

Professional Sports Teams: Going Beyond the Core

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Professional sports teams: Going beyond the core

Abstract

Purpose- Previous studies have examined additions to the core product of sport by Professional Sports Teams (PSTs). What has received little attention is how stadiums are used to add products/services unrelated to the core. This paper investigates how clubs in the English Football League (EFL) use their stadiums to develop their portfolio.

Design/methodology- Secondary sources were used to categorise the teams who played in the EFL by: average division turnover, stadium capacity and age. Semi-structured interviews were then held with the commercial managers of 21 clubs.

Findings- Clubs use their stadiums to supply a range of services, working with partners is commonplace. These facilities are targeted at supporters, the local community and regionally based organisations. In addition to their own efforts increased geographical coverage for clubs usually develops in three ways: via internal marketing by large local organisations who use the facilities, agents and the league.

Research limitations/ implications- While our sample is limited to football, PSTs should view themselves as providers of services rather than just the sport(s) they play. The stadium resource allows for diversification by providing new services for new markets. In this instance it has led to the development of capabilities in areas such as conferencing, funerals and weddings.

Originality- This is one of the first papers to examine the competences developed by PSTs that lie outside the core product of league matches.

Keywords: Sports products, facilities utilization, Professional sports teams (PSTs), Resource-based theory (RBT), perceived fit

Article classification: Research paper

Introduction

The sources of revenue of Professional Sports Teams (PSTs) has attracted academic attention for a number of years. The early work of Mason (1999) identifies four distinct income streams for the core product of a league match: spectators, broadcasters, sponsors and local communities. Concurrent work by Andreff and Staudohar (2000) is consistent in identifying these streams but they contrasted two different types of PSTs. They observe that traditionally the main source of income was gate receipts from spectators and this was augmented with advertising, sponsorship and subsidies from government and organizations that were usually located in close geographical proximity. This they referred to as the spectators-subsidies-sponsors-local model (SSSL). Developments in broadcasting, together with increasing interest from corporations have led to a contemporary model of income based on media-corporations-merchandising and markets that were global (MCMMG). Much of the subsequent research into the commercial activities of PSTs has focused on teams in the top leagues across the globe who fall into the latter category. Particularly in their ability to generate income via broadcasting and sponsorship (Chadwick, 2015; Plumley *et al.*, 2018), merchandising (Szymoszkowski *et al.*, 2016) and the development of global markets (Hill and Vincent, 2006; Richelieu and Desbordes, 2009).

As a consequence there has been limited interest in those PSTs that operate outside the major leagues and have far lower turnover (Oddy and Bason, 2017; Plumley *et al.*, 2018). This lack of interest is also surprising given that these teams are in the majority in the sport sector and may operate in a different manner (Moore and Levermore, 2012; Olson *et al.*, 2016). The limited revenue from broadcasting and sponsorship together with the lack of income from the core activity of matches means that PSTs that play outside these 'top flight leagues' need to find income from sources that are not related to the core and diversify by making use of their

stadium (Pritchard, 2016). As a number of scholars have also pointed out, these PSTs are more dependent on commercial income generated from local markets (Couvellaere and Richelieu, 2005, Emery and Weed, 2006). Although PSTs in the MCMMG category may also utilise their stadium (Apostolopoulou, 2002; Ginesta, 2016) as a proportion of total revenue this is a far less important stream than sponsorship and broadcasting (Deloitte, 2016; Plumley *et al.*, 2018).

The empirical setting for this paper is the EFL which is the world's largest professional league in terms of the number of teams, 72 (Forrest and Simmons, 2006) but not in turnover (Deloitte, 2016). Despite being a 'second tier competition' it is the fourth best attended sports league in Europe and all four are in football (Hamil and Walters, 2010). Several authors have included EFL teams when examining the football industry, these include work on: business practices (Moore and Levermore, 2012), competitive balance (Plumley *et al.*, 2018), financial problems (Beech *et al.*, 2010; Buraimo *et al.*, 2006; Hamil and Walters, 2010), regulations (Hamil and Walters, 2013) and social media use (Anagnostopoulos *et al.*, 2017). However, the only authors to examine EFL clubs in isolation have been: Emery and Weed (2006) who considered the financial problems of Lincoln City; Forrest and Simmons (2006) who investigated economic demand and match scheduling against clubs in higher leagues; Walters and Chadwick (2009) who contrasted the community relations of two clubs; and Ward *et al.* (2012) who examined mutual ownership at Exeter City. There is general consensus that these PSTs are constrained financially but little research has extended to examining how they might abate these problems.

Most of these clubs are SMEs (small-and medium sized enterprises) as they have a turnover of less than €50 million (European Communities (EC), 2006, pp14-15). In English football broadcasting income for each English Premier League (EPL) team of at least £80 million per annum excludes them all from the SME category (Deloitte, 2016; Olson *et al.*, 2016). The only

exceptions outside the EPL are those in receipt of ‘parachute’ payments that last for the three seasons following relegation. Income for EFL clubs from matches is limited, particularly in the bottom two divisions (see Table 1) and there is a need to develop the product portfolio for survival. PSTs differ in a number of ways from generic SMEs: many are long established in their area of operation (Moore and Levermore, 2012) they have a core of loyal customers even though the number is small (Buraimo *et al.*, 2006) and being embedded in their communities makes intrusion difficult for competitors (Anagnostopoulos *et al.*, 2017). As a number of authors observe they are regional brands, their strength lying in their locality of operation (Couvelaere and Richelieu 2005; Walters and Chadwick, 2009). A further difference to most SMEs is that they may have the physical resource of a stadium to generate additional revenue (Babiak and Wolfe, 2009).

It is within this context that the paper aims to question whether the core definition as providers of matches holds true. It examines how the resource of a stadium is used in the context of PSTs to expand their product/service portfolio and diversify into new markets. It also analyses the factors that influence the range offered and if this leads to the development of competences that are unrelated to the core of staging matches. This investigation starts by reviewing the literature in the use of organisational resources, discussing constructs specific to PSTs in order to categorise the influences on the product range. The methodology is then outlined before findings are reported. The paper then concludes by explaining the contribution to both theory and practice, discussing its limitations and outlining scope for further research.

Literature review

Organisational resources and the environment

In the field of business strategy, resources were identified as long ago as the 1950s as an important factor in an organisation’s success (Penrose, 1959). The resources and capabilities

view that developed in the 1980s was that these factors determine competitive advantage and they are tied 'semi permanently' to a firm (Wernerfelt, 1984). A complementary stream of research argues that success is more dependent on competitive forces and the ability to adapt to the external environment (Porter, 1980). Grant (1991) views strategy as the match an organisation makes between its resources and opportunities that come from its external environment. He posits that an organisation should start by identifying its resource and capabilities, then appraise their potential to generate sustainable advantage. They then need to devise a strategy that exploits resources relative to external opportunities.

Kozlenkova *et al.* (2014) in their review of the applications of the resource based theory (RBT) distinguish between the constructs of resources and capabilities. The former is something that can be drawn upon to accomplish a goal and may be categorised as: physical, financial, human or organisational. The latter are subsets of resources, information based, tangible or intangible processes that enable an organisation to deploy its resources more efficiently (Makadok, 2001). Liao *et al.* (2009) coin the term 'integrative capacity' to refer to a firm's ability to configure its resources to exploit opportunities. Although they admitted there was still a gap in knowledge as to how resources were deployed. In this context RBT is a pertinent framework as it allows for the role of a valuable resource, the stadium, to be examined in providing a range of products/services and generating competitive advantage (Barney and Hesterly, 2012).

Resources and the environment in sport

The resource based view (RBV), the forerunner of RBT has been widely applied in a sporting context. Gerrard (2003) argues that it allows managers to assess the internal resources they can utilise in order to gain strategic competitive advantage. Initially applied in sports sponsorship (Amis *et al.*, 1997) subsequent research focusing on PSTs management include:

valuing sports teams and leagues (McGaughey and Liesch, 2002; Mauws *et al.*, 2003) leadership (Smart and Wolfe, 2003); and playing resources (Gerrard, 2005). The focus of these papers has been on playing performance and intangibles resources. The only authors to discuss the stadium are Babiak and Wolfe (2009) who identify it as a valuable resource in delivering corporate social responsibility (CSR) initiatives but did not give details as to how it could be utilised.

Several authors have considered the product range of PSTs. For instance, Shibli and Wilkinson-Riddle (1997 & 1998) observe that to be financially viable they may need to diversify and use their facilities to derive income from sources that are unrelated to the sport (Mauws *et al.*, 2003; Olson *et al.* 2016; Wilson *et al.*, 2015). Andreff and Staudohar (2000) warn that it is difficult for some teams to expand geographically and they need to generate income locally (Couvelaere and Richelieu 2005; Richelieu and Desbordes, 2009 & 2013). Others have categorised product lines that teams have added (Apostolopoulou, 2002) observing that they may be aimed at a different market e.g. musical concerts (Pritchard, 2016). They may also be provided with partners as the PSTs may not have the resources to deliver them or be prepared to take the financial risk (Manoli and Hodgkinson, 2017; Walsh *et al.*, 2014).

McGaughey and Liesch (2002) argue that resources in sport are examples of those that develop over time, are path dependent and causally ambiguous because the cause/source of advantage is difficult to identify. They may also be time sensitive in that they may lose value under differing conditions. While not explicitly dealing with resources and capabilities, a number of authors have investigated the perceived fit of additions to the product/service portfolio of PSTs (Papadimitriou *et al.*, 2004). Even though a definition for fit has yet to be agreed upon, Walsh *et al.* (2014) claim it can be established in a variety of ways including: sharing brand image, similar usage situation and whether the consumer believes the parent brand has some expertise (Walsh and Lee, 2012; Walsh *et al.*, 2012). More recent work has

suggested the need for authenticity in that extensions ‘should be positioned with similar brand standards’ (Walsh *et al.*, 2015, p8). However, the focus of these articles is on product/service additions aimed at sports fans and fit is viewed from a consumer perspective. Little work has examined fit from a supply/resource viewpoint (Liao *et al.*, 2009). In a PST context matters concerning the product portfolio are complicated by the issues of stadium ownership and league commitments.

Stadium ownership

Beech *et al.* (2010) point out that ownership is a basis for financial stability because it allows income generation through non-sporting events (Buraimo *et al.* 2006; Wilson and Plumley, 2017). Lack of/losing stadium ownership reduces club’s credit ratings and also prevents opportunities for stadium naming rights (Hamil and Walters, 2010; Wilson *et al.* 2015). Union of European Football Associations [UEFA], (2016) note a number of different models with public and private ownership and a hybrid of the two being employed throughout the world. Szymanski (2015), observes in Europe that most stadiums are owned by local authorities, the exceptions being Britain, Norway and Spain. In North America subsidies for new stadiums from local authorities are commonplace (Santomier and Gerlach, 2012). Walsh *et al.* (2012 and 2015). Rohde and Breuer (2017) observe how PSTs are owned and operated by corporations from non-sport industries as an additional product line. These may be operated at a loss to improve the image of the parent company.

League commitments

Clubs are usually unable to use the stadium for non-football events on match days. Further restrictions on the product/service portfolio are placed on teams through league membership (Hamil and Walters, 2013). These include: the ability to re-locate and move stadium (Andreff, 2011); regulations on ownership, management and control (Morrow, 2015); commitments to

market league merchandise and licensed products (Walsh *et al.*, 2014); encouraging participation in the sport (Morrow, 2013); adhering to broadcasting commitments, which are often sold collectively by the leagues as opposed to the clubs (Plumley *et al.*, 2018) and engaging in charitable activities (Brietbarth and Harris, 2008). Although the factors we discuss in the literature review have been identified in previous work there has been little empirical work that attempts to examine their influence on how stadiums are used, what non-core products /services are offered and why. This paper aims to use the context of EFL clubs to gain a better understanding of: the influences on portfolios they offer, the markets they serve, their use of partners in supplying the range and competences that are developed.

Methodology

The study utilises a qualitative methodological approach which combines two principle methods of data collection: document analysis and semi-structured interviews via telephone, although some conversations took place via email due to respondent preferences. The reasoning behind this choice was that a review of documents showed that there was a wide range of activities undertaken by these PSTs. A qualitative approach enables greater insight and probing into the reasons behind the addition of these non-core products to the portfolio. This should lead to more detailed descriptions from respondents leading to a better understanding into the reasoning behind decisions that were made.

In stage one documentary analysis was undertaken in order to provide background information on the clubs. A range of sources were used including: club websites, stadium websites and football annuals to build a picture of the 80 clubs who played in the EFL for the

three seasons commencing 2015-16, see Table 1. This allowed us to group respondents and contrast the clubs by division turnover, stadium age and capacity to highlight the differences between teams. Stadiums were divided into three groups dependent on capacity.

For stage two all of the clubs in the EFL were contacted by email to try and arrange a telephone interview with a senior member of the commercial staff to discuss the range of products/services they offered that were not related to the core of football matches. Nine questions were asked relating to the use of the stadium, these were devised from the findings of the literature review, see appendix one. The interview commenced by asking three questions as to how the stadium had been utilised to make additions to the portfolio (Pritchard, 2016). Two questions were then asked concerning the use of partners as previous work has identified this as commonplace by PSTs (Manoli and Hodgkinson, 2017; Walsh *et al.*, 2014). The next three questions concern markets to discover if the clubs were mainly regional operators (Andreff and Staudohar, 2000; Couvelaere and Richelieu 2005). The final question asked about expertise that had been developed as a result of these additions.

Semi-structured interviews were then held with a member of the staff from 21 of the sampled club's commercial /marketing staff. Securing a sample of this size is difficult as gaining access to the executives of PSTs is challenging (Olson *et al.*, 2016). Six of these clubs said they would prefer to answer by email, a request we accommodated. Each interview lasted between 30 minutes and an hour. The interviews were transcribed with responses coded manually for each of the nine questions and thematic analysis used to examine the data (Braun and Clarke, 2006). This method was used because it allows the data to be grouped. In this case five salient themes emerged from the interviews and email responses, see list below. These capture important patterns about the manner in which stadiums were used and the reasoning behind services that were offered.

1. Ownership influence- the extent to which it influenced the products/services that could be offered.
2. Product lines offered that were not related to football- had clubs extended beyond the core of football matches?
3. Organizations worked with to provide products/services- did they use partners to provide those parts of the portfolio that went beyond the core?
4. Markets served – did club’s markets for these extend beyond football supporters?
5. Expertise and capabilities developed not related to football- if they had extended beyond the core had this led to the development of skills in other areas?

The interviews helped corroborate and develop findings from secondary sources concerning turnover, stadium age and capacity. A limitation of this line of inquiry is that there may be some inaccuracy because of the problem of recall. This to some extent was avoided by reviewing documents in stage one, allowing interviewers to prompt respondents about products/services provided. Reflexivity may be problematic in that the interviewer may have unknowingly influenced respondents due to the conversational nature of the interview and the wording of the email (Yin, 2014).

Results

TABLE ONE PLACE HERE

Ownership influence

A number of the clubs forming part of this study did not own their stadiums. However, this did not always restrict income generation (Beech *et al.*, 2010) as long term leases allowed them to use it to provide non-related football products. There was only one exception who said ‘unfortunately we don’t own the stadium we play in, so we don’t have any say in what goes on here during the daytime and outside of match days’. The club was only able to use the facility for football (10B). Another who did own their stadium contracted out all non-match day events to a third party who had an office within the stadium (12C).

Some clubs said that the local council owned the stadium and they leased it from them with few restrictions placed on what products/services they could offer (5A, 6A, 17B, 20A), whilst another stated that the council owned the land but the club owned the buildings on it (7C). This form of ownership can prove to be advantageous. For example one participant stated that they have regular meetings with the Chief Executive, whilst members of the council came regularly to the ground. This showcased what the club was capable of and led to them using the facilities for functions (5A). Most that were part of groups operated as separate business units, one said that they had little to do operationally with their owners although they had offices in the stadium (7C). Another whose ownership had changed recently thought there were opportunities to sell conference facilities to other companies within the conglomerate they were now part of (15C).

Product lines offered that were not related to football

All of the clubs, with the single exception above provided products/services that went beyond the core of matches (Mason, 1999), configuring their stadiums to develop capabilities in staging conferences and events. As one respondent said ‘we are a dedicated conference and

events centre' (8B). Another made the point about the importance of the income from these lines:

Revenue is key and we have noticed that certainly from non-match day. It is not just about football. I think football has now become a business and you are looking to generate revenue every day, even weekends when you are not playing. Certainly the conferencing has seen an increase (6A).

The flexibility of the clubs was evident by the range of events they hosted, these include: exhibitions, musical concerts, birthday parties, Christmas parties, graduation events, weddings, funeral wakes and even at one club, examinations (16B). As one put it 'there are a vast scale of things we can do on the conference side [...] we are open to everything' (9B). A number had also added events after being approached by organizations to use the stadium, one allowing their supporters to operate a Sunday market (11B).

Some clubs also generated regular sources of income by letting out offices, storage space and their car parks, even using it for motor cycle training (2A). Another had let rooms for over a year to a dance studio (21B). A number commented that they staged more non-football events than matches (14B, 15C, 19C). Three of clubs with larger stadiums estimated these activities brought in over £1 million a year (13C, 15C, 19C). Although as some pointed out match commitments, playing 23-30 games a year, reduce the ability to use the stadium. This was particularly so with weddings, as they require extensive planning and are normally booked a year in advance. As a result potential bookings have to be rejected as there may be a clash with future fixtures; facilities were normally required at weekends when the majority of matches are played. Another problem for some clubs was the pitch being renovated for the

next season which impacted on visual appeal (15C, 17B). However, clubs in many instances are able to match stadium resources to the needs of the local community as illustrated by the comments below:

Funerals and wakes have become quite popular. I guess it is because of where we are located. I would not say we specialise in Asian weddings but we have had a number here. Probably not one particular area that we are known for. We do anything really (7C).

Something I am really proud of is the fact that we are really busy for funerals. I tell you how it came about. We know that there is an emotive link with us and football fans. So we are often their first port of call when it comes to the reception. They think dad was a football fan why do we not look at them for the funeral reception/wake.

What I did was make contact with funeral directors in the area (15C).

We have also set up a park and walk scheme at the club for £x a day, this is paid on a quarterly or annual basis. This was introduced when strict parking restrictions were introduced around the town centre making it more expensive for local professionals (4A).

A common theme across all clubs was that while they provided a range of services, catering on the premises was the only tangible product. However, in explaining their current situation three of the teams argued that they were restricted by the age, location and size of the stadium

but had plans to move to new ones. When this happened the new stadium would be used to provide a wider range of services that were unrelated to football (1A, 11B, 17B).

This is the main driver of wanting to get a new stadium, making more use of the venue. Where we are and what we have is a great historic football club and stadium. But it is very tricky trying to get more out of it than that (17B).

Organisations worked with to provide products /services

All of the clubs work with other companies to host events, some had contracted all their catering out to specialists. Others try to use their own staff but may sub-contract if the event called for it. As one commented 'We try to keep things in-house, keep costs down' (9B).

One said of working with partners:

Only in relation to the Sunday market [...] every other aspect of our operation is handled 'In-house'. Although we have teamed up with very specialist organizations when we do not have the appropriate skill set 'in-house' e.g. for Asian weddings. (14B).

Also on the theme of Asian weddings one participant stated that they tried to do this for about ten years but found it difficult to organise, hence they decided to work with specialists about two years ago:

We spent a year getting five Asian caterers to work alongside us. With regard to marketing Asian weddings, marketing publication of it is very expensive to target

specific Asian markets. But having Asian caterers on board they have marketing tools themselves so they are helping us with marketing. We are talking to them about putting together a bridal fare so you are using expertise of others to sell our services and promote our business (15C).

Likewise in hosting other sporting events or music concerts, clubs were also open to working with outside partners who provided additional expertise:

Most of these events now are designed and delivered through concert promoters. Or if it is boxing, X company and others that you would deal with. We would always work with a promoter, we would never do anything off our own back (13C).

For those clubs with smaller stadiums, particularly those in Category A, different approaches to catering and other facilities emerged:

We franchise out all catering units within the stadium and have done so for the past four seasons. We have a long standing relationship with a self-employed chef who has worked at the club for over 10 years arranging the catering for the hospitality areas and when conferences are held at the ground. The club also franchised out the club shop on a number of occasions, this is the first season in around three years that the club have taken the shop back from the franchise (4A).

We use suppliers locally, catering and we will take a percentage cut. We find it much more effective because it is very much ad-hoc you are not doing the same things

every week. You need to be able to call on professionals. [...] We get approached, we joined the local Chamber of Commerce. Yesterday they had a mini-exhibition here. I find it a good way of meeting all local businesses (5A).

Resource scarcity and cost minimisation are acknowledged as drivers of the decision to work with partners (Manoli and Hodgkinson, 2017; Moore and Levermore, 2012). What is also evident is the flexibility of these PSTs and their ability to draw on the expertise of other organizations on either an ad-hoc or long term basis. The partners they worked with tended to be from within their local community. A further benefit of working with locally based organizations is that they are then able to market the services the club offer to their customers.

Markets served

Most of the clubs in this sample, regardless of stadium size, marketed the team and the facilities separately as they view them as different markets:

The football matches are difficult to market because we are more or less sold out. The facilities at the ground banqueting, conferencing, meetings that type of thing we've got a separate website. We try to sell to a different market, it can't just be sold to our fans it would not keep us busy enough (IA).

The football is marketed to fans and the wider public looking to watch live sport. Conferencing and event facilities are marketed at businesses and individuals. There

may at times be some cross over i.e. Christmas parties booked up by sponsors and corporate clients (18B).

Most clubs had a staff organisational structure that reflected this, although as a number commented there are clearly overlaps between departments. For those clubs with less financial resources there are challenges. One of the clubs in Category A pointed out that lack of commercial staff is a problem (4A). What a number try to do is to market the services the stadium offers such as parties, concerts and weddings to fans of the team and football matches to users of the stadium facilities. This was summed up by one respondent who stated they 'Market facilities to fans and football to facility users' (11B). Another respondent made the point 'Joe Bloggs who stands on the big bank and watches us maybe a businessman he might not sit in the corporate area' (6A). To access these potential customers clubs used a number of channels, for example through advertising on their website or match day programme. In other cases 'season ticket holders were given a loyalty card and conference voucher which entitles them to discount on bookings' (4A). Others mentioned using their supporter database, website and social media to market facilities to supporters (3A, 19c). What most could not quantify was how successful this had been, although a number of respondents commented that anecdotal evidence suggests cross –selling worked.

In geographical terms what was evident was the work in developing lines that were aimed at the local community, both Business to Consumer (B2C) and Business to Businesses and Organisations (B2B). For instance one respondent noted that they were able to do one or two funerals a week, because they are known by the local funeral directors (5A). Another worked with more people in the local community than attended games (2A). All clubs in the sample worked with local authorities, colleges, schools and charitable organizations. One commented

that ‘a lot of our business is reactive but we try and get to networking events and read local business magazines to get insight in to other businesses and what they may be doing in the future’ (8B). For those clubs in Category A most operated locally because of capacity constraints. Those with larger stadiums, particularly those in Category C, had tried to expand their geographical reach for several reasons, primarily because: they had been able to invest in better facilities, had larger room capacity, greater financial resources; and more specialist staff. This gave these clubs a wider potential client base, highlighted by three of the Category C clubs, who all play in the Championship, staging both national and international exhibitions (13C, 15C, 19C). This contrasts with those in the lower divisions, one respondent said:

There is business locally but there are some big multi-nationals, certainly regional companies that do approach us. We do work with agents so if a big company want to come to X they approach the agents and ask where are the options and we will be one of the names sent to them (3A).

A club in Category B argued that they are stifled by their existing stadium but ‘when it is developed we will market our conference facilities to a far greater area. Becoming more regional as opposed to city based probably using agents’ (11B). One club claimed they benefit from their central location for conference and events and so marketed nationwide (14B). Two other clubs pointed out that local organisations they worked with may expand the clubs geographical reach if they operated outside the area. Both worked with the National Health Service (NHS) who use club facilities for their feeder authorities, this brings in people from other parts of the country for conferences (9B, 21B).

Expertise and capabilities developed not related to football

Most seemed to find this different to articulate and tended to be very modest about what they did. It was perhaps most succinctly described by a Commercial Manager who said of his assistant:

Running a function [...] we get approached by people. They will come up with things they want to do [...] while we will accommodate anything within reason he has the expertise to say you can do this but you might want to consider doing it this way. People appreciate that and its works well (5A).

The ability to be flexible and tailor services was endorsed by another who said:

I would not say in particular, no. It's probably better gauging companies, what they are after and tailoring to their needs [...] we are very flexible, you go to some places they are very regimented. With us being so small we will say we will do what you want in order for it to work (9B).

Other participants also reflected this 'I would not say we have expertise in very specific areas but we are able to put on a wide range of events' (14B). Another said 'How to promote and run a relatively successful venue, what sells what does not sell. We have created a niche market for ourselves' (1A). One of the respondents commented on the issue of finding a position in the market, pointing out that the resource of the stadium and particularly the pitch

acts as a differentiator and meant they were capable of doing an event in a slightly different way:

If you are a regular conference goer to a hotel of some kind that is fairly similar all across the country why do you not come to a football club where you can have your lunch in the directors box, look at the pitch you can sit in a room where you have trophies and placards. We focus on the fact we are a football club and there is a quirky mixture to it [...] some national companies like this quiriness when they are booking venues (3A).

This differentiation was endorsed by another 'There is something nice you know, instead of going to a hotel it's nice to go somewhere and look at some green grass' (laughing) they [customers] love that (6C). There were other examples of niches clubs had developed. A number had been hosting breakfast clubs for local professionals such as solicitors and accountants (7C, 17C, 19C, 21B). Some of these had been going for over a decade. Another pointed out that they had been complimented on the service at funerals as they made this personal by the staff standing outside the stadium when the hearse passed the ground (15C). One of the clubs stages exams, they approached educational institutions and had developed a reputation locally that led to them receiving staging requests (16B). Although there is a wide range what most of these PSTs have in common is using the stadium to provide service in the local community. This is consistent with previous research that focused on the core product of sport (Andreff and Staudohar, 2000; Couvelaere and Richelieu 2005). However, what emerges from the research is that their offering goes beyond the core sport and they are using their stadium to provide a range of products/services that are aimed at the needs of the local environment.

Discussion and Conclusions

The issues of resources, the environment, league commitments and ownership all influence the product/service range of EFL clubs, although the extent of each varied by PST. The ability to have use of the stadium is more important than ownership (Beech *et al.*, 2010), only one of the clubs interviewed was unable to use the stadium in a manner unrelated to football. In terms of resources there was clear evidence of the capability to configure stadiums to provide a range of services (Kozlenkova *et al.*, 2014; Babiak and Wolfe, 2009). Although the path dependency of these services may be difficult to establish, what emerges from the interviews is that it is often linked to providing service to the local as opposed to the national community (Couvelaere and Richelieu 2005; McGaughey and Liesch, 2002). League commitments, having to play 23-30 matches a season act as a restriction, particularly in terms of events such as weddings that require a lot of planning and could clash with matches and ground maintenance.

The clubs with larger stadiums, C Category, use the resource to expand into a wider geographical area and offer larger scale events, all of these are currently in the Championship. Those with smaller stadiums, are constrained by capacity and finance, most of these PSTs are in the lower two divisions, and generate far less income than those in the Championship, see Table 1. This leads to them concentrating more on local services. Age of stadium was not as important as location, a number are over a hundred years old but have been modernized over the years to provide the services we discussed. What is more important is how the area surrounding the stadium has developed since construction. Two respondents pointed out as more housing was built access had become harder and acted as a restriction (17B, 20A). What is noticeable about financial, human and organizational resources is that PSTs often work with partners in these areas. However, what emerges from the interviews is the ability to develop

processes that allows them to be very flexible and responsive to local needs (Liao *et al.*, 2009; Makadok, 2001). There was some evidence to suggest that over time as these resources develop work would be brought in-house e.g. catering.

Much previous research has defined the core product of PSTs as ‘production of a sporting event’ (Mason, 1999; Szymoszowskyj *et al.*, 2016). However, in this instance focusing only on the core product is not always sufficient to maintain financial viability and they need to add other products/services. Our first theoretical contribution lies in expanding the definition of the core product by removing the word sporting from the above and re-defining this as ‘production of an event’. These are PSTs that offer football for less than 10% of the year and can use their facilities for the other 90%. Indeed in an EFL context some clubs unsurprisingly stage more non-football events than matches. We do accept that matches may be financially more lucrative.

The second contribution acknowledging the importance of non-core activities lies in the area of sports finance. We concur with Andreff and Staudohar (2000) that there is a category of PSTs that generate most of their revenue in their geographical locality through spectators, sponsors and subsidies (SSSL). Pritchard (2016) adds another stream unrelated to matches that he coined facilities utilization (FU). While the ability to use physical assets to generate income has been accepted for a long time in a generic business context (Kozlenkova *et al.*, 2014) there has been little work conducted in the context of PSTs. Although recent work into Premier League clubs observes a more proactive approach in this area by hosting musical concerts (Olson *et al.*, 2016).

This study posits that this source of income needs to be added because the SSSL streams maybe insufficient and income from non-core activities is important in maintaining professional status. The acronym SSSFuL is used to represent this. In addition to their own efforts there were three ways to expand geographically: by using agents to market the club; by local

organisations who operated across a larger geographical region marketing internally to other departments/companies within their group; and by marketing from the governing body the EFL. Our third contribution to theory lies in the area of perceived fit (Papadimitriou *et al.* 2004) previous work has viewed it from a consumer perspective. However, the portfolio of products/services should also be considered from a supply/ resource perspective and as evidenced by the comments in the interviews above the test of fit lies in the ability to configure the stadium and harness resources (Walsh *et al.*, 2015).

In terms of our managerial contribution, there are a number of lessons that can be learnt from the long history of these stadiums, see Table 1. Firstly resources need to be configured to take account of local needs and PSTs need to work within that community alongside both residents and organisations to provide them with a range of services. This should help in creating a strong reputation for being concerned about local issues and responsive to the needs of this community. From a marketing perspective building a reputation also helps to differentiate them from their competitors in non-core activities. One of the points that arose when respondents were asked about expertise and one which was not anticipated was in this area. Two commented that users like the colouring of the pitch, implying that football clubs have a unique selling point (USP) in marketing their facilities. One of these participants added that for organisational users car parking space availability was an important criteria in the selection of conference venues and something they capitalised on in promotion, ‘dull as it sounds it lends itself really well’ (3A). For clubs to promote their off-field activities it is recommended that the clubs and the EFL, with its greater financial resources, considers using these points in its messages when promoting these activities. These should concentrate on the work in the local community (Babiak and Wolfe, 2009), the aesthetic nature of stadiums and transport convenience.

Limitations and further research

The research was conducted in the context of a single sport and is limited to a sample of 21 clubs from a single country only considering the product/service portfolio from a supplier perspective. It would also be interesting to see if the findings were applicable in other countries particularly those where there is a tradition of state funding and this source of income may be under threat. Although as a number of authors have pointed out country-specific comparisons are difficult because of differences in infrastructure and markets (Moore and Levermore, 2016). The findings are likely to have relevance to PSTs in other sports such as both codes of rugby and cricket where income from the core product itself is insufficient for commercial viability, although it is accepted that further research is required in this area. Other areas worthy of further investigation are how do organizational buyers perceive and use the facilities of PSTs and the differences between B2B and B2C markets. Linked to this is branding as many of these clubs having segmented their markets and use different names when marketing their stadiums to distinguish between on field and off field activities.

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Appendices one: Semi-structured interview questions

Are there any activities that are not related to football that have been successful at generating income e.g. musical concerts, weddings?

Are there any parts of the stadium that you rent out to generate income (e.g. car parking, general shops, office space and hotels)?

Are there any new products lines, not related to football, that you have added in the past year? If so what made you add these?

Have you formed alliances with other companies to provide products /services on a commercial basis e.g. concerts and catering

Do you approach other organizations to work with you e.g. caterers, wedding planners or have they approached you to use the stadium?

Does the club you try to market its facilities to supporters of the football team?

Is there any evidence to suggest that non- football activities such as conferencing and banqueting have encouraged people to attend football matches?

Are there products/services you market outside of your local area?

Are there any areas of expertise that you have developed e.g. Asian Weddings, Mehdi parties, funerals?