

## 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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