Value Co-Creation in Sport: A Proposed Model

Charles W. Jones, Indiana University
Kevin Byon (Advisor), Indiana University

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Evolving from relationship marketing concepts, the service-dominant logic (SDL) of marketing focuses on intangible resources, the co-creation of value, and relationships where the provision of services is fundamental to economic exchange (Vargo & Lusch, 2004, 2008, 2016). This shifting paradigm differs from a goods-dominant logic (GDL) where marketing efforts previously focused on tangible output and the exchange of goods (Vargo & Lusch, 2004). SDL is both service- and customer-centric where service (not goods) is considered the fundamental basis of exchange and customers are viewed as active participants in the consumption process.

Moving towards the service-dominant logic for marketing sport—and applying the foundational premises of SDL in the context of sport management—Woratschek, Horbel, and Popp (2014) proposed the sport value framework (SVF) to help scholars and practitioners better understand the concept of value co-creation (VCC) in sport. Consistent with SDL, the SVF suggests that the sport consumer is always a co-creator of value and that value is always determined by the beneficiary (e.g., the consumer) based on value-in-use—value the consumer associates with the consumption experience based on an individual’s motivation and other contextual factors (Uhrich, 2014; Woratschek et al., 2014).

Woratschek et al. (2014) consider value to be a fundamental concept in contemporary marketing, calling for future research that examines value through the value co-creation (VCC) lens. In sport management, the study of value co-creation has thus far been limited (McDonald & Karg, 2014; Uhrich, 2014; Uhrich & Benkenstein, 2012), but research suggests that in a live sport event setting, there are both organization-related factors and customer-related factors that can influence perceptions of value and impact future behavioral intentions. These findings are consistent with SDL and the SVF, which view customers as active participants in the service delivery and consumption process; where the customer is always viewed as a co-creator of value; where marketing is considered as a process of interaction with the customer; and where value is determined phenomenologically by the beneficiary (i.e., the customer) on the basis of “value in use” (Vargo & Lusch, 2004, 2008, 2016; Woratschek et al., 2014).

Objective  
The purpose of this study is to propose a value co-creation (VCC) model that explicates sport consumer behavior from the service-dominant logic perspective. The proposed model is comprised of two second-order factors: Value-Co-Production (value is always co-created by the sport organization and its customers) and Value-In-Use (value is always determined by customers). Value-Co-Production includes both the customer’s role (i.e., Customer Density, Customer Appearance, and Customer Behavior (Uhrich & Benkenstein, 2012) and the sport organization’s function (Core Service Quality, Interaction Quality, and Physical Environment Quality (Byon, Zhang, & Baker, 2013)).

Value-In-Use is theorized to include three dimensions of consumption value (i.e., Hedonic Value, Utilitarian Value, and Symbolic Value (Yoshida, James, & Cronin, 2013). Finally, both In-Role and Extra-Role Behavioral Intentions is included as key outcome variables in the proposed model. Specifically, these constructs include Attendance, Media Consumption, and Merchandize Consumption (In-Role Behaviors), and Management Cooperation, Prosocial Behavior, and Performance Tolerance (Extra-Role Behaviors). The proposed VCC model can be used to examine how sport organizations and its customers co-create value in a live event setting and how the roles performed by both actors influence future in-role and extra-role behavioral outcomes.

Theoretical and Practical Implications  
While prior studies have increased our understanding of how organization-related activities can impact value perceptions and influence behavior intentions, the construct of perceived value has often been examined without considering the customer’s role in co-creating value jointly with the organization. This study will advance our
theoretical understanding of how value can be co-created by sport organizations and its consumers and how this co-created value can facilitate in-role and extra-role sport consumption behaviors.

Use of the proposed model will also be beneficial to managers and marketers of sport organizations. By investigating how value is co-created by the two primary stakeholders—sport organizations and its consumers—practitioners can better understand how each actor specifically influences value perceptions, and how organization-related and customer-related activities impact future consumption behavior.

Understanding how sport organizations can facilitate the behavioral intentions examined here—in-role behavior and extra-role behavior, is critical to the long-term financial success of sport organizations. Furthermore, investigating the strength and direction of these relationships can improve our understanding of how each stakeholder specifically impacts value co-creation in a live sport event setting. This can help managers and marketers know where to focus their resources in order to increase customer value and facilitate future consumption behavior.