

SOCIAL NETWORK IMPACT ON VALUE CO-CREATION

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Purpose

This paper intends to contribute to the knowledge on value incorporation in sport enterprises/clubs realizing how events spectators' personal networks form their social capital and contribute to value creation through their social networks.

Approach

Value creation is a process shared between the company and its customers. Co-creation of value is "the joint creation of value by the company and by the customer" [4]. Value does not reside in the units produced by the company (its products and services) but rather in the utilisation that the consumers make of them in their lives and value moving on from value-in-exchange to become value-in-use [3], hence its value is always determined from the perspective of the beneficiary [5]. Therefore it is important to identify the type, quantity and quality of resources used by consumers to create value because they influence the practices in which consumers participate, how they involve in and what kind of value they expect from [2]. Among the possible resources used by customers in value creation are their social resources, i.e., their networks and contacts, considering these interactions influence the individual value creation configuration [2]; consumer becomes the creator of value and the only actor able to determine just what represents value. Companies correspondingly no longer supply value and instead now only make value propositions.

Customers are embedded in social contexts as both inter-subjective actors and as integrators of resources, and not merely as some individual actor, and hence their value should only ever be interpreted within the framework of this social context (value-in-context) [1]. In order to understand this new logic we need a network or system perspective [5]; the value of a sport event does not reside in the event itself, but on the experience the participant has (value-in-use) when participates in the event. Identifying the type, quantity and quality of resources used by consumers to create value becomes paramount because they influence the practices in which consumers participate, how they involve in and what kind of value they expect from [2]. Among the possible resources used by customers in value creation are their social resources, i.e., their networks and contacts, and these interactions influence the individual value creation configuration.

Methodology

We use a two-step experimental study and a mixed methodology to demonstrate that the value of a client of a sport enterprise/club can be increased as a function of her location in each specific ego-network.

First we used in this experiment a 70 people sample, we applied a questionnaire and compare the results with those from two other country case-studies assessing for possible biased effects through cultural differences on fan attributes or different motivating factors to attend sport events. On a second step we used a focus group protocol to interview 3 groups, chosen among the sample, in order to deeply understand the qualitative meaning of the questionnaire general responses enabling to design the structure of their social networks. According to social network theories we then calculate indicator values for their location in the network to use them as proxies of their potential input in value co-creation.

Findings:

(1) We didn't find substantial cultural differences among the 3 case-studies; (2) we simulate possible network structures and concluded that friends and family are the main influential and influenced partners of the sport fans in the sample and (3) we calculate several network indicators for each participant so they can be used as predictor of their social value.

Research limitations/implications:

We need further experiments and extra different network measures to test for a more robust sensitive analysis; we need to improve impact measures contributing to the knowledge on sport brand profiles.

Practical implications:

We showed new evidence in the way co-creation and S-D logic can use network analysis to calculate the exact value each client can bring to the firm/enterprise/club; this knowledge will certainly impact organisational strategies' design.

Originality/value:

Although we consider this study as an exploratory case-study we have to admit that according to our knowledge this is a pioneering study in the literature either in social network analysis or value co-creation approaches.

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