



**Deutsche  
Sporthochschule Köln**  
German Sport University Cologne

**Institut für Sportökonomie  
und Sportmanagement**  
Institute of Sport Economics  
and Sport Management



# Spectators as Co-Producers of Handball Matches

## *Challenges, Limits & Opportunities*

**2013 EHF Club Management  
Seminar**

**Cologne, 30<sup>th</sup> May 2013  
Dr Stefan Walzel**





# OUTLINE

1. A strategic perspective on sport event spectators
2. Sport events as service experience
3. Service & brands
4. Spectator's demand for sustainability
5. Summary & Conclusions





## **WARM UP**

- 1. Find yourself in groups of 3-4 people, and identify ten stakeholders of the EHF Champions League Finale Four, except the spectators.**
- 2. Order the identified stakeholders regarding their importance for the success of the event (from the most important to the less important stakeholders).**
- 3. How can the spectators impact the benefits of the identified stakeholders and the overall success of the event?**





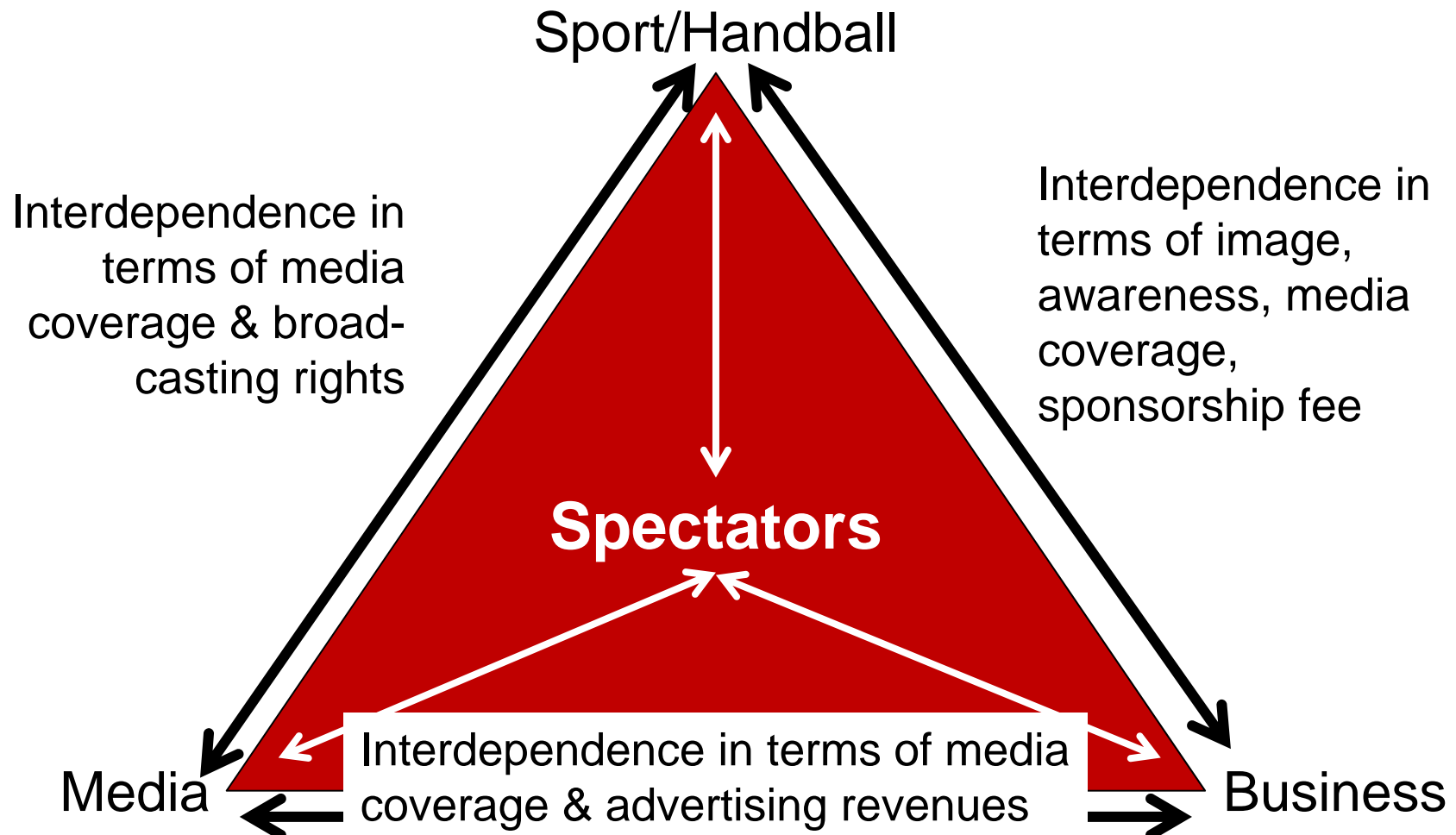
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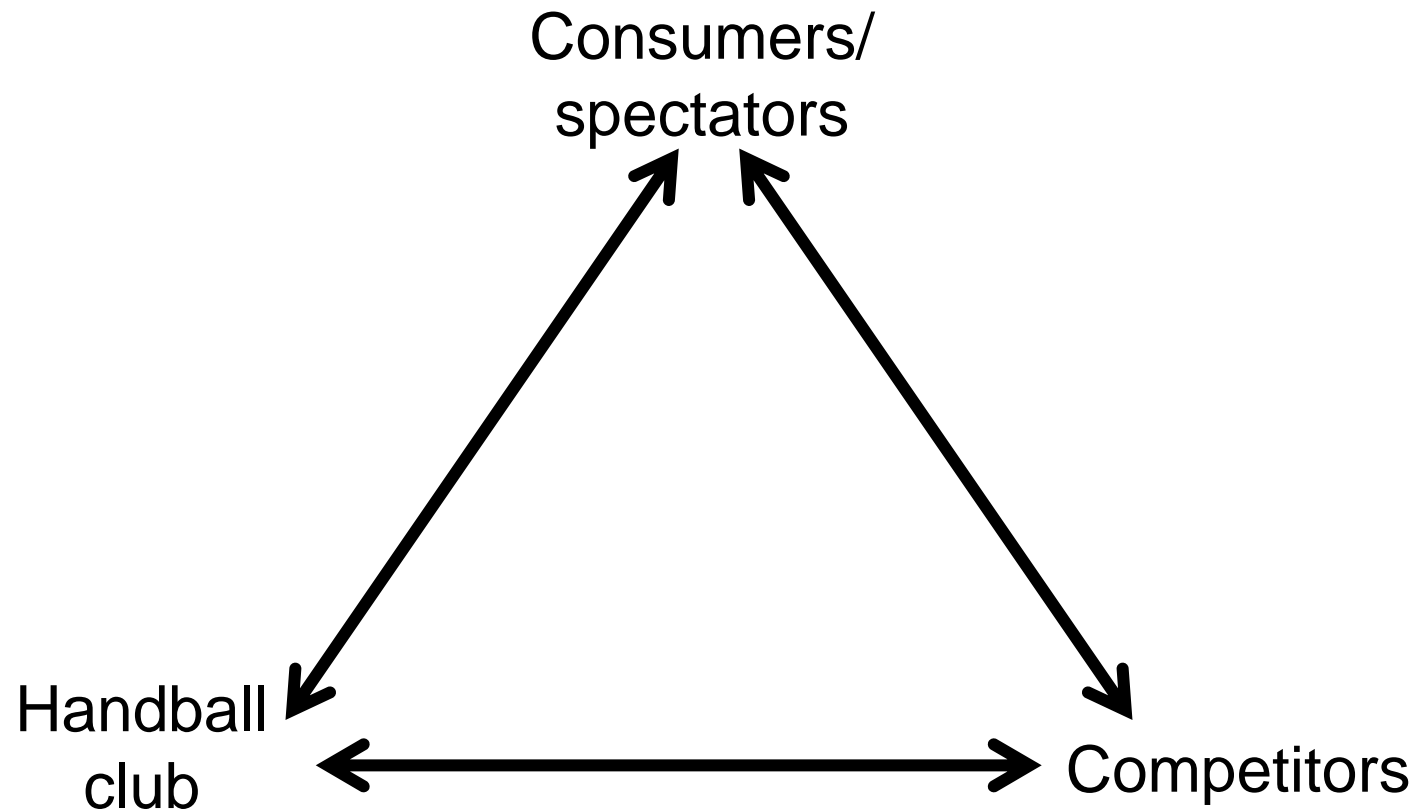


# „MAGIC“ TRIANGLE OF SPORT BUSINESS





# STRATEGIC APPROACH





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# SERVICE CHATACTERISTICS

1. Delivery and consumption are inseparable
2. Heterogeneity and variations in quality
3. Intangible
4. Lack of ownership
5. Perishable
6. Integrating external factor - consumer as co-producer
7. Producer is part of the product/service
8. Individualisation of services



# SERVICE DOMINANT LOGIC

- By Vargo & Lusch (2004): shift from “goods-dominant logic” to “service-dominant logic”
- „we define services as the application of **specialized competence (knowledge and skills)** through deeds, processes, and performances for the benefit of another entity or the entity itself.” (Vargo & Lusch, 2004, 2)



## FUNDAMENTAL PREMISES OF SDL (1/2)

1. The Application of specialized skills and knowledge is the fundamental unit of exchange
2. Indirect exchange masks the fundamental unit of exchange (e.g. BIRG, CORF)
3. Goods are distribution mechanism for service provision
4. Knowledge is the fundamental service of competitive advantage



## FUNDAMENTAL PREMISES OF SDL (2/2)

- 5. The customer is always a coproducer
- 6. The enterprise can only make value propositions
- 7. A service-centered view is customer oriented and relational



# COPRODUCTION

- **Perspective of the customer is centered, not the one of the producer:**
  - Value will be created by the application not by the transfer
  - Customer as co-creator of values (co-creation, coproduction, co-branding, co-design)
  - Significance of interactions and relationships
- **„the enterprise can only offer value propositions; the consumer must determine value and participate in creating it through the process of coproduction..“ (Vargo & Lusch, 2004, 11)**





# COCREATION

- 3 actors: athletes, sport event provider, and fans
- Behavior of the own fans increases the perceived value of the sport event
- Negative behavior of the fans of the opponent decreases the perceived value of the sport event
- Behavior of fans has a stronger impact on the perceived value of the sport event than the perceived service quality (Durchholz, 2012)

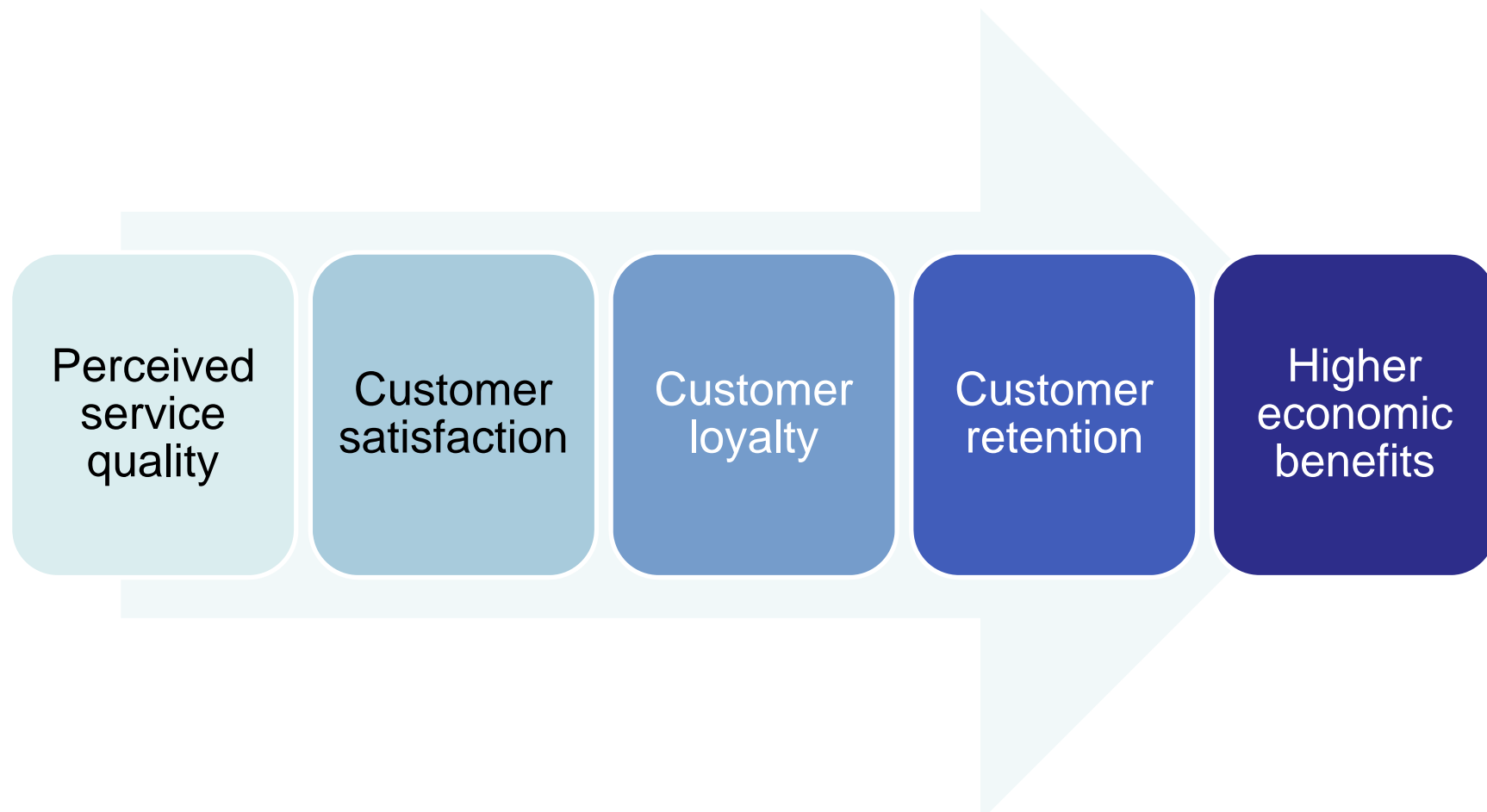


# SERVICE QUALITY

- Service quality (from a customer's point of view) „is centered on **how quality characteristics are perceived by the demander**“ (Riedmüller, 2011, 244)
- Managing the quality of an event experience depends on managing its **human delivery** and the **behavior of its consumers** (people attending an event affect the level of enjoyment of other visitors)



# SERVICE PROFIT CHAIN

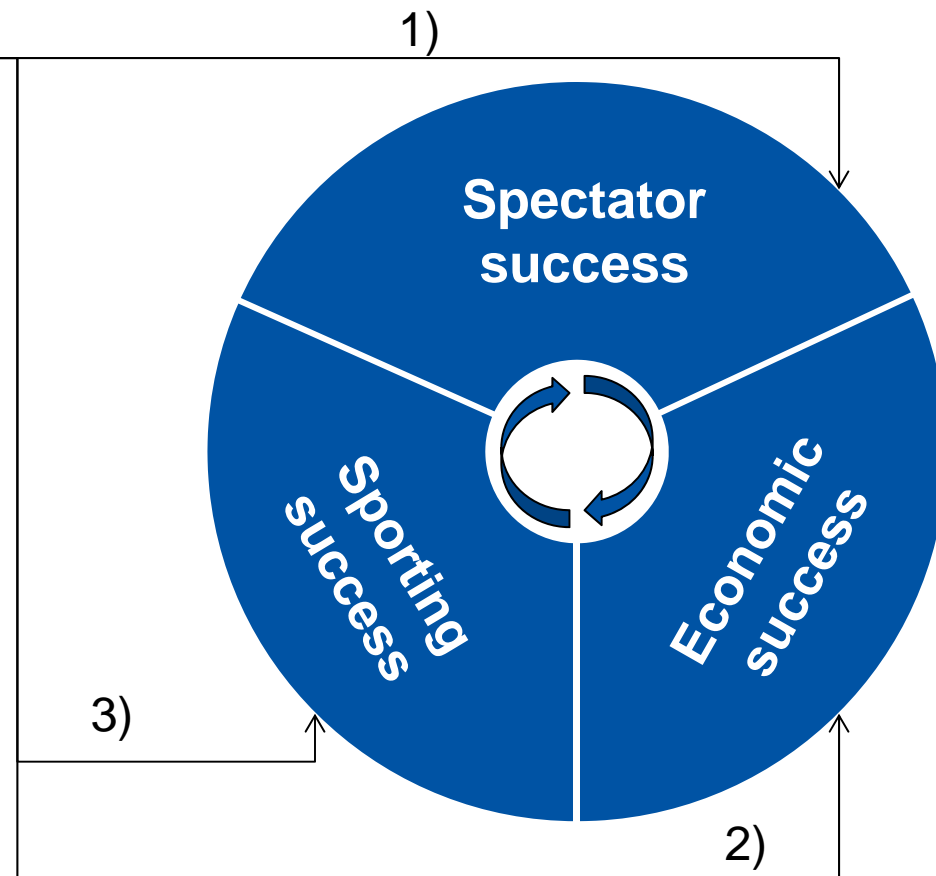


In addition to Heskett et al., 1994

# SERVICE QUALITY & SPORT EVENT SUCCESS

## Service quality as a driver for success

- 1) Higher repeated visits, higher spectator potential, cross-selling potential
- 2) Higher revenues and profits, less communication costs
- 3) Better players, increased ecstasy





# OUTLINE

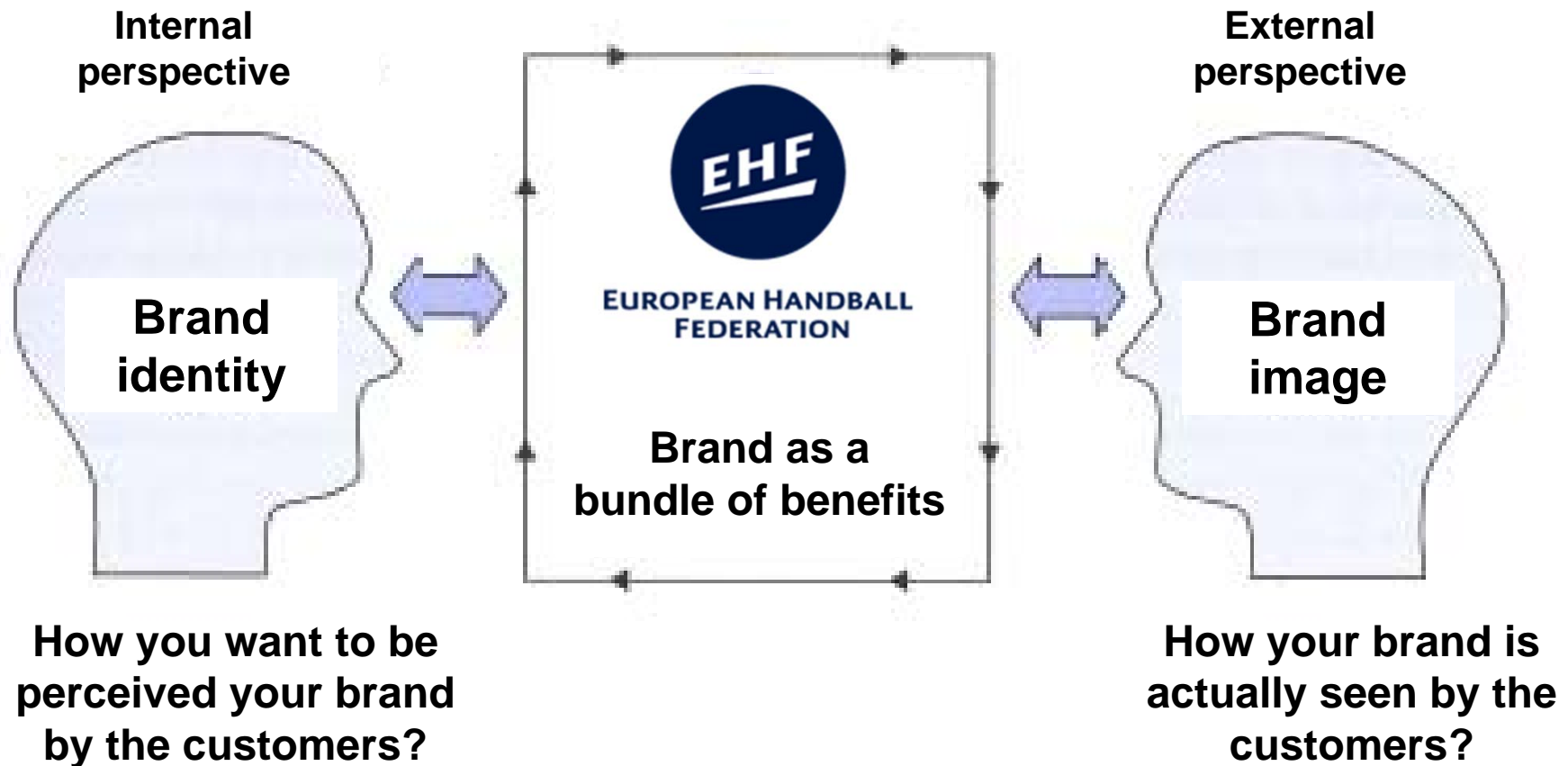
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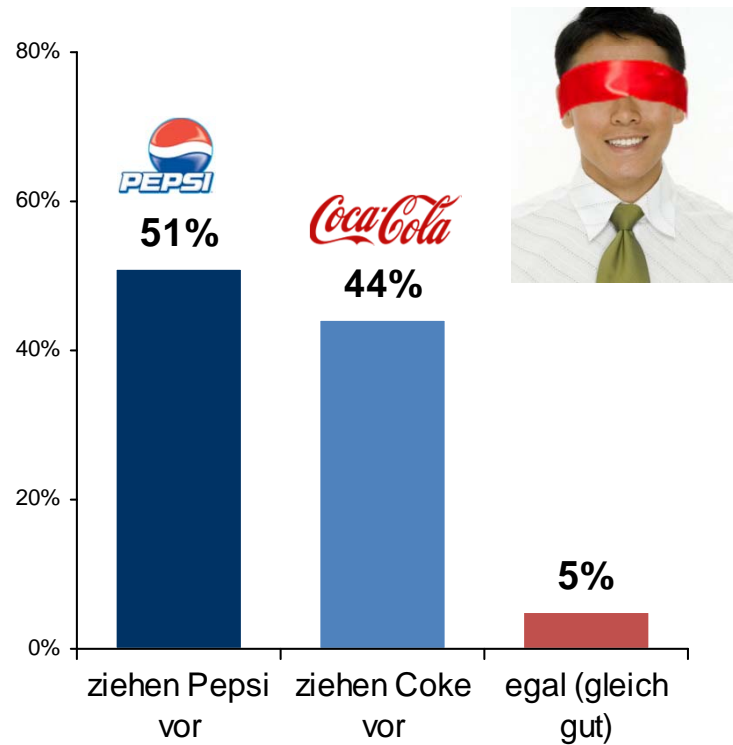
# BRAND IDENTITY CONCEPT



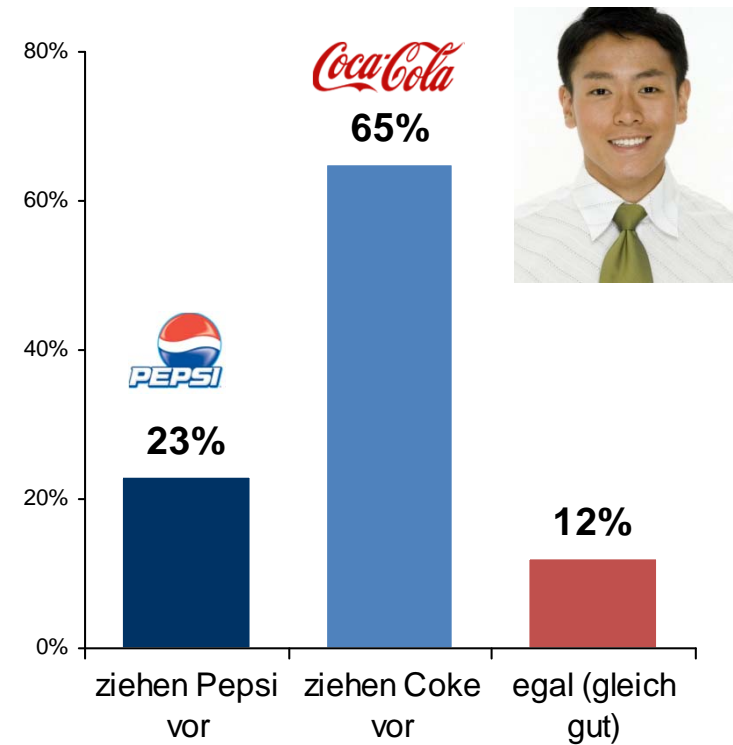


# BRAND MEANING

Blind test



Test with brand logos



De Chernatony & McDonald, 2003



# BRANDS AS SERVICES

Distinguish between primary, secondary and tertiary services of brands

- **Primary service:** (unbranded) core benefit
- **Secondary service:** additional benefit from the brand (information function, selfconfirming function, adaptation function)
- **Tertiary service:** opportunity to satisfy individual needs of different experience by communications measure of the brand (e.g. Red Bull Air Race)

(Drengner, 2013)



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# SUSTAINABLE DEVELOPMENT

- “sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs.” (Brundtland

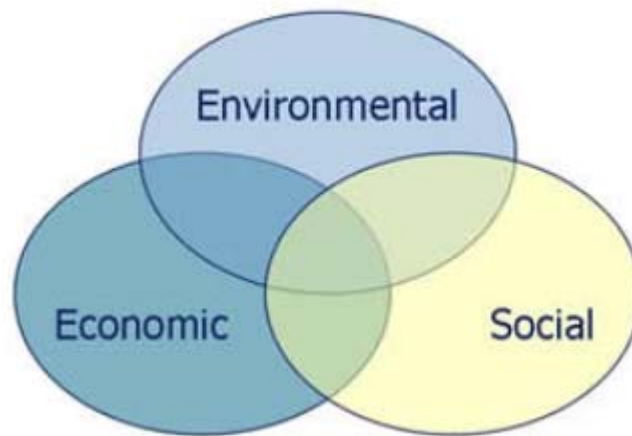
Commission of the United Nations, 1987)

Sustainable handball club management „meets the needs of the present without compromising the ability of future generations to meet their own needs.”





# TRIPPLE BOTTOM LINE



Triple bottom line  
concept (Elkington, 1998)

	Old Paradigm	→	New Paradigm
1 Markets	Compliance	→	Competition
2 Values	Hard	→	Soft
3 Transparency	Closed	→	Open
4 Life-cycle technology	Product	→	Function
5 Partnerships	Subversion	→	Symbiosis
6 Time	Wider	→	Longer
7 Corporate governance	Exclusive	→	Inclusive

Figure 1.2 *Seven sustainability revolutions*

(Elkington, 2004, 3)



# THREE PILLARS OF SUSTAINABILITY





# ATTITUDE TO SUSTAINABILITY

- Increased expectation towards sport organisations to act sustainable (Breitbarth & Harris, 2008; Walters & Tacon, 2011)
- Sustainable development – chances for increased number of fans, better brand image, higher retention of members and sponsors (Breitbarth & Harris, 2008)
- Sport event stakeholders demand for more sustainability and acknowledge it by increased relationship quality (Bhattacharya, Sen & Korschun, 2009)

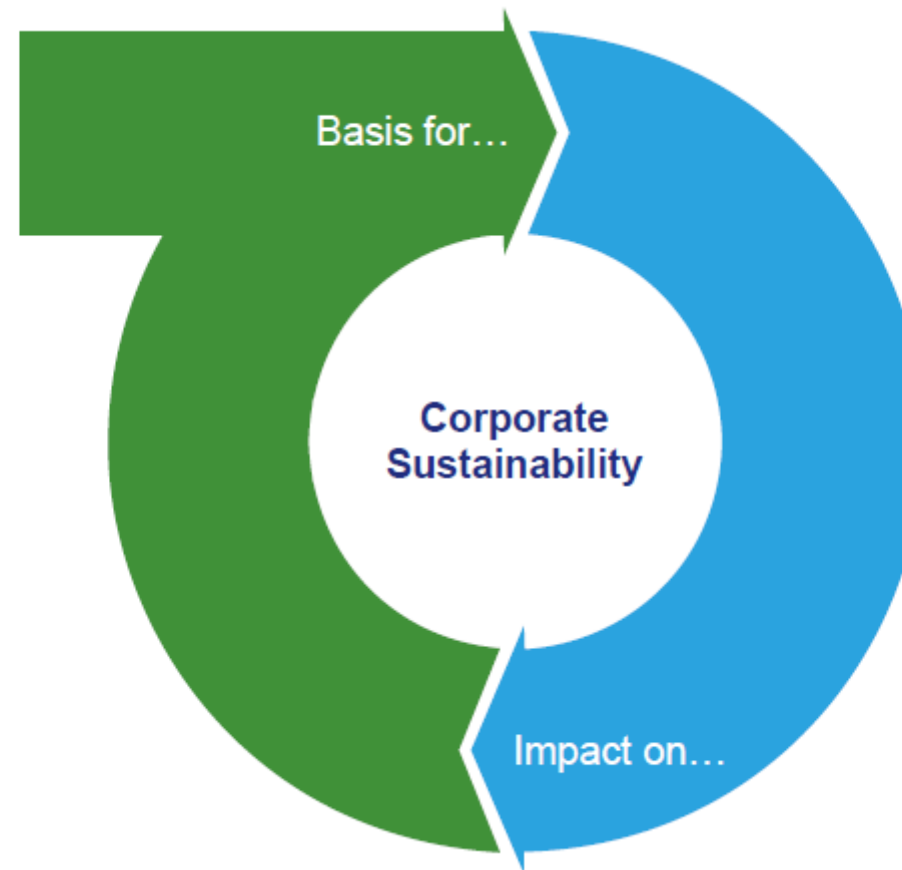


# LINK BETWEEN TWO PILLARS

## Corporate Financial Performance (CFP)

Success within the  
'core' business

Performance  
measurement  
based on clearly  
defined key  
performance  
indicators (e.g.  
revenue, cost,  
profit & loss)



## Corporate Social Performance (CSP)

Success in  
assuming social  
responsibility

Performance  
measurement  
rather difficult due  
to soft objectives  
(e.g. building up  
social capital,  
contribution to a  
healthy lifestyle)



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## SUMMARY

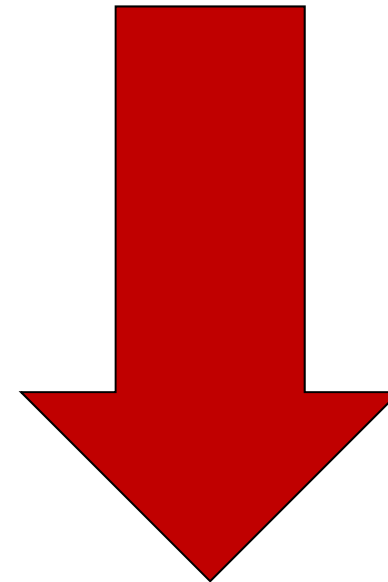
- Spectators are (probably) the most important stakeholder group of a sport event
- Sport events are services and spectators are coproducers and cocreators of sport events
- Additional value of a sport event is manifested in the brand strength
- Spectators are concerned about sustainability and demand more and more sustainable behavior





# CHALLENGES

- Hooliganism
- Football dominated sport world
- Doping & corruption
- Match-Fixing
- Terror attacks
- Low competitive balance
- ...



**Decreasing interest in  
handball by spectators**





# LIMITS

- Variety seeking behavior
- Increased expectations for more extraordinary experience
- Increased demand for more sustainable sport events
- Willingness to pay
- Media interest and attention
- ...



# OPPORTUNITIES

- Social media – extended sport event communication
- Less news concerning hooliganism, violence
- Fast, dynamic and exciting sport
- Long history and tradition
- Not overcommercialised
- 2nd team sport in many European countries
- ...



## WRAP IT UP

- Sponsors/Sponsorship → *key stakeholder who wants to use sport events to bring his brands to the consumer's top mind*
- Brandbuilding & -management → *brands give customers an additional value by using the product/service*
- Social Media → *opportunity for extended communication with your target group (before, during, and after the sport event)*
- Promotion & Communications → *fostering relationships with your customers*



***Thank you very much for  
your attention and I will be  
happy to answer your  
questions or to discuss  
any further issues***





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