

Importing Sport Organisation Reputation in China : the Case of Olympique Lyonnais Football Club

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Reputation as a strategic resource (Hall, 1992) has become one of the main levers for company diversification and specifically in professional service firms (Greenwood and al., 2005). However, little has been done on the capacity of firms to rely on their own resource reputation in order to diversify. The majority of empirical investigations are based on studies of knowledge intensive firms (Becker and al., 2001 ; Phillips, 2001 ; David, 2001).

In this particular case, we are focusing on sporting organizations, which are rarely studied in literature aside from being “labs” for classic theoretical testing in management (Staw and al., 1994 ; Wright and al., 1995 ; Poppo and Weigelt, 2000 ; Berman and al., 2002).

As the ultimate « expressive » organizations (Schultz and al., 2000), these structures such as franchises, clubs and professional sporting events mainly aim their strategy around sporting sphere's such as the need of results in different competitions (Gerrard, 2005), the consumption experience results from the performance and sporting entertainment (Apostolopoulou and al., 2006), as well as the different means of communication offered to the various stakeholders (Cornwell and Maignan, 1998). As a critical asset (Parent and Foreman, 2007), reputation plays the role of a « stimulator » or even an « accelerator » for the development and durability in other types of resources, regarding their promotion through the media (Deephouse, 2000). In the heart of an environment where sporting competition remains the main goal in terms of performance, many sporting organizations are implementing diversification strategies in order to develop around their main activity meaning a sporting show, and on the other hand imagine new peripheral activity slightly disconnected from the sporting environment and its instable day to day life.

The National Basketball Association (NBA) illustrates this by developing for many years European and Asian pre-season tours. Recently, the National Football League (NFL) has organized a regular season game in London between the New York Giants and the Miami Dolphins and is aiming for the 2011 Superbowl to be played there as well. One can also underline that the major European soccer clubs also organize American and Asian tours every year during pre-season and this purely for mercantile and reputation purposes. Event wise, the famous race called “Les 24 Heures du Mans” has been declined into automobile log distance cars under the name of “Le Mans Series” at an international level.

These different examples show the desire of these sporting organizations to penetrate new markets, especially the Chinese one with the future media opportunity of the Beijing Olympic Games, but with purely commercial strategies of globalizing their brand without taking into consideration the reputation-diversification relationship as a new lever of limitation of

sporting results dependency. However this consists of one of the main structure stakes associated with unstable environments (Miller and Shamsie, 1996).

Our article offers the case study of one of the major European soccer clubs (Olympique Lyonnais (on the stock market) and six time French champion and counting). Our objective will be to study the different types of strategies linking reputation and diversification with a specific look on the penetration of the Chinese market. The naturalistic methodology put in place focuses around a unique case analyzed in depth, aiming to innovate and reveal a phenomenon weakly characterized in empirical literature (Eisenhardt and Graeber, 2007).

The purpose of this research will be more precisely to analyze the « services » (in the words of Penrose, 1959), given by the resource of the reputation of a professional sporting club in a logic of diversification. With the aim to avoid external resource dependency (Pfeffer and Salancik, 2003) mainly sporting ones (athletes, coaches) we offer the elaboration of a conceptual model that regroups and unites two dimensions raised by Greenwood and al (2005) categorizing reputation in two as a resource for a sporting organization.

The dimensions attached to the diversification modes regard:

- Non-linked diversification aiming to acquire new types of resources and linked diversification aiming to “contaminate”, develop and make reliable existing resources (Rumelt, 1982 ; Chatterjee and Wernerfelt, 1991 ; Markides and Williamson, 1994 ; Robins and Wiersema, 1995 ; Farjoun, 1998).

The declension of the reputation will be considered according to the dimensions relative to the control modes of resource reputation:

1. « Being known » (Rindova and al., 2005) via its human resources (athletes or coaches) : here it will mean taking into account the reputation of sporting resources considered as hardly controllable and risky
2. « Being good » (Rindova and al., 2005) : here it will mean to consider the resources of corporate reputation (Fombrun, 1996 ; Van Riel and Fombrun, 2003) considered more stable and linked to the corporate brand (Keller, 2000) of the club.

The goal of this research will be to offer an adapted model for organizations with strong dependency from stakeholders reputation (Mitchell et al., 1997) and contribution in terms of resources (Dyer and Singh, 1998 ; Coff, 1999) in order to limit the instability of the environment (in this case sports), via diversification strategies.