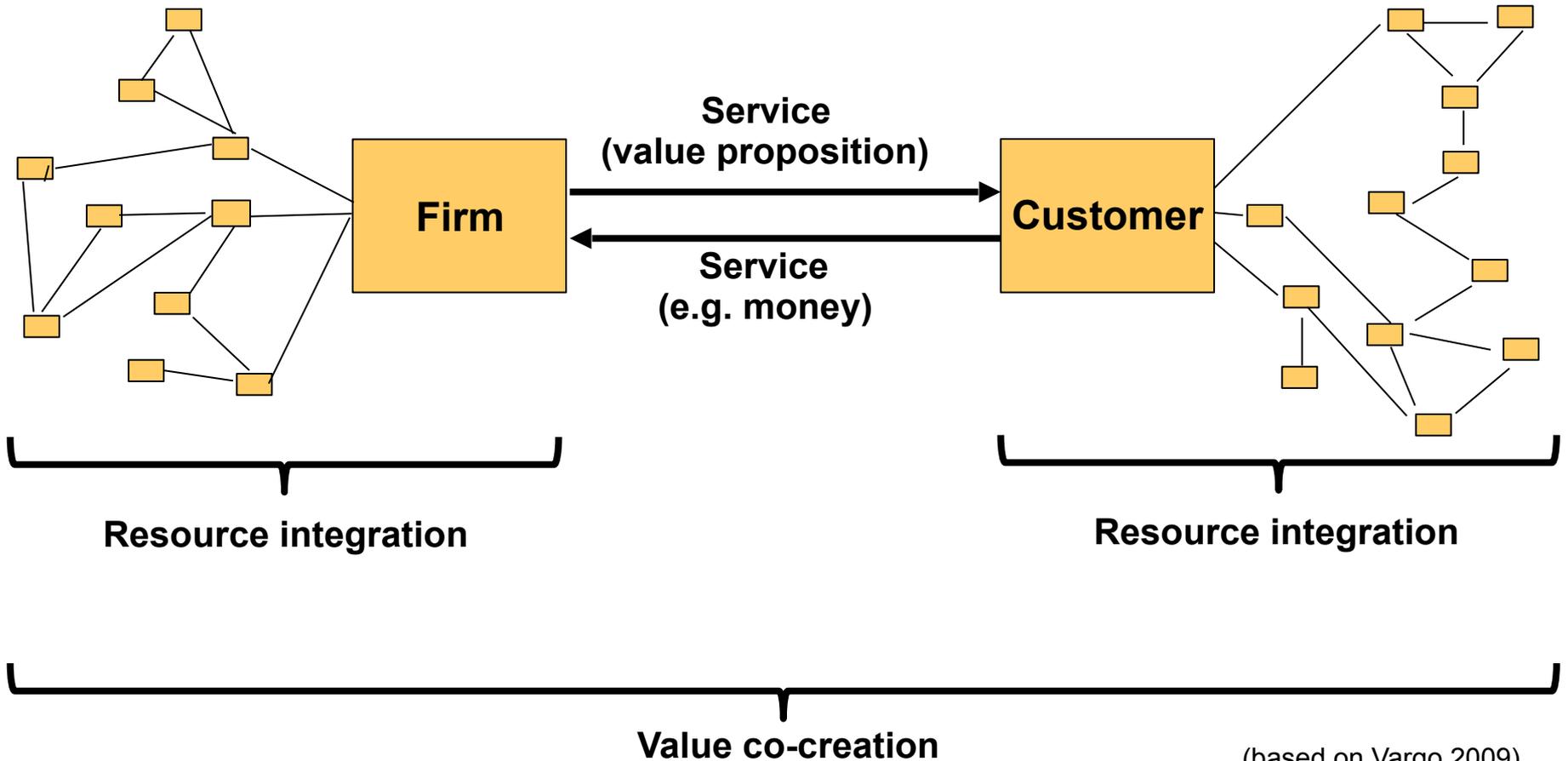


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Apps



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urbanspoon.com

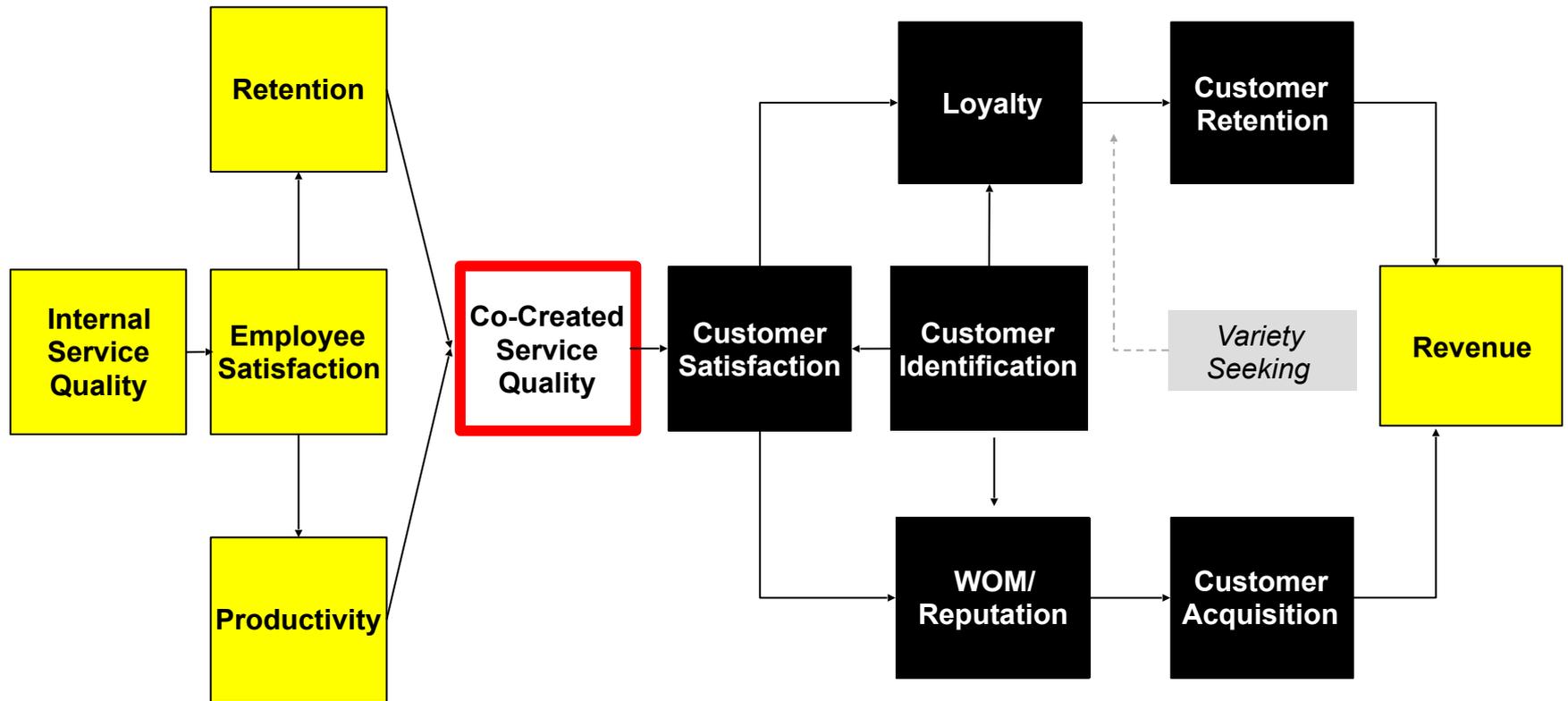
3. Service-Dominant Logic (SDL)



(based on Vargo 2009)



>> Service Quality-Value Framework



Internal Variables

Moderating Variables

External Variables

Woratschek/Horbel/Popp/Ströbel 2014

3. Service-Dominant Logic (SDL)

	GDL	SDL
Purpose of economic exchange	Utility/value	Value co-creation
Objects of economic exchange	Goods (products or service <u>s</u>)	Service defined as applied knowledge (competences and skills)
Value generation	Value is produced by firms	Value is co-created in a collaborative process between firms, customers and other stakeholders
Creator of value	Firm, often with input from firms in a supply chain	Firm, network partners, and customers
Role of firm	Produce and distribute value	Provide service through resource integration (value proposition)
Role of customers	To „use up“ value created by firms	Co-create value through resource integration
Role of goods	Get embedded with utility/value during manufacturing	Vehicle for service provision (manifestation of service)
Role of resources	Firm resources primarily as operand (“a resource to be acted on”, e.g. raw material)	Firm resources primarily as operant („a resource that is capable of acting on other resources”, e.g. skills and knowledge)

3. Service-Dominant Logic (SDL)



4. Sport Value Framework

FP1 Sporting activities are the core of sport management.

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FP1 Sporting activities are the core of sport management.

FP2 Service is the fundamental basis of exchange in sport.



Sport events are not products, but
platforms for value co-creation.

4. Sport Value Framework

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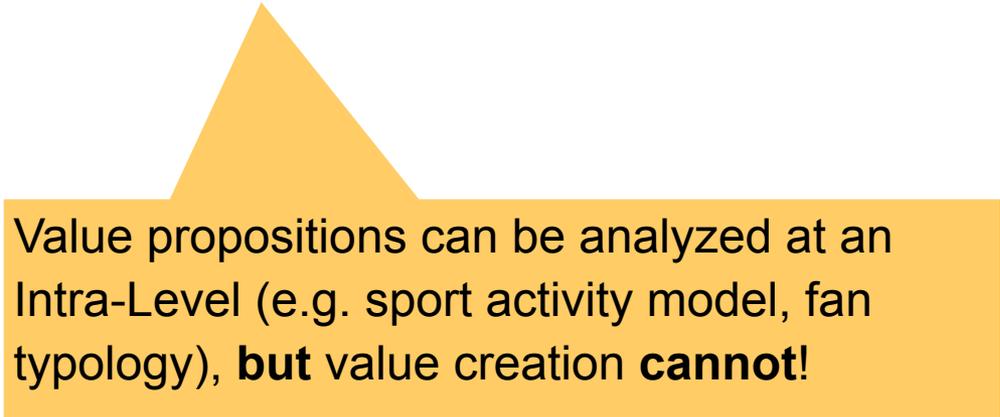
FP2 Service is the fundamental basis of exchange in sport.

FP3 Sport goods (products and services) are vehicles for service provision.

Sport goods are resources to be integrated into value co-creation processes (e.g. sporting activities, spectating sports).

4. Sport Value Framework

- FP1** Sporting activities are the core of sport management.
- FP2** Service is the fundamental basis of exchange in sport.
- FP3** Sport goods (products and services) are vehicles for service provision.
- FP4** Firms and customers can only offer value propositions.



Value propositions can be analyzed at an Intra-Level (e.g. sport activity model, fan typology), **but** value creation **cannot!**

4. Sport Value Framework

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- FP5** Sport firms create value propositions mainly in the configuration of a value network.

Currently, in sport management value creation is mainly analyzed by Porter's value chain (1985).

Stabell & Fjeldstad (1998) introduced other value configurations (value shop, value network) which are more suitable for sport firms and organizations.

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- FP6** Sport customers co-create value by primarily integrating resources from their social groups.

Currently, customers are mainly analyzed as individuals. However, in fact, the interaction of customers within social groups leads to value.

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- FP7** Value is always co-created by firms, customers and other stakeholders.

Value creation in sport management cannot be fully understood by analysing firms or customers at an Intra Level. At a first step, relationships should be analysed in a simplified way at a micro-level (e.g. dyads and triads).

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Value-in-exchange is manifested in a market price.
- FP6** Sport customers derive value from their sports activities from their sports activities and resources.
Value-in-use is not constituted by buying, but derived from value propositions.
- FP7** Value is always co-created by firms, customers and other stakeholders.
- FP8** Co-created value is always value-in-use.

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- FP5** Sport firms create value propositions mainly in the configuration of a value network.
- FP6** Sport customers derive value from their consumption (e.g. using new skis alone in bad weather conditions vs. using the same skis on perfect snow together with friends).
- FP7** Value is always unique depending on a specific context (e.g. using new skis alone in bad weather conditions vs. using the same skis on perfect snow together with friends).
- FP8** Value is always value-in-use.
- FP9** Value is always value-in-context.

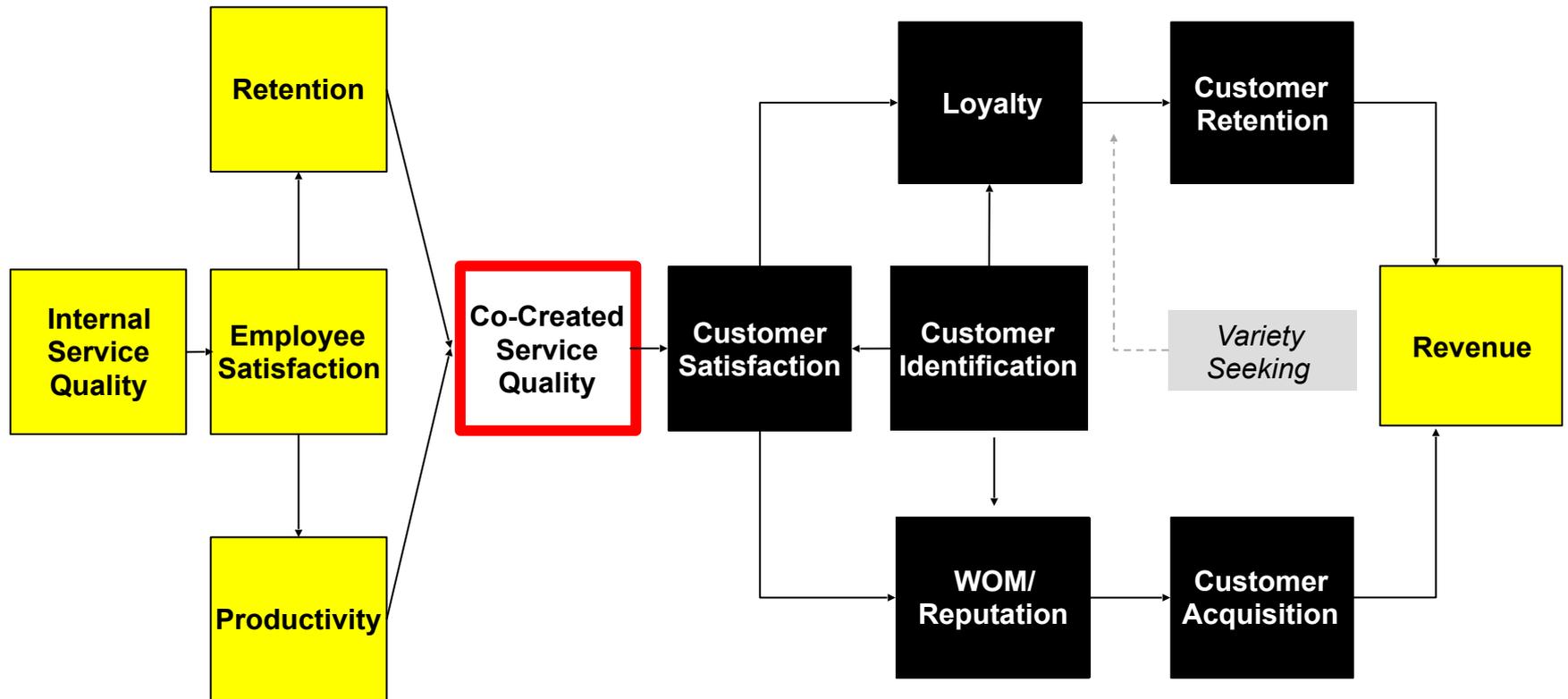
4. Sport Value Framework

- FP1** Sporting activities are the core of sport management.
- FP2** Service is the fundamental basis of exchange in sport.
- FP3** Sport goods (products and services) are vehicles for service provision.
- FP4** Firms and value is always co-created by a lot of different stakeholders
- FP5** Sport firms (league, team, event organizer, security staff, fans, catering...), as a value network sport management should more focus on relationships and less
- FP6** Sport is not only based on single transactions. Value co-creation as a whole can only be captured by analyzing from the
- FP7** Value is created through all context-specific network relationships at a meso-level. stakeholders.
- FP8** Co-created value is always value-in-use.
- FP9** Co-created value is always value-in-context.
- FP10** The roles of firms, customers and other stakeholders is to integrate resources of their specific networks to co-create value.

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>> Service Quality-Value Framework



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Woratschek/Horbel/Popp/Ströbel 2014

5. Conclusions

- Status quo of sport economic thinking implies that firms create value by combining resources and customers buy products and consume value.
- A better understanding of phenomena in Sport Management needs a new framework.
- We developed a Sport Value Framework consisting of 10 foundational premises based on Service-Dominant Logic.
- In the case of sport events this framework implies that they cannot be regarded as products.
- Sport events are platforms for firms, customers and other stakeholders to co-create value within a network.
- Depending on the matter of interest the analysis can be conducted on different levels:
 - Intra-Level: Role and behavior of sport firms, customers and other stakeholders
 - Micro-Level: (Dyadic and triadic) Relationships between sport firms and customers
 - Meso-Level: Relationships and networks on a sport market
- However, if we analyse values on a specific level, we must always keep the interfaces with other levels in mind and consider the consequences.

Thank you for your attention!

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