

## Development and Validation of Value Co-Creation in Sport

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Traditionally, sport scholars have used a goods-dominant perspective to examine value creation—where live sporting events are seen as a product offering that is sold to customers and then consumed. However, the models affiliated with such a perspective may not capture “the true nature of value creation” (Woratschek et al., 2014, p. 18), because the role of the customer in value creation is less emphasized or not even acknowledged. Woratschek and colleagues addressed these limitations by introducing the sport value framework (SVF) as a more advanced theoretical framework to explain how value is co-created in various sport management phenomena. Value co-creation (VCC) can be defined as “the joint process whereby firms and customers, in interactions, create value” (Grönroos & Voima, 2013, p. 138). The VCC perspective acknowledges that today’s consumers are “connected, informed, empowered, and active” (Prahalad & Ramaswamy, 2004, p. 6), engaging with organizations and other customers to “determine and enhance their own consumption experiences” (Baron & Harris, 2008, p. 15). From this perspective, sport organizations cannot create value by themselves, but “only offer value propositions as input for potential value creation” (Woratschek et al., p. 12).

In the live event setting, spectators co-create value by integrating resources and value emerges through stakeholder interactions. As such, the purpose of this study was to propose and empirically test a sport consumption behavioral model based on the VCC framework. The conceptual model tested here is a micro-level perspective of value co-creation in the context of live sporting events. Through application of SVF principles—specifically, that value is always co-created by multiple actors; that co-created value is always value-in-use; and that co-created value is always value-in-context—a conceptual model of value co-creation in sport was empirically tested. The sport consumption value co-creation (SCVCC) model was used to examine how sport organizations, their customers, and other spectators co-created value in the live event setting and how the roles performed by each actor influenced future in-role and extra-role customer behavior.

Data were collected via M-Turk from 282 spectators who had attended a game of their favorite NBA team during the previous six months. SCVCC constructs were measured using 48 items adapted from prior studies (e.g., Byon et al., 2013; Kim et al. 2013; Kunkel et al., 2017; Uhrich & Benkenstein, 2012; Yoshida et al., 2014). Specifically, organization-based value propositions were measured based on three dimensions: a) core service quality, b) interaction quality, and c) physical environment quality. Customer-based value propositions were measured based on three spectator social factors: a) customer density, b) customer appearance, and c) customer behavior. Value-in-use was measured based on three value dimensions: a) economic value, b) hedonic value, and c) social value. The consequences of value-in-use were examined as in-role and extra-role behavior. Customer in-role behavior was measured based on three behaviors: a) repeat attendance, b) merchandise consumption, and c) media consumption. Customer extra-role behavior was measured based on four behaviors: a) management cooperation, b) prosocial behavior, c) performance tolerance, and d) word-of-mouth. Team identification was used as a covariate in this study.

Anderson and Gerbing’s (1998) two-step modeling approach was used to test the measurement and structural models. CFA results indicated the data fit the model reasonably well ( $c2/df = 2.01$ ;  $RMSEA = .06$ ;  $SRMR = .07$ ;  $CFI = .89$ ). All factor loadings were found to be statistically significant and loadings for all items exceeded the suggested criteria of .50 (Hair et al., 2010) with the exception of one item measuring media consumption, indicating a satisfactory level of convergent validity. Discriminant validity was ensured as all inter-correlations fell below the .85 threshold (Kline, 2010) with some exceptions. For example, word-of-mouth was highly correlated with future attendance ( $r = .86$ ), which is somewhat expected as the constructs are related to consumption behaviors. Internal consistency of the scale was confirmed using  $\alpha$ , CR, and AVE values with respective thresholds of .70, .70, and .50.

Model fit of the structural model was found to be reasonable ( $c2/df = 2.19$ ;  $RMSEA = .07$ ;  $SRMR = .08$ ;  $CFI = .86$ ). SEM results indicated that while interactive service quality had a significant and positive association with economic value ( $\beta = .31, p < .05$ ), physical environment service quality had a significant and positive association with hedonic value ( $\beta = .42, p < .001$ ). Core service quality had a significant positive association with all three dimensions: economic value ( $\beta = .45, p < .001$ ), hedonic value ( $\beta = .31, p < .001$ ), and social value ( $\beta = .32, p < .05$ ).

For relationships between the three value dimensions and in-role and extra-role behavior: Economic value did not have significant associations with any of the three in-role behaviors, but did have significant positive associations with two extra-role behaviors: word-of-mouth ( $\beta = .21, p < .05$ ) and management cooperation ( $\beta = .20, p < .05$ ). Hedonic value had statistically significant and positive relationships with all three in-role behaviors—repeat attendance ( $\beta = .86, p < .001$ ), merchandise consumption ( $\beta = .69, p < .001$ ), and media consumption ( $\beta = .90, p < .001$ )—and was significant and positively associated with three of the four extra-role behaviors—word-of-mouth ( $\beta = .75, p < .001$ ), management cooperation ( $\beta = .33, p < .001$ ), and performance tolerance ( $\beta = .66, p < .001$ ). Social value was found to have significant and positive associations with three of the four extra-role behaviors—word-of-mouth ( $\beta = .17, p < .05$ ), management cooperation ( $\beta = .30, p < .001$ ), and prosocial behavior ( $\beta = .70, p < .001$ ).

Findings of the current study revealed that organization-related value propositions (i.e., interaction, physical environment, and core service quality elements) were stronger positive predictors of the three value-in-use dimensions than were customer-related value propositions (i.e., spectator social factors). Specifically, core service quality was found to be a strong antecedent of all three value outcomes, while interaction service quality was positively associated with economic value and physical environment quality had a strong influence on the hedonic value experienced by game spectators.

Furthermore, the customer-related value propositions (i.e., spectator social factors)—specifically, the density, appearance, and behavior of other spectators—were not found to be antecedents to the social value spectators associated with the live event experience. Findings also showed that as spectator perceptions of customer density increased, the economic and hedonic value experienced by spectators inside the arena decreased. This appears to be a contextual effect where it could be posited that tight seating and a full arena might negatively impact the economic and hedonic value that NBA spectators associate with their overall event experience.

Lastly, hedonic value was found to be the strongest predictor of both in-role and extra-role customer behavior. Such a finding supports the notion that live sport events are primarily a hedonic experience, and when that experience is greater spectators may be less sensitive to price and more likely to promote the organization. The only exception to this finding was the relationship between social value and prosocial behavior, where higher levels of social value were found to influence prosocial behavior to a greater degree than the other value dimensions. Such a result suggests that strong social value associated with the live event experience can prompt sport spectators to share team- or sport-related information with other fans both at the venue and through social media channels.