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DETERMINANTS OF THE CO-CREATION OF CONSUMER VALUE ON THE SPORTS EVENT MARKET

Although the concept of the co-creation of consumer value has been subject to numerous research projects and scientific debates, it still arouses controversy. Its possible applications are still discussed and its various aspects require more in-depth analyses. This article is conceptual in nature and presents the determinants of the co-creation of value on the sports event market. It also addresses its opportunities and limitations. The conducted analysis allowed for a conclusion that the creation of value for sports events is cooperative in nature, with three main groups of entities involved.

Key words: consumer value, co-creation of value, sports events market.

JEL Codes: A11, D11, L20.

Introduction

Consumer value is an elusive concept. It is an economic category that is critical for success or failure in the competitive struggle between businesses. Researchers are far from unanimous about its limitations and origins. According to one line of research, consumer value is created by the intertwining interests of the parties representing supply and demand, which underlies the concept of co-creation of consumer value. Presently, this concept is seen as the most prospective one for the development of long-term relations between a company and its customers, which is why it is subject to abundant research and scientific debate.

The article is conceptual in nature and the proposed model of the co-creation of consumer value, based on interactions, results from in-depth literature studies, as well as a thorough analysis of the processes of the sports market conducted by the author. The article aims to identify the processes and interactions taking place between the core entities involved in the creation of sports events, as well as to define the limitations and the opportunities of this co-creation.

Consumer value

As was rightly pointed out by P. Doyle, the concept of creating value is a complex and interdisciplinary issue, as it combines the areas of management, marketing and psychology¹. Other researchers maintain that presently, creating value is one of the crucial aspects of the long-term development of each organisation, besides the ability to

¹ P. Doyle, *Marketing wartości*, Felberg SJA, 2003, Warszawa, ss. 23+25.

acquire knowledge². The acquired knowledge should provide an impulse for collecting resources and developing an organisation's competences, which, in turn, become a basis for developing consumer value³.

The category of consumer value should be regarded as a multi-dimensional construct based on the functional and emotional benefits which consumers find in the offers of various suppliers. Consumer value brings to a company certain expected benefits, such as: revenue from sales, bigger market share, stronger competitive advantage, and a positive image.

In the author's opinion, from a strategic perspective creating and, consequently, managing consumer value should be perceived as a process. Therefore, it is necessary to undertake the following actions:

- a. Identify the key elements which make up the value sought by consumers and other stakeholders,
- b. Define the path of the process leading to creating value, in terms of the company's competences,
- c. Indicate the entities involved in the creation process, both on the side of the company and its market environment,
- d. Diagnose the conditions which need to be fulfilled for the creation of value and for delivering it to consumers.

Providing consumers with the value they expect, as well as meeting their needs in a better way than other suppliers, allows a company to improve and enhance its market position. It is one of the underlying conditions for the long-term development of each organisation.

Economic sciences offer a wide range of definitions of consumer value. Their analysis allows for distinguishing a few specific and most frequently mentioned attributes of this concept. They include:

- a. The subjective character of the value, which results not only from the offered product, but, above all, from consumers' subjective needs, their individual possibilities, as well as their readiness to bear the costs necessary for obtaining the product.
- b. The situational nature of consumer value, as it is always perceived in relation to the consumers' current situations. In different circumstances the same product may be differently assessed in terms of its attractiveness, or degree to which it satisfies a consumer needs.
- c. Consumer value is a perceived value, which means that it cannot be understood as a difference between the real sum of all the benefits offered by a product and the real sum of all the costs incurred for buying it. It should rather be seen as the difference between the benefits and the costs as perceived by an individual consumer. In the process of satisfying their desires, customers may ignore certain costs they must bear, or they may not regard some of the product attributes as benefits for themselves, so these attributes do not participate in creating value. It should also be

² W. Czakon, *Sieci w zarządzaniu strategicznym*, Wolters Kluwert Business, 2012, Warszawa, ss. 67-68; S. Skowron, *Klient w sieci organizacyjnej*, Difin, 2013, Warszawa, s. 143.

³ S. Skowron, L. Skowron, *Lojalność klienta a rozwój organizacji*, Difin, 2012, Warszawa, ss. 114-117.

added that although the perception of certain benefits or costs is a cognitive process, a buyer's emotional state significantly affects their perception and assessment of values.

- d. Another attribute of consumer value is its immeasurability, or seriously limited measurability. If the accepted benchmark for estimating consumer value is customer satisfaction, which is often used in scientific studies devoted to this value, it must be noted that customer satisfaction does not only result from the perceived value, but also from the expected one.
- e. The dynamic nature of consumer value. It can fluctuate both during the purchase and during consumption. The costs incurred by a buyer while seeking a product accumulate over time, lowering the product's value even before the purchase. However, a product's value may increase during consumption, if the consumer's satisfaction exceeds their expectations. Alternatively, it may decrease if substitutional products appear on the market. In times of widespread innovation, rapid dissemination of technology and the resulting phenomenon of accommodation, such a situation is highly probable.
- f. Universality of consumer value. This concept is valid with respect to all types of buyers, regardless of the kinds of needs they aim to satisfy. Consumer value is a significant category in each market sector, at every stage of the distribution channel, both on the business-to-business and business-to-customer markets.

The subject literature does not offer a strict range of components which make up or can make up consumer value. The writers who undertook this task describe its structure in a variety of ways⁴. In the view of one of the most frequently quoted proposals, total consumer value comprises the following aspects: physical, emotional, intellectual and spiritual. However, T. Doligalski proposes another structure of the elements making up consumer value. These are: the value of purpose, the value of communication, the value of individuality, the value of belonging, the value of time, as well as the value of security⁵.

The changing attitudes of today's consumers entail the change in their role and place in the marketing strategies of companies. At present, on the one hand, buyers are willing to get involved in the creative processes, seeing it as a chance for a higher individualisation of service and, on the other, are encouraged to do so by companies looking for new market strategies⁶. This phenomenon is defined in literature as the co-creation of value. B. Jung maintains that the co-creation of value means intertwining of the processes of consumption and production, to the point of blurring the boundaries between them⁷. In general, the concept of the co-creation of value is based on a new formula of interaction between a producer and a consumer. Traditional market relations

⁴ A. Lozano Platonoff, S. Sysko-Romańczuk, *Wartość dodana w zarządzaniu – próba zdefiniowania i operacjonalizacji pojęcia*, *Przegląd Organizacji*, 2004, nr 9.

⁵ T. Doligalski, *Internet w zarządzaniu wartością klienta*, Warszawa, Wyd. Szkoły Głównej Handlowej w Warszawie, 2013, Warszawa, ss. 87-89.

⁶ A. Keşicka, *Kondycja polskiego prosumenta*, w: *Prosumpcja: pomiędzy podejściem apokaliptycznym a emancypującym*, praca zb. pod red. Siudy P. i Żaglewskiego T., (2014), Katedra Wydawnictwo Naukowe, 2014, Bydgoszcz, ss. 242-231.

⁷ B. Jung, *Kapitalizm postmodernistyczny*, „*Ekonomista*”, 1997, nr 5–6.

– which assume a passive role for consumers, representing the demand side, and as the role of producers as value creators, representing the supply side – are being replaced by a concept of the market treated as a forum. In accordance with this approach, the traditional separation of the market as a place of exchange from the process of value creation has been rejected⁸. Presently, value is co-created in various places, as a result of the interaction between a company and its stakeholders, whereas the market is becoming a place of gaining experience, feeling emotions and building relationships.

According to A. Palmer, the contribution of a consumer to the co-creation of value may take the following forms⁹:

- a. Adaptive individualisation – a company provides a product in its basic version and consumers may freely select its components, thus enriching the product and tailoring it to their own needs;
- b. Cooperative individualisation – the relationship between a company and consumers takes a form of cooperation, whereby consumers equipped with the appropriate tools (e.g. computer programs allowing for the creation of simulations) may collaborate with the company in designing the prototypes of products, which are later manufactured for them.

The form and the degree of the consumers' engagement, as well as the expected results, depend on a number of variables, such as the market on which the value is created.

The sports event market as a place of creating value

Due to the big and still growing potential of the sports market, which consists of two segments, i.e. the sports event market and the sports product market, it has become a focus of interest for economists. However, many issues related to the processes of creation and exchange taking place there are still unrecognised. One of the areas which have not been thoroughly analysed yet is the relatively new concept of the co-creation of consumer value. Still, one of the above-mentioned submarkets, i.e. the sports event market, is the arena of the co-creation of consumer value on a much wider scale than can be observed in other market sectors. Therefore, it is worthwhile to have a closer look at the determinants of creating this value, as well as to make an attempt to identify the opportunities and limitations of this creation

A few of the observations presented below will allow for a better understanding of the behaviour of consumers, who are the main recipients of sports events, which will enable us to discover the potential areas for creating value.

All entertainment events are unique due to their intangible character. It is especially true in the case of sports events, as neither the result of the competition on display, nor its course can be predicted. The event organiser merely provides the conditions for the event to take place, ensures that the established rules are followed and enables sports fans to watch the competition. In the case of artistic events, such as concerts, the unpredictability is limited to the manner in which musical works are performed and the selection of pieces a musician intends to play.

⁸ K. Rupik, *Prosument w procesie planowania marketingowego*. Szczecin: Zeszyty Naukowe Uniwersytetu Szczecińskiego nr 608, „Problemy Zarządzania, Finansów i Marketingu”, 2010, nr 15.

⁹ A. Palmer, *Customer experience management: a critical review of an emerging idea*, *Journal of Services Marketing*, 2010, No. 24.

The consumption of sports events can have a passive or active character¹⁰. The passive attitude of consumers means that they watch the struggle of others, most frequently professional sportspeople, admiring their abilities and the achieved results. Consumers adopt an active attitude when they take part in the competition. The frequently organised mass running events, bicycle festivals, etc. are examples of such situations. However, both the active and the passive participants of sports events directly interact with the event organiser and are subject to a variety of stimuli which massively influence their perception of the event. These could be: the musical soundtrack, the speakers' presentations, illumination, choreography, watching the confrontation of sportspeople from the opposing teams, etc. The symbols and the collective celebration also play an important role, as they give consumers a chance not only to absorb the stimuli, but also to send their own messages. Thus, the multilayer communication between consumers and the organiser allows for experiencing deep emotions which will be long remembered.

Undoubtedly, the majority of the relations between consumers and organisers sports takes place on an emotional, or sometimes spiritual level. The most frequent emotions are positive, such as: joy, fun, delight, enchantment, or fascination. A meeting with an idol, a picture together, or obtaining an autograph can arouse strong emotions and will be long remembered. However, sometimes negative emotions accompany sports events, especially when a consumer feels disappointed. It can be caused by a discrepancy between expectations and reality, promises broken by the organiser, the failure of the supported team, or hooligan behaviour of other fans.

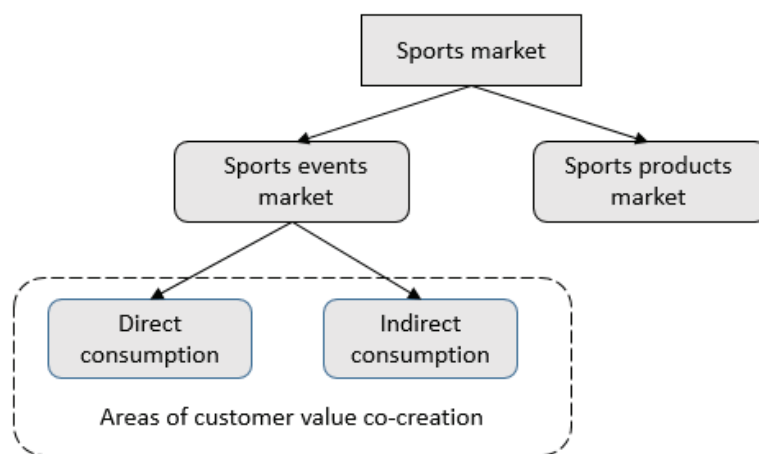


Chart 1. The area of the co-creation of value on the sports event market
Source: author's own elaboration

It should also be borne in mind that the consumption of sports events takes place in public¹¹. Moreover, the conducted research shows that 98% of spectators of sports events

¹⁰ N. Pope, D. Turco, Sport & Event. Marketing, The McGraw Hill, 2001, Roseville, pp. 189-195.

¹¹ Event Management in Sport, Recreation and Tourism, ed. Ch. Mallen, L.J. Adams, Butterworth Heinemann, 2013, New York, pp. 98-104.

are accompanied. This fact is of an enormous significance in the context of the co-creation of consumer value, as the consumers do not only respond to the stimuli provided by the organiser, but they also send their own stimuli to other consumers present in the same place¹². In this way a unique atmosphere is created, with the active participation of the spectators. Without the spontaneous, uncontrolled response of the audience the event would be much less attractive, as the spectators are its integral part. In social psychology this phenomenon is referred to as deindividuation, understood as the loss of control over one's behaviour, leading to impulsive reactions and deep emotions. Without the audience, its reactions and involvement in the creation of the spectacle, the achievement of such a high level of immersion and the state of flow experienced by both the spectators and the sportspeople or artists, would not be possible. Both the immersion and the flow are accompanied by very strong emotions, which underlie the co-creation of value¹³. These emotions and interactions are primarily related to the direct participation in an event, as a spectator or a competitor. Nevertheless, they can also appear while watching an event on television, as more and more often competitions are watched collectively, in pubs or in specially organised fan zones. Thus, the area in which the consumer value is co-created on the sports event market comprises direct and indirect consumption (Chart 1).

The cooperative character of the co-creation of value on the sports event market

The course and the consumption of a sports event, which take place at the same time and in the same place, give rise to various interactions between the main entities involved in it. These interactions are very dynamic in nature, as they are often triggered by emotions and may undergo rapid changes, to the point of getting out of control and leading to unpredictable, spontaneous behaviour¹⁴. This is why the impressions from the consumption of the event are remembered by the consumers for a long time, enhancing the overall value they experience. There are three groups of entities which to the largest degree participate in the creation of the value of a sports event. These are: the organiser, the spectators and the competitors. Interactions between these groups are of key significance for the co-creation of value. It should be pointed out that the spectators, i.e. recipients of the sports event, do not only interact with the organiser and the competitors, but there is also an interaction between the spectators themselves. It means that the co-creation of value on the sports event market is cooperative in nature, as it is based on co-existence and co-relation. Additionally, it should be pointed out that this co-creation does not lead to individualization or personalisation, which are typical for many other sector markets, because its essence is unity and not distinctiveness. The network of interactions between entities making up a sports event which lead to the creation of value can be presented in the following way (Chart 2):

¹² H.L. Hoyle, *Event Marketing*, John Wiley & Sons Inc., 2008, New York, pp. 171-173.

¹³ M. Csikszentmihalyi, *Finding Flow*, Basic Books (Perseus Book Group), New York, 1997, pp. 124-129.

¹⁴ E.C. Schwarz, J.D. Hunter, *Sport Marketing*, Burlington, 2008, Butterworth-Heinemann, p.87.

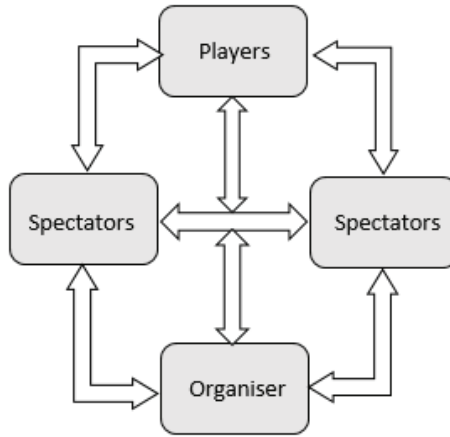


Chart 2. Network of interactions in the process of the co-creation of value of a sports event
Source: author's own elaboration.

The numerous processes taking place before and after the event between the organiser and the recipients of the sports event can also be used by the organiser for the co-creation of value¹⁵. The broad availability of information and communication technologies (ICT), consumers' willingness to get involved, as well as the well-developed community of sports fans are factors which definitely facilitate this process. However, the community of sports fans, owing to its heterogeneity and the expectations gap, at the same time may hamper the co-creation of consumer value.

Table 1. Opportunities and limitations of the co-creation of value on the sports event market

Opportunities	Limitations
1. Well-developed community of event participants;	1. The limited availability of an event, due to the insufficient size of the sports arena;
2. Well-developed relations between the event organiser and its participants;	2. Other consumers' behaviour disturbing the consumption of an event;
3. Creating conditions for the mutual interaction of consumers;	3. Prejudiced opinions and fears related to the participation in an event;
4. Engaging the consumers, stimulating their activity during the consumption of an event;	4. Discrepancy (heterogeneity) of objectives of the participation in an event;
5. Involving the consumers in the decision-making processes related to the organisation of an event;	5. Consumers' low readiness for involvement in the process of collective consumption;
6. Implementation of innovative solutions, enhancing the value offered to consumers;	6. Consumers' insufficient knowledge of the binding rules of behaviour, etc.;
7. Moderating the consumers' behaviour before, during and after the event.	7. The event organiser's lack of knowledge of the concept of the co-creation of value.

Source: author's own elaboration.

¹⁵ P.C. Verhoef, K.N. Lemon, A. Parasurman, A. Roggeveen, M. Tsiros, L.A. Schlesinger. Customer experience creation: Determinants; dynamics and management strategies, *Journal of Retailing*, 2009, no 85.

Other types of barriers to value creation are: limited visibility at the event due to the huge size of the sports arena, the risk of hooligan behaviour of some fans and, more recently, the fear of potential terrorist attacks or of contracting an airborne illness. Owing to the limited length of this article, the author has presented only a few of the numerous possible examples of opportunities and limitations in the co-creation of value on the sports events market; some of these examples are included in Table 1.

Conclusions

The increasingly popular concept of the co-creation of consumer value is very much applicable on the market of sports events. Without the involvement and the active attitude of the recipients, i.e. spectators, or participants of the event, the organiser would not be capable of offering them the emotions and experiences which lie at the core of this value. What is truly significant, the process of the co-creation of value may start long before the event and last well after its end. Marketing strategies and communication activities should aim to take advantage of this fact, so as to build and develop deeper relations with consumers. The leading actors in this co-creation of value are: the spectators, the competitors and the organiser. The organiser should assume the role of coordinator of the value creation, stimulating the interactions between the involved entities, with a view to achieving the highest possible excitement about the event, the ultimate value of which depends not only on the competitors' endeavours, but also on the attitudes and behaviours of the event's consumers.

A characteristic of the sports event market is the cooperative nature of creating value. On the one hand, it gives more opportunities to the entities responsible for shaping the offer, in terms of enhancing its value. On the other hand, it may prove more challenging than on other sector markets, due to the mass character of the consumption and the inevitable heterogeneity of the consumers' expectations. Further in-depth research into the determinants and methods of creating value on this market is needed, as there are yet many issues requiring thorough analysis.

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Determinanty współtworzenia wartości dla nabywców na rynku wydarzeń sportowych

Streszczenie

Koncepcja współtworzenia wartości dla nabywców mimo, że jest przedmiotem licznych badań i dyskusji naukowych nadal wzbudza wiele kontrowersji. Brakuje jednomyślności w zakresie możliwości jej stosowania, wiele zagadnień wymaga dalszych, pogłębionych badań. Prezentowany artykuł ma charakter koncepcyjny, przedstawiono w nim uwarunkowania współtworzenia wartości na rynku wydarzeń sportowych oraz wskazano na związane z tym możliwości i ograniczenia. W wyniku przeprowadzonych analiz ustalono, że tworzenie wartości wydarzeń sportowych ma charakter kooperatywny, a w proces ten są zaangażowane trzy główne grupy podmiotów.

Słowa kluczowe: wartość dla nabywców, współtworzenie wartości, rynek wydarzeń sportowych.

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