

## Value formation in complex sport service ecosystems: moving from dyads to triads

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### Aim of paper

Existing research shows that in a sport service ecosystem, different actors come together to co-create value jointly in an interactive and non-linear manner (Woratschek, Horbel, & Popp, 2014). Our work extends the service ecosystem view by analyzing triads among actors in the sports sector. A triadic relationship analysis adds to existing research by offering a starting point for understanding the complex nature of value formation in service ecosystems.

### Theoretical background

In the sports sector, many different private, public and market-facing actors jointly co-create value (Woratschek et al., 2014). According to this notion, sport cannot be 'produced' in linear manner and be 'offered' to consumers. Rather value is co-created by a variety of different actors in a dynamic and networked process. Value co-creation in the field of sport goes beyond the dyadic firm-customer relationship and should be analyzed with a more comprehensive view of value co-creation (Chandler & Vargo, 2011). Moreover, research on value formation has shown that a single action of a stakeholder involved in a sport ecosystem can have ambivalent value outcomes (value co-creation or value co-destruction) (Stieler, Weismann, & Germelmann, 2014). Sport entities and actors are interconnected by nature and form networked structures (Quatman & Chelladurai, 2008). The basic unit of such a network is a triad which builds a link between three actors (Choi & Wu, 2009). In this study, we want to find out which practices various actors of the professional football network employ, in order to create value through interaction. We then link these practices to the idea of triadic value formation.

### Methodology, research design and data analysis

We chose a football match day in the German Bundesliga as a research platform, because many market-facing, private and public actors come together at such an event to jointly create value. Furthermore, it is not a dyadic firm-customer interaction, but it increases value formation for multiple actors who integrate their resources. The setting fitted the criteria of a service ecosystem for various reasons. First, value formation in the stadium does not take place within the boundaries of a firm. Moreover, it involves consumers and firms, namely spectators, players, coaches, sponsors, journalists, media, associations among others. Second, in sports ecosystems, market-facing (e.g. firms), public (e.g. clubs) and private resource (e.g. individual spectator) integrators come together to create value collaboratively. We conducted qualitative in-depth interviews with 13 experts (e.g. sponsor, journalist, fan relationship manager, agency representative, stadium operator

representative, football player, police-man, German Football League representative) from in the German Bundesliga (avg. duration 47 minutes). In the data analysis, we used thematic coding to identify relationship practices between actors in the sport service ecosystem.

### Results, discussion and implications

The results of this exploratory study reveal four different practices that actors in the football club ecosystem employ to co-create or co-destroy value, namely implementing, informing & discussing, performing and signaling. In addition, the analysis of triadic interaction offers a useful way to understand interdependencies between actors. Only value formation analysis beyond dyads can reveal such interdependencies. One example of such a triadic constellation is the relationship between the sponsor and two types of fans: Here, the sponsor's activities at the venue can have ambivalent value outcomes. Sponsors implement a leveraging activity which might have positive effects on normal fans, because they endorse the engagement of the sponsor, which leads to value co-creation. On the other hand, die-hard fans view these activities as undesirable, because of the commercialization of the sport they love.

We contribute to a more holistic understanding of value formation in the sports sector, as our study highlights the ambivalence and unmanageability of value-formation practices. The ambivalence not only results from the inherent uncertainty of sport outcomes, but also from the consumers' strong influence of how and when value is created or destroyed in the sports stadium. Sport managers who act in a service ecosystem should be aware of this ambivalent value formation, as it also affects other market-facing and public actors. Our study contributes to the theory of value formation, as we show that market-facing, public and private actors, and indeed any combination of these actors might form value in a triadic constellation. The innovation to the literature of value formation in sports is that not only market-facing actors (firms) engage in value formation. Moreover, only consumers can create or destroy value without the firm's participation. Sports fans engage in practices that the firm(s) cannot influence or control. Customers can create or destroy value on their own, without any input from the firm.

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