Complementary Competition & Cooperation: Developing Coopetition as the Antidote to Sports Marketing Myopia in Small Sports Clubs

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Abstract 2016-318 2:20 PM (Legacy South 3)
20-minute oral presentation (including questions)

Background

Many smaller sports clubs and organisations (SSC) are now faced with a neo-liberal realism that has resulted in unremitting reductions in many of their previously reliable sources of revenue. Government funding is continuously being reduced and is no longer dependable. Competition for sponsorship and media revenues is increasing, whilst at the same time, these sources of revenue are diminishing as these stakeholders themselves utilise alternative outlets to provide them with an apparently greater return on their investments. SSCs now face a very real epoch in which they have no choice but to adopt a greater business-like approach to their operations and integrate a strategic market orientation into their decision-making processes to meet the needs of multiple stakeholders if they are to survive (Robinson & Marques, 2008). However, they do this against the very real background of a lack of available resources (time, money, expertise and human) coupled with ever-increasing competition for the sport & entertainment dollar. This competition for disposable income and leisure time presents a substantial challenge to the modern sports marketer charged with the delivering value to the experiential consumer and revenue for their sports club or organisation (Pine & Gilmore, 1999; Schmitt, 2000; Beech & Chadwick, 2004; Shilbury et al., 2009). Many SSCs are struggling to adapt to this challenging reality.

SSCs will continue to struggle to meet this challenge if they continue to operate in competitive isolation from each other. Marketing to experiential consumers goes beyond the limited resources of an isolated small sports organisation. If they wish to be sustainable then they have no option but to work collaboratively in their strategic development. Gallagher et al (2015) have highlighted that the lack of coopetition and understanding of the complex relationships between clubs, governing bodies, government and academia has resulted in many of these clubs failing to align the interests of various stakeholder groups within marketing relationships and they now face the very real and unrealised dangers of sports marketing myopia if the situation is left unaddressed (Mullins et al., 2007; Smith et al., 2010). However, there has been very little research and conceptual development done on the neologistical concept of coopetition and its role in strategic development by the sports academy.

Research Objectives

The purpose of this paper is to develop our hitherto sparse knowledge of strategy specific to sport at the smaller club/league level (Shilbury, 2012; Slack, 2014) by addressing a significant gap in our current understanding of the application of the concept of coopetition in SSCs. The main objectives are to:

• Explore the areas that are suitable for coopetition in the marketing of SSCs in the experiential economy,
• Identify the areas that are unsuitable for coopetition in the marketing of SSCs in the experiential economy,
• To develop a model of best practice that will facilitate and encourage the effective use of Coopetition amongst SSCs.

Theoretical background

Competition is central to strategic management and the literature and business lexicon abounds with the partisan phrases of ‘obtaining and maintaining competitive advantage’, ‘outdoing/burying the competition’ and ‘winning rather than losing’. It is defined in terms of distinct boundaries between organisations who are producing the same or related products and striving to monopolise that product domain and maximise their market share (Bengtsson, 2004). It has long since been recognised as the essence of strategy in market-led economies (Hooley et al., 2008) and it is the ‘heart and soul of sport management’ (Shilbury, 2012: p. 2).
Cooperation is also central to strategic management. It is developed by organisations who recognise that their goals are overlapping and take coordinated actions and develop interdependent relationships that complement and enhance each other so that as one achieves its goal then the other achieves theirs too i.e. succeeding together (Tjosvold & Wong, 1994; Anderson & Naurus, 1990; Bengtsson, 2004). It is proactive in nature and the effective role of cooperation in promoting healthy competition has been noted (Wilson, 1995). However, it has also been noted that cooperation which is too pervasive may result in reduced efficiency and effectiveness in a market and can thus, pose a threat to competitiveness (Palmer, 2000/2002b).

Coopetition is a paradox that has emerged as an alternative to the dichotomies of competition and cooperation. It seeks to maximise the positive benefits available from their simultaneous utilisation whilst minimising their negatives. It has the goal of creating mutually beneficial exchanges and added values amongst collaborating organisations (Zineldin, 2004). It advocates that those competing in the same space (SSCs) can also work together to enhance and promote the domain within which that space exists ('sport' as part of a wider experiential economy) (Robert et al., 2009; Shilbury, 2012). It exists where organisations recognise areas where they can collaborate with each other for the purpose of increasing the overall future value and size of their respective market i.e. cooperation, rather working independently of each other to win a share of an existing market i.e. competition (Nalebuff & Brandenburger, 1997). For example, individual sports entities (teams) are part of a greater entity (the league) that must cooperate with each other to ensure a competitive balance and ergo an attractive league product that is appealing to a wide base of sports fans and then compete against each other to attract those fans to follow their team via individual marketing activities (Goldman, 1989; Rottenburg, 1956/2000).

Method & Data Analysis

This study is currently in a working stage of development. An exploratory methodology has been adopted in order to obtain a holistic understanding of reality in the complex situation under investigation. Semi-structured interviews are being used to elaborate and explain the underlying reasons for the application of coopetition in SSCs (Carson et al., 2000; Malhotra & Birks, 2007; Cuneen & Tobar, 2015). Data collection is ongoing with a purposive sample of representatives of SSCs who compete in national leagues with regular weekly fixtures in Northern Ireland including Soccer, Rugby, Cricket, Hockey, Basketball, Netball, Ice Hockey and Gaelic Football, Hurling & Camogie. Data analysis is being conducted using Nvivo in order to explore, compare, understand and describe the main areas with which the study is concerned (Stemler, 2001; Sprott & Miyazaki, 2002).

Full details of findings will be presented at conference. We anticipate that this paper will contribute to our knowledge and understanding of the strategic development of sport and stimulate debate/discussion in the wider context of the sports management academy.

References available on request from authors