

The relationship between customer oriented strategy and organizational performance in professional sports

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Aim of paper and research questions

The primary purposes of this study were: (a) to determine the extent to which customer oriented strategy is implemented to Greek professional sports, and more specifically in professional basketball clubs and (b) to examine the relationship between customer oriented strategy and organizational performance (fans' satisfaction) in the Greek professional sport clubs (basketball clubs).

Literature review

Customer orientation provides competitive advantage and increases profit of organizations (Shah, Rust, Parasuraman, Staelin & Day, 2006). Moreover, research has suggested that customer oriented strategy creates value for the customers and increases customers' loyalty (Macintosh, 2005, Shah et al., 2006) which in turn results in sales growth and hence firm performance (Asikhia, 2010). Since customer orientation affects customers' loyalty and satisfaction, customer oriented strategy has become an essential ingredient for the long-term success of the organizations (Matin, Jandaghi, Khanifar & Heydari, 2009). However, research regarding customer oriented strategy in sport sector is still limited.

Methodology, research design and data analysis

The sample of the particular research was 800 fans of the 4 most popular Greek basketball clubs which competed in the first division of the Greek league (A1) in the season 2011-2012. For the purpose of this study a 40-item questionnaire, was used (developed by Whiteley 1991) focusing on customer oriented strategy. The questionnaire was translated and modified by a panel of experts in the fields of sport marketing, business management and strategic marketing, in order to provide information on how fans see their basketball club in terms of the customer oriented strategy process, using a five point Likert scale. The reliability of the scale was found to be $\alpha = .99$. Also, the particular research used the subjective way of measuring performance. This means that fans were asked to evaluate the performance of their basketball club relative to their satisfaction in the following performance indicators: (a) sport club's management, (b) sport club's strategy, (c) customer service, (d) safety of sports facilities, (e) hygiene of sports facilities, (f) sport club's marketing, (g) service quality, (h) sport club's goal achievement, (i) sport club's budget, and (j) sport club's sponsorship effectiveness, using a five point Likert scale. The reliability of the scale was found to be $\alpha = .98$. The study was a quantitative design and the analysis was exploratory in nature. Descriptive statistics and Pearson correlation were used to examine variables relationship using SPSS software (version 22).

Results

The results (means) indicated that customer oriented strategy is applied to a mediocre extent from Greek professional basketball clubs ($M=3.58$, $SD=0.77$), according to fans' perspective. Also, there were significant and positive relationships between the customer oriented strategy and organizational performance (fans' satisfaction) in the Greek basketball clubs. More specifically, customer oriented strategy had a significant and positive relationship with: (a) sport club's management ($r = .826$, $p=.001$), (b) sport club's strategy ($r = .854$, $p=.001$), (c) customer service ($r = .855$, $p=.001$), (d) safety of sports facilities ($r = .864$, $p=.001$), (e) hygiene of sports facilities ($r = .854$, $p=.001$), (f) sport club's marketing ($r = .853$, $p=.001$), (g) service quality ($r = .847$, $p=.001$), (h) sport club's goal achievement ($r = .856$, $p=.001$), (i) sport club's budget ($r = .865$, $p=.001$), and (j) sport club's sponsorship effectiveness ($r = .839$, $p=.001$).

Discussion and conclusion

Our study implies that customer oriented strategy is applied to a mediocre extent by Greek professional basketball clubs. Also, the results indicated that there were significant and positive relationships between the customer oriented strategy and organizational performance (fans' satisfaction) in basketball clubs. These findings are consistent with previous studies on customer oriented strategy and organizational performance, in service and business sector (Asikhia, 2010; Shah, et.al., 2006). The present findings add credence to the argument that customer oriented strategy is a major factor for sport business activity, because it provides the Greek professional sports with a better understanding of its fans, which subsequently leads to enhanced fans' satisfaction and organizational performance (Asikhia, 2010).

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