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## **SPORT INDUSTRY CLUSTER – TESTING THE SPORT VALUE FRAMEWORK ON THE MESO-LEVEL**

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Synopsis:

The purpose of this abstract is to test the sport value framework in the context of sport industry cluster. This shall advance the fundamental logic of conducting analyses in sport management research.

Abstract:

### **1. RESEARCH QUESTION**

The aim of this paper is to test the sport value framework (SVF) suggested by Woratschek, Horbel, and Popp (2014) in the context of sport industry clusters. Woratschek et al. (2014) suggest a fundamentally new logic for analyses in sport management. Sport management issues should be analysed in the context of the entire value co-creation system of sport industries (meso-level) rather than from the perspective of single actors (individuals, organisations). The aim of this paper is to investigate the validity of the ten foundational premises (FP) of the SVF in the context of sport clusters. The sport cluster model refers to geographical concentrations of interconnected organisations with a particular interest in a sport or related sports (Gerke, Desbordes, & Dickson, 2015).

### **2. THEORETICAL BACKGROUND**

This paper is based on theoretical advances on how to define the nature of sport management and consequently sport management research. Traditional sport management and marketing approaches are based on the goods-dominant logic of economic exchange (Chelladurai, 2013). Firms create value by producing and selling goods while customers consume and thereby destroy these goods. Marketing scholars proposed a new paradigm – the service-dominant logic – that focuses on intangible resources, value co-creation, and relationships (Vargo & Lusch, 2008). This idea was taken up in sport management and marketing research. Woratschek et al. (2014) translate the ten FP of the service-dominant logic from general management into the sport management context. It is argued that the nature of economic exchanges in

sport industries is based on the exchange of applied knowledge (service) that manifests in products or services. The SVF distinguishes furthermore three level of analysis: the intra-level as level of single actors (organisations, individuals), the micro-level covering dyadic and triadic linkages and the meso-level focusing on the entire value-creation network in sport industries. The latter corresponds to the concept of sport industry clusters (Gerke et al., 2015). Therefore sport clusters present a viable context for testing the SVF.

### 3. METHODS

This paper uses an existing data set that was created for the study of two sport clusters: a surf industry cluster in France and a sailing cluster in New Zealand. Cases in different cultural and industrial contexts were chosen to enable theoretical replication and to augment the theory-building potential of this study (Yin, 2009). Data includes interview transcripts and observation reports as primary data, and organisational information and archival data as secondary data. All data is summarised in narrative case study reports including relevant quotations (Yin, 2009). The data was originally collected to investigate determinants of cluster emergence and development as well as interorganisational linkages and behaviours in sport clusters. Since the SVF focuses on the nature of economic exchanges we argue that data about interorganisational linkages and behaviours in an industrial cluster will inform about the nature of economic exchanges in that cluster.

### 4. RESULTS

This paper reviews the ten FP of the SVF in the context of two different sport clusters. As an example we provide here evidence from one of the two cases in terms of the FP 10 The role of firms, customers and other stakeholders is to integrate the resources of their specific networks to co-create value. The sailing cluster in Auckland consist of a diverse set of actors producing specialised goods or services (e.g., shipyard making hulls for Olympic race boats). Most of these goods or services have little value if separated from other goods and services offered by other firms and organisations in the cluster. For example, the value created by a shipyard through the construction of a boat hull can only be realised if matched with the service provided by a sail maker and other marine equipment suppliers in order create an entire boat. Once the boat is completed the national high performance sport centre in New Zealand provides funding for their athletes to buy boats. The athletes are then coached on these boats by their trainers. GPS tracking devices and other navigation accessories improve the training experience on the boat. This example shows the multitude of actors that co-create value in the interorganisational network of the Auckland sailing cluster and supports FP 10.

### 5. DISCUSSION AND CONCLUSION

This paper aims at advancing the SVF by analysing the central FP in the context of sport clusters. This paper tries to reconcile the service-dominant and goods-dominant logic by proposing the experience-dominant logic. An experience is defined as applied knowledge (Woratschek et al., 2014) . The experience-dominant logic argues that any economic exchange is based on the co-creation of experiences that are manifested in the exchange of intangible services or tangible goods.

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