Stakeholder Relationship Management in Online Business and Competitive Value Propositions: Evidence from the Sports Industry

S. M. Riad Shams, Faculty of Business and Law, University of Newcastle, Callaghan, Australia

ABSTRACT

In one hand, marketers have privileges to obtain additional information about their target markets through the online businesses. On the other hand, customers and other stakeholders have an enormous flow of information to compare between competitive value propositions, available in the market. In this market competition, understanding the customers’ and other stakeholders’ value anticipations would be a central success factor for marketers to prolifically develop competitive value propositions, based on understanding the customers’ and other stakeholders’ needs, wants and expectations. Stakeholder relationship marketing has a history, as well as further potentials to understand stakeholders’ value anticipations. From this context and based on an inductive constructivist approach, this study develops insights and proposes a conceptual framework on how various sports organizations manage their stakeholder relationships through their online business platforms, in order to design and deliver competitive value propositions.

KEYWORDS

Competitive Advantage, Online Business, Relationship Marketing, Sports Marketing, Stakeholder Relationship Management, Value

INTRODUCTION

In the contemporary marketplaces, in one hand, we have the traditional markets, such as the traditional shops, where buyer and sellers interacts face-to-face. On the other hand, it is more than two decades, because of the enormous progress of the digital economy; we have the privilege to supplement the traditional shops through various online business platforms. However, buyer and seller do not interact in person in such online business platforms; in general, there is a similar or even more intense competition in the contemporary online shops, compared to the traditional shops, because of the extensive information flow between various stakeholders. In order to survive and prosper, in both of the traditional and the contemporary online business platforms, marketers need to offer competitive value propositions that could outplay the other available competitive value propositions in the market places. A proactive stakeholder relationship management process and understanding stakeholders’, including customers’ value anticipations through such processes would be a central success factor to prolifically develop superior value that could outplay the competitive value propositions, available in the marketplaces. The cause and consequence of stakeholder relationships and interactions as stakeholder causal scopes (SCSs) are crucial antecedents to understand stakeholder’s value anticipations through analysing their needs, wants and expectations (Shams, 2015a). Therefore, the
product and service value that would be developed, based on such understandings of stakeholders’ value anticipations is instrumental to design, offer and monitor competitive value propositions in the contemporary market places (Evangelista et al., 2015; Shams, 2013a).

In order to recognise stakeholders’ value anticipations through SCSs, relationship marketing (RM) plays a significant role in the competitive marketing strategies by establishing, maintaining, enhancing, and modifying relationships with customers and other stakeholders (Kaufmann and Shams, 2015a; Shams, 2013b). Such a RM centred stakeholder relationship management attempts to create value for customers and profit for organization by a series of relational exchanges that have both a history and a future. Relational exchanges can be viewed under transaction cost analysis and social exchange theories depending on the business contexts (Kanagal, 2009). Again, Gingrande (2001) described that RM is identical to competitive advantage in the marketplaces. Furthermore, from the online business perspectives, stakeholder relationship centred initiatives create a richer, more consistent, more usable, and happier experience for customers that help customers to conveniently get more information out of their experience (Trequattrini et al., 2016).

By anticipating customers’ needs, a RM approach makes them feel special or known (Shams, 2011a). The power of RM provides a competitive advantage by personalizing marketing campaigns in the online business platforms (Gingrande, 2001). With the rise of internet, internet marketing has become a critical issue to reach target market and strike business competitiveness. “The internet marketing becomes a hot and new marketing channel to sell and buy through internet meanwhile changes buyer behaviour” (Wang, Chen and Chan, 2004, p. 85), compared to the buyers of traditional marketplace. Therefore, a proposition is developed that the RM centred value schemes ensure value optimisation in the contemporary online business platforms for all involved stakeholders, including customers through understanding customers’ and other stakeholders’ needs. From this perspective, this study focuses on the influence of RM, in order to understand how RM could help marketers to proactively manage their stakeholder relationships, with an attempt to design, deliver and evaluate competitive value propositions through internet marketing. Since, the “existing literature and practice suggest RM is the best way to gain competitive advantage” (Little and Marandi, 2003, p. 33), where RM helps to gain competitive advantage sustainably (Donaldson and O’Toole, 2007; Kurtz, 2009; Shams and Lombardi, 2016).

Based on the discussion thus far, this study attempts to analyse the online value propositions of various organizations from the sports industry that have been experiencing a steady growth in their businesses. The aim here is to understand how these sports organizations have been exploiting their SCSs through their online business platforms to design and deliver competitive product and service value to their target markets.

DESIGN/METHOD/APPROACH OF THE STUDY

To pursue the aim of this study, this paper is developed, based on the typical inductive constructivist methodology, with an aim to support the analysis, so that the additional understandings can be evolved cogently from the discussed issues and contexts from the relevant business literature and industry data (Eisenhardt, 1989; Yin, 1994). From this context, alongside the early discussion on the relevant business literature in the introduction section, this paper also argues, based on presenting the additional relevant business literature and industry data along the progress of the discussions, as an inductive approach, to authenticate the arguments, with reference to the aim of the study (Hallier and Forbes, 2004; Glaser and Strauss, 1967; Shams, 2016). The arguments of the paper draw attention to the internet marketing practices of five grown (Shams, 2011b; 2011c) sports organizations, where the organizations have been utilizing various RM perspectives (which are standardized as RM indicators), in order to manage their stakeholder relationships and to design, deliver and monitor superior competitive products/services value to their target markets through the online business platforms. The discussed organizations are:
Trends in the Use of Social Media as a Tool of Marketing Communications in FMCG Sector in India