

## **A VALUE-BASED CLUB-PERSPECTIVE STAKEHOLDER ANALYSIS OF THE FOOTBALL INDUSTRY OF CYPRUS**

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### **ABSTRACT**

#### **RELEVANCE OF THE STUDY**

Football has long transcended its state of being as a sport or activity, to evolve into a business that supports a complex and dynamic multi-billion industry (Hamil and Chadwick, 2010). Never having lost its original identity, nonetheless, it still bears massive influence, far beyond the economic one, at the social and cultural levels, affecting and being affected by a multitude of stakeholders (Kunkel, Doyle and Berlin, 2017). Inexorably, this phenomenon of multi-stakeholder envelopment, entails a wide set of challenges, risks and considerations for football clubs that need to develop the requisite strategies that identify, interrelate and, ultimately, balance the value exchanges involved towards a business and socially sustainable future (Sotiriadou, 2009; O'Boyle and Bradbury, 2013; Dolles and Söderman, 2013).

In the club perspective, the above highlight the imperative of understanding the nature and role of key stakeholders and delineate the value they each expect to provide to the club (Zagnoli and Radicchi, 2010). This is, however, not a set of individual and/or independent linkages, but a systemic network of stakeholders and values, whose collective effect shapes the very essence of clubs, both in their economic and social sense (Kartakoullis et al., 2013). Clubs, thus share value and align interests and strategies with each stakeholder, forming alliances and partnerships that are founded on a win-win principle (Freeman, 2017); and the collection and interconnection of these relationships constitute the backbone of a strategic framework, that considers every stakeholder and its corresponding value, not in isolation, but in conjunction with each other, merging them into a unified value-based system (Tantalo and Priem, 2016; Gerke, Woratschek and Dickson, 2020; Toma and Catana, 2021). A system that enables clubs to respond efficiently and effectively to the incessant environmental changes that are redefining the business world across industries and organisational typologies; and facilitates the appropriate strategic adaptations (Vrontis et al., 2014). This research seeks to resolve the above issues and close the existing gap, by identifying the industry's stakeholders and their value, and develop a stakeholder value-based framework in the club perspective, with the novelty that for the first time all the industry's forces, actors, and values are combined and interrelated as a system.

## AIM AND OBJECTIVES OF THE STUDY

Flowing from the above, the aim of the research is to comprehensively identify the key football industry stakeholder components and value categories, in the individual club perspective, and to conceptualise and test their interrelationship in the Cyprus context towards the development of a corresponding framework of club benefits. Towards this aim, and through an extensive research that theoretically develops a value-based framework that it subsequently empirically tests, the following objectives have been set:

- Research objective 1: To theoretically identify the main football club stakeholder categories and their individual components.
- Research objective 2: To theoretically identify the generic football value categories and their individual components.
- Research objective 3: To theoretically, generically interrelate football stakeholder and value categories and components.
- Research objective 4: To develop a generic preliminary theoretical framework of stakeholder-value interrelationship in the club perspective.
- Research objective 5: To test the framework in the case of Cyprus and correspondingly adapt and refine it.

## RESEARCH GAP

In spite its afore-described importance, though, extant studies on the topic are only partial and incomplete or tend to over-focus on individual stakeholder-value relationships; or perceive stakeholders as broad categories, overlooking the fact that various sub-categories exist as diverse entities; or analyse the industry's forces, actors, and values individually and not as a system. This research bridges this gap in knowledge through its aim to comprehensively identify the key football industry stakeholder components and value categories, in the individual club perspective.

## METHODOLOGICAL APPROACH

Methodologically, considering the complex contextual circumstances, the study developed and applied a customised multi-level approach in order to collect and verify qualitative data. The research deployed every significant relevant study in the field to develop an initial generic framework, which was first validated by an Expert Panel and subsequently tested in the Cyprus-specific context. The empirical stage applied the qualitative approach, gathering data through forty-one [41] semi-structured, face-to-face interviews with individuals holding the highest and most relevant positions

within the top football clubs, as well as interviews with key industry stakeholders. The results were analysed using NVivo computer-assisted qualitative data analysis software.

## FINDINGS

This research aimed to comprehensively identify the key football industry stakeholder components and value categories, in the individual club perspective, and to conceptualise and test their interrelationship in the Cyprus context towards the development of a corresponding framework of club benefits. This was successfully achieved by empirically testing the theoretical model within the specific industry and correspondingly adapted and refined. Following the analysis of the findings, a framework has been developed, and it is graphically illustrated below (Figure 1).

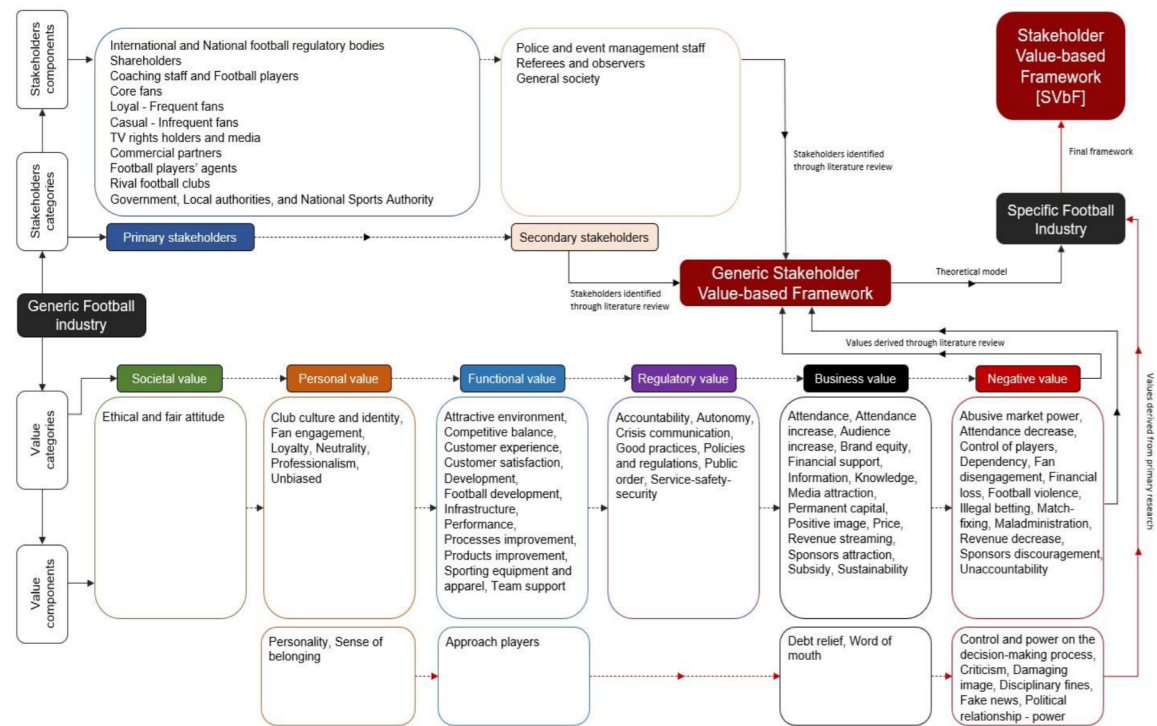


Figure 1: The framework for the value-based club-perspective stakeholder analysis in the football industry

The first stage theoretically identifies and categorises the generic football industry stakeholders. Leaning on Freeman’s stakeholder model, the fourteen [14] recognised industry stakeholders are grouped into two [2] categories, ‘primary’ and ‘secondary’, taking into consideration their relationship with the football club. Primary stakeholders include those groups or individuals who are vital for the growth and sustainability of the club, thus

maintain a direct relationship, while secondary stakeholders involve the wider football environment and specifically those agencies that can influence the primary relationship.

The second stage identifies and groups the main football industry value components. First, the value categories are recognised, based on specific drivers that are directly linked with the football environment. Concentrating on the veracities of the examined industry, football is marked as a colossal economic-business environment, is dealing with stakeholders operating in a functional and regulated setting, is associated with strong emotions having a massive social impact and is embedded with deep socio-cultural elements. Similarly, football creates undesirable implications generating negative values that need to be marked. Consequently, it is apparent that the proposed value categories should at least capture the equivalent perspective, reflecting on the industry's unique traits and functions and deem the individual stakeholder's needs. By redeveloping the models already introduced by Vrontis et al. (2014) and by Kunkel, Doyle and Berlin (2017), the proposed framework includes six [6] value categories, the 'societal', the 'personal', the 'functional', the 'regulatory', the 'business' and the 'negative' value categories. Then, building on the existing literature, and studying the different functions of each industry actor, the stakeholders' values are identified and allocated in each value category. At this stage, each category fosters the values deriving from the literature review.

The third stage of the framework interrelates stakeholders and their related value deriving from the existing theory and develops a generic value-based framework in the individual club perspective. This theoretical model serves as a reference tool and need to be examined and tested through primary research in the specific industry, and correspondingly adapt and refine.

The fourth, and final stage, involves the development of the Stakeholder Value-based Framework [SVbF], taking into consideration the values identified through literature review and tested via primary research, together with the new values derived from the examined industry. It is revealed that all the generic industry values are valid and that the examined industry is in line with the international football industry. Furthermore, supplementary values are obtained due to the unique industry characteristics. The traits of the football industry of Cyprus alter the various stakeholders, producing value that is directly linked with the industry's financial, sporting, cultural and social conditions.

## CONTRIBUTIONS

The research findings contribute significantly to knowledge, presenting scholars and practitioners with a systemic and comprehensive understanding and prescription of the individual club stakeholder management relationships and synergies in the Cyprus football industry towards strategic business and social sustainability. In this vein, the development of the framework acts as a map, a blueprint for both theory and practice, bridging the gap in the literature, offering new avenues for further research, and arming executives with practicable new knowledge. The research's content, context and methodology significantly improve our understanding of the football industry, producing a holistic set of contributions to scholarly business knowledge, and the gained insights and recommendations act as catalysts to individual football clubs' strategic redevelopment and repositioning against their internal and external stakeholders.

*Keywords: Football industry, Cyprus football, Stakeholder theory, Football stakeholders' value, Value-based analysis, Stakeholders' synergies, Strategic development*

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