The Strategic Advantage of Sport Organizations: The Case of Esport

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Management - Strategic Management (Professional Sport)  
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Sport organizations are increasingly diversifying into the esport industry. Sport organizations (e.g., leagues, teams) from across the globe are acquiring esport teams, helping fuel growth in the esport industry. Professional sport teams that have diversified into the esport industry include prominent teams such as The New England Patriots, Philadelphia 76ers, Paris Saint-German FC, among a host of professional sport teams embracing the esport industry.

Sport organizations entering the esport industry are doing so largely via horizontal diversification. Horizontal diversification allows firms to generate synergy across firms by leveraging existing resources (Ensign, 1998). Firms diversify when the resource requirement of new markets match their resource capabilities (Peteraf, 1993), suggesting that sport organizations have existing resources and skills (i.e., core competencies) that allow them to produce a service more efficiently and effectively (i.e., generate a competitive advantage). The diversification of sport organizations into the esport industry provides an opportunity to identify how sport organizations particularly stand to benefit from their diversification into the esport industry using existing resources of the sport organization.

The purpose of the proposed research is to examine how sport organizations leverage their core competencies to create a competitive advantage. The research will address the following question:

How are sport organizations leveraging their core competencies to generate a competitive advantage when diversifying into the esport industry?

The research is guided by three theoretical perspectives that together provide a holistic vantage point to examine the existing core competencies of sport organizations and how these competencies can be managed efficiently and effectively. The perspectives are the resource-based view (RBV; Barney, 1991), the knowledge-based view (KBV; Grant, 1996), and resource orchestration (RO; Sirmon et al., 2011). These perspectives can inform sport management research on the core competencies of sport organizations that can be leveraged to generate synergies across firms to the benefit of sport organizations. The insights provided by the RBV, KBV, and RO can identify that sport organizations are knowledge-based entities which have existing resources, both tangible and intangible, which can be a source of competitive advantage.

The research adopts an explanatory, qualitative analysis. Data will be generated using semi-structured interviews of sport organizations’ experts. Specifically, directors (or employee of similar standing) from various business units (e.g., strategy, human resources, marketing) from professional sport teams who have purchased esport teams will be recruited to the study. Initial participants will be recruited using a purposive sample followed by a snowball recruitment strategy. The data will be analyzed using the seven-step process outlined by Creswell (2013).

The anticipated findings will support that sport organizations have existing physical resources (e.g., facilities), intangible resources (e.g., tacit knowledge), and structures (e.g., existing departments) that can be leveraged when diversifying. Pragmatically, identifying the strategic resources and processes of sport organizations can encourage the growth of sport organizations both within and beyond the esport industry. For example, the findings of the current study could support that existing sport departments (e.g., marketing) have tacit knowledge on how to market large-scale entertainment events - events beyond sport related events.