

A New Logic of Value Co-Creation in Sport Management

(Herbert Woratschek)¹

Limitations of the Logic of Sport Products

In this article, I **question the traditional view in sport management**, where the uncertainty of outcome is a specific feature of sport products. This means that **leagues have to be balanced to guarantee uncertainty of outcome** (Hoye, Smith, Nicholson, & Stewart, 2015, p. 155; Smith & Stewart, 1999, pp. 13-21; Szymanski, 2003, p. 1155). But the leagues with the highest income in Europe are not balanced, and this indicates the “demand for sport events may also be driven by an unbalanced league” (Woratschek & Griebel, 2020, p. 3).

Undoubtedly, not only sport organisations create the value of a sport event, as spectators also contribute to the atmosphere in the stadium (Uhrich & Benkenstein, 2010). However, this perspective still falls short of the mark because it only **focuses on the product characteristics** of a sport event. If we take a closer look at how spectators co-created value, we will recognise that the value creation cannot be determined by the product features alone.

For fans, **social interactions**, e.g. chanting, singing, travelling together to sport events, celebrating parties with others, are more important than the sport competition on the ground (Woratschek, Horbel, & Popp, 2018). For example, spectators visit public viewing events to make new intercultural contacts, to have the freedom to move around the site, and to interact with others (Woratschek, Durchholz, Maier, & Ströbel, 2017). An unpublished preliminary videographic study of the previously cited article even showed that Dutch football fans had sold their stadium tickets because they preferred to attend the public viewing event together with their friends who could not get a ticket for the actual game. This emphasises that the value of a sport event always depends on the **context**. For example, it makes a difference whether the sport event is viewed alone on television, with others on television at home, in a sport bar or as public viewing (Horbel, Popp, Woratschek, & Wilson, 2016).

Each context shapes the experience of a sport event and is defined by different **people** and their **context-specific behaviour** patterns. **Social interactions** between different people

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shape value, and this explains why value creation cannot only depend on the specific features of sport products and points to the shortcomings of the logic of sport products.

Logics of Failure and Success

The limitations of the logic of sport products show the need for a more developed logic in sport management regarding how we should think about value. The different logics in high jumping offer a great analogy.

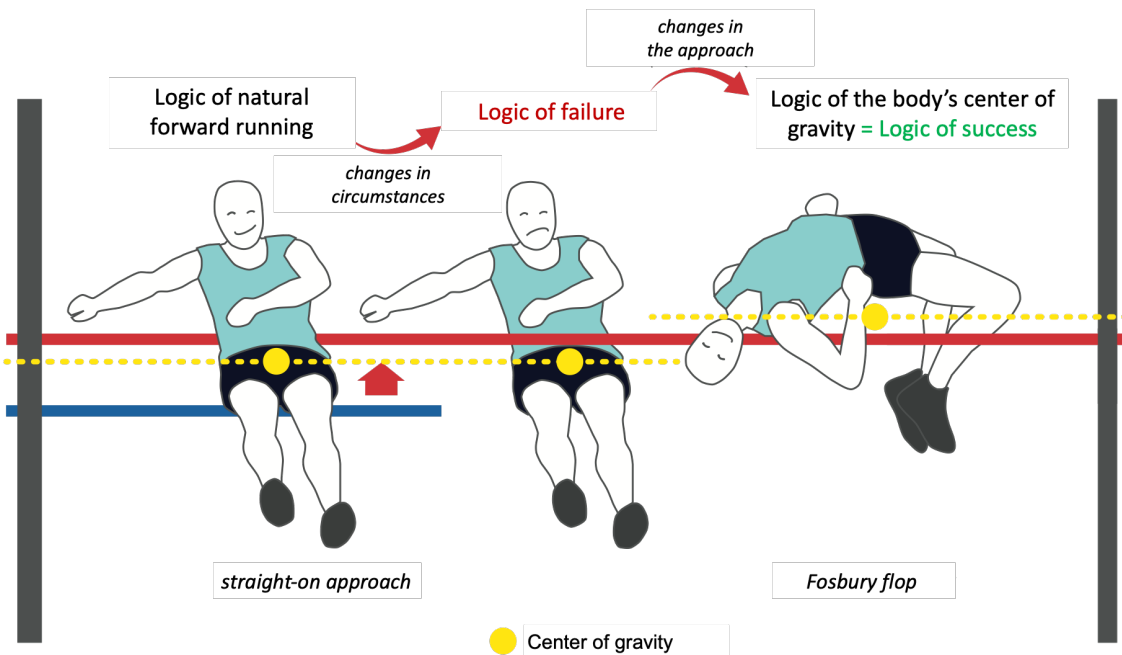


Figure 1: Different Logics in High Jumping

In high jumping, athletes started with a straight-on approach or a scissors technique, which at first sight seems to be the most natural movement over a high suspended bar. High jumpers take the momentum from a running movement and jump over a hurdle frontally attracting the legs. Techniques developed later, followed more or less the same logic, which can be called a "**logic of natural forward running**". As time goes on, it becomes increasingly difficult to break new records, i.e. to overcome higher hurdles.

Accordingly, to cross higher bars, a new logic was needed, which emerged with the application of the Fosbury flop technique, where athletes jump over the hurdle with their back first. This can be described as a "**logic of body's centre of gravity**". By forming a "bridge", high jumpers bring their centre of gravity under their body and shift it out of their body. With the same jumping power, an athlete can overcome a higher hurdle applying the new logic in high jumping.

Nowadays, if athletes want to break records in high jump, the old techniques represent a logic of failure. Thus, the "logic of the centre of gravity" becomes the **logic of success**. In my opinion, it is precisely this kind of rethinking that must take place in sport management (see Figure 1).

The New Logic of Value Co-Creation

In sport management, the new logic of value creation is based on the **Sport Value Framework (SVF)** (Woratschek, Horbel, & Popp, 2014) even though the SVF does not yet speak of the **logic of value co-creation**. The SVF points out that **sporting activities** are the **core** of sport management (Woratschek et al., 2014, p. 14). +This clearly distinguishes sport management from other entertainment offerings like music or TV shows where other activities trigger social interaction and economic exchange. Actors are football players of competing teams, referees, coaches, stadium spectators, media companies, sponsors, sport agencies, sport goods manufacturers, security personnel, leagues, politicians, and many more.

In the SVF, a sport event is considered as a **platform** (see Figure 2) that many players use for their business and leisure activities (Woratschek et al., 2014, p. 21). But how does the value of using the platform emerge?

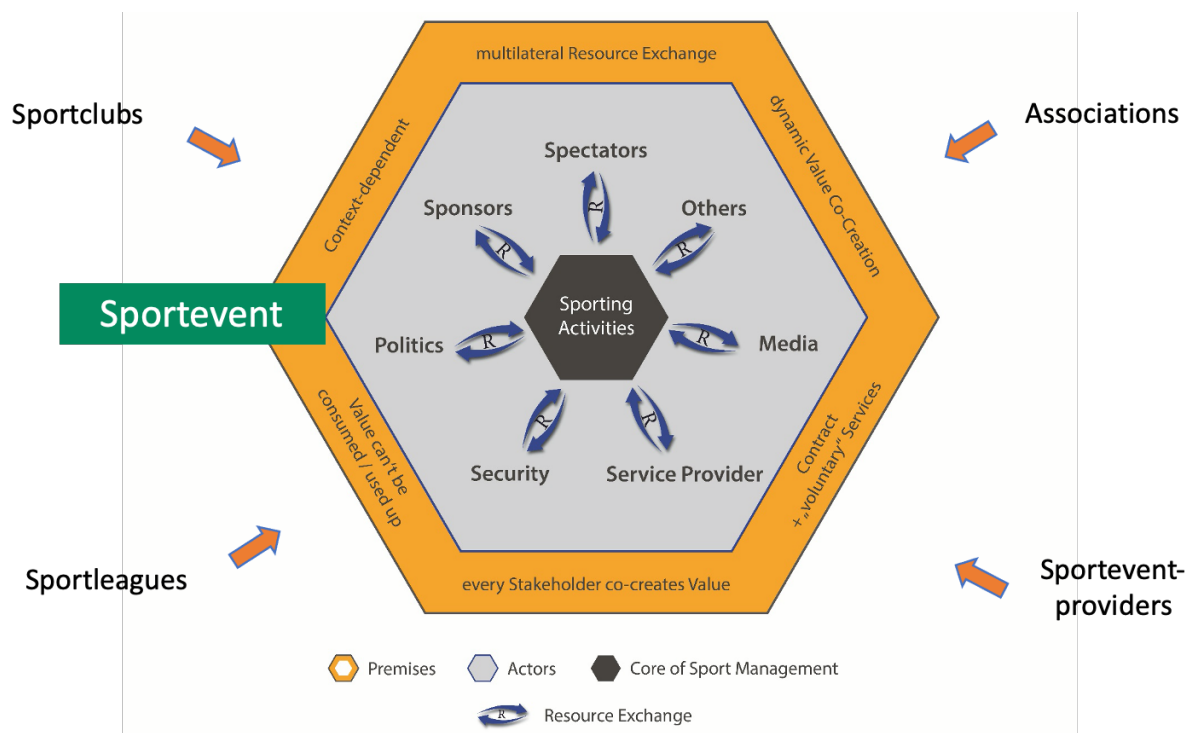


Figure 2: Sport Events as Platforms (Logic of Value Co-Creation)

Differences	Logic of Sport Products	Logic of Value Co-Creation
Core / pivot	Sport Products are at the core of sport management going along with other products and services.	Sporting activities are the core of sport management and build the pivot for actor engagement and resource integration.
Creation	Value is produced by organisations and embedded in sport products and services.	Value is co-created by all actors on an engagement platform. All of them provide resources.
Usage	Value is used up by consumers.	Value is not consumed at all. Value emerges from social interaction and unique reciprocal links of different actors on an engagement platform.
Context	Value is derived from product characteristics and reflected by market prices independent from the context.	Value is context-dependent . Context is determined by actors' social interaction which is enabled and facilitated by engagement platforms.
Resource Exchange	Sport Products are exchanged for money between sport firms and sport consumers. Analyses of resource exchange are mainly bilateral .	Actors provide resources on an engagement platform without a direct return from others. Therefore, resource exchange is multilateral .
Stability	Value is embedded in a product, and the value is reflected in market prices. Therefore, value is stable until consumption.	Experience with sporting activities can last very long and is co-created at any time. Actors perceive value before, during and after the sport event. Hence, value is dynamic .
Focus of analyses	Analyses mainly focus on a bilateral exchange which is fixed in contracts (value-in-exchange).	Analyses go beyond the contract because many actors provide voluntary services beyond the contract (value-in-use).

Table 1: Differences Between the Logics

A sport event platform offers many actors the opportunity to interact, to engage, and thereby to co-create value. The sport event itself has not gained value through its production. It only acquires value when other actors such as the spectators join into the chants of the fans, make comments in social media, and enjoy the sausages and drinks during the break on the platform "Sport Event". To create value, the actors integrate their resources and use the resources of others, such as the performance of the players, the choreography of the fans, and the capabilities of the caterers. Consequently, not only the sport organizations with their employees determine the value of the sport event platform. **Every actor contributes to the creation of value with his/her competences before, during, and after the sport event.** However, **sport organisations** have a special role to play in this respect, as they **facilitate** the **interactions** between the actors by providing services and products that characterise the sport event.

Resource integration is when actors use the resources provided by others and in return, provide resources. Some actors provide resources **without direct consideration** (e.g. car shows or lotteries of sponsors, choreographies or fan songs, choreographies or fan songs). Volunteers do not expect any direct return from another actor, e.g. when volunteers lay out the clap banners on the seats during basketball. The spectators often do not even know who put

the clap banners comfortably on their seats. The exchange of resources is not only a bilateral exchange "good for money", but always **multilateral**, e.g. sponsors pay the club to communicate with spectators. Hence, the logic of value co-creation differs from the logic of sport products in several points. These differences are listed in Table 1.

Value co-creation is facilitated and supported by touchpoints which are referred to as **engagement platforms** (Breidbach, Brodie, & Hollebeek, 2014). Therefore, sport events are engagement platforms facilitating actors' resource integration to co-create value. However, the value created on a sport engagement platform is **dynamic** because it is co-created before, during and after the event. To illustrate, the 1954 World Cup still offers value to people in Germany who were not even born at that time. Many people born after 1954 know the players and the stories from back then and still co-create value with others by sharing their experiences of the event, decades after the event took place.

To put it in a nutshell:

1. A **new logic of value co-creation** for sport management is needed.
2. Sporting **activities** are the pivot of sport **engagement platforms**.
3. **All actors** with interests in a specific sporting activity **co-create value** on a related sport engagement platform.
4. Value **cannot be used up**, but it emerges from social interactions.
5. Value always **depends on the context**, especially on social interactions.
6. Value arises through **multilateral resource exchange**.
7. Value is a **dynamic process** and emerges before, during and after sporting activities.
8. Actor engagement leads to **exchange beyond contracts** and voluntary services without expecting any direct consideration.

Videos

For a deeper understanding of value co-creation, please watch the videos on Prof. Woratschek's YouTube channel.

„Once The Club“: <https://www.youtube.com/watch?v=X4ny8ODA6Rs>

“Public Viewing: Dutch Fans“: <https://youtu.be/2sZocL5yVO8>

SMAB Clip “Service Dominant Logic and Sport Value Framework“:
<https://www.youtube.com/watch?v=RdH8pMpusZ0>



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