

# *TRADITIONALIST MEETS REBEL*

Football and e-sports – Will it be a good match?

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**Abstract:** This thesis sets out to increase the understanding of how the football industry in Sweden perceive e-sports as a phenomenon, as there is now a trend of sports clubs entering e-sports and setting up own e-sports sections. No previous literature has investigated this specific combination of sports and the purpose of this thesis is to provide initial results regarding the trend. To address the gap of research, two studies were conducted. Study 1 used quantitative data to analyse and understand the Swedish football industry. Study 2 used Grounded Theory to qualitatively analyse press releases and interviews to understand what the perception of e-sports is among Swedish football clubs. The empirical findings show that Swedish football clubs perceive e-sports as a complement to football clubs and that a brand extension into e-sports would aim to attract new supporters and sponsors to the club. Relationships with existing partners and supporters are delicate and the brand extension must be in line with the club's values. The main reason for why more Swedish clubs have not started e-sports sections is the need for expertise about the new industry and how to integrate it with their existing business.

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Keywords: Swedish football industry, E-sports, Sports, Brand extension, Diversification

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Presentation: 1st June 2017

## Acknowledgements:

Firstly, we would like to thank our supervisor, Associate Professor Patric Andersson, for his support and valuable insights that have guided us through this thesis.

Secondly, we would like to express our gratitude to the interviewees who agreed to take part in this study. Without you we would not have been able to collect the eminent data that was a considerable part of this thesis. Your contributions have been invaluable.

Besides our interviewees, we would also like to send a special thank you to Magnus “Munken” Karlsson and Jonathan Rudman for connecting us with several of the interviewees.

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# Definitions

**Allsvenskan:** The top football league in Sweden.

**Battlefield 4:** A first-person shooter video game available on both personal computers and home video consoles available in both singleplayer and multiplayer.

**Counter Strike Global Offensive (CS:GO):** Is a multiplayer first-person shooter video game available on personal computers and home video game consoles where players play in two teams, either as terrorists or as counter terrorists.

**Dreamhack:** A computer and gaming event that originated in Jönköping, Sweden, but is now hosting events worldwide.

**DOTA2:** A multiplayer online battle arena (MOBA) available on personal computers where the matches is played between two teams trying to destroy the other team's base.

**E-sports:** E-sports is short for electronic sports and are organised gaming events or tournaments in which players or teams compete against each other in a predefined video game (Statista, 2017).

**FIFA17:** A sports video game where you play football against a computer or another person at the same game console or via Internet. The player can choose to play for different teams in different leagues all over the world.

**Hearthstone:** Is an online collectible card video game available on personal computers. The game is a turn-based card game between two players.

**Heroes of the Storm:** A multiplayer online battle arena (MOBA) available on personal computers where players can choose to play against the computer or against other players.

**League of Legends:** A multiplayer online battle arena (MOBA) video game available on personal computers. The game is developed and published by Riot Games.

**Overwatch:** A multiplayer first-person shooter video game available both on personal computers and consoles where players are in two teams defending control points.

**Rocket League:** Is a vehicular soccer video game where football is played with cars. One to four players using rocket-powered cars to play.

**World of Tanks:** An online multiplayer game available on both personal computers and home video game consoles where the player fights against another player.

# 1. Introduction

The world is built on an enormous number of ecosystems, which in turn are built upon the relationships between different actors. These systems are not static, but has a built-in mode of development. This development can either be gradual and evolutionary, or drastic and revolutionary. In the evolutionary transformation, one or a few structural elements change, as opposed to a revolutionary transformation in which many of the structural elements shift. A transformation of an industry can thus change the pecking order of the actors within it and alter the way in which competition is conducted (Porter & Rivkin, 2000). For some industry actors, the transformation could be very beneficial, while it for others could be devastating.

Sports is one of these systems where advancements have always been made, sometimes by gear improvement and sometimes by new sports. These upcoming phenomena or activities can be debated whether they are sports or not, and some have been accepted as sports, some not. No matter what, e-sports<sup>1</sup>, short for electronic sports (Statista, 2016), is today a movement with serious leagues, prize money, and different teams (Newzoo, 2016). Irrespectively if e-sports are considered as sports or not, the tournament *The International* in the video game DOTA2 had \$20 Million in prize money, the *World championship* in League of Legends had 36 million viewers and another tournament, *Intel Extreme Masters* had 100 000 attendees according to Newzoo (2016). This is of course not as much as some events in the traditional sports, such as 111 Million viewers of Superbowl solely in the U.S. (Statista, 2017). Nevertheless, the numbers are of a considerable size and cannot be ignored by the traditional sports industry. Since a few years back, sports clubs have started e-sports sections (Paspalaris, 2016) in addition to their regular activities with own teams representing the club's colours. This has been found extra popular among big and successful football clubs around the globe (Manchester City, 2016; Paris Saint-Germain, 2016; FC Schalke 04, 2016; Valencia CF, 2016). The reason for why they have entered e-sports can be plentiful but it is obviously a large crowd waiting for them.

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<sup>1</sup> In this thesis, e-sport (singular) and e-sports (plural) will be used as the way of spelling. Other possibilities found in research are *esport* and *esports* will not be used other than in quotes.

## 1.1. Background

Porter and Rivkin (2000) mentions three major stages that an industry in transformation passes through. The stages are; (1) *The Trigger*, (2) *Experimentation* and (3) *Convergence*. The first stage, *The Trigger*, could originate from several factors, for example *a change in customer wants* or *a change in regulation*. Additionally, *The Trigger* does not necessarily have to be related to the industry directly, but can affect indirectly by changes in the suppliers', buyers', or a substitutes' industries. Due to the large numbers in the e-sports industry referred to in the Introduction (1.), e-sports could potentially be a trigger for changes in the football industry.

### *A change in customer wants*

In a report from Ungdomsbarometern (2016) investigating reasons for why young Swedes participate in sports, e-sports were found to be popular. According to the respondents, e-sports provided the best *opportunity to compete against others*<sup>2</sup>. It also induced the *feeling of being good*<sup>3</sup> at something as well as an *opportunity to develop*<sup>4</sup>. However, e-sports are also a polarising set of sports since 28 % of the respondents were *not interested in trying the sport*<sup>5</sup> at all.

Additionally, the viewership numbers of e-sports are growing rapidly. In 2016, 148 million people viewed e-sports at least once a month (Newzoo, 2016). Furthermore, 76% of these people said that e-sports had reduced the time they spent on watching traditional sports (Newzoo, 2016).

As the numbers of spectators and players increase, and as the structure of the e-sports industry keeps improving with more and better rules and regulations, e-sports have become an attractive platform for corporate sponsors to market themselves on. In the beginning of e-sports, the sponsors mainly came from endemic industries related to technology or gaming.

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<sup>2</sup> Translated from "Att kunna tävla mot andra"

<sup>3</sup> Translated from "Känslan av att vara duktig"

<sup>4</sup> Translated from "Möjligheten att utvecklas"

<sup>5</sup> Translated from "Nej, och jag är inte intresserad av att prova idrotten/aktiviteten"



However, e-sports now find more traditional brands such as Gillette (Gillette, 2017) and Hyundai (Hyundai, 2016) entering the realm. This poses as a potential competitor to traditional sports, which could face potential competition from this new set of sports when it comes to sponsorship and media deals.

### *A change in regulation*

E-sports organisations all over the world are trying to make their sports and their professionals accepted, both by institutions and the general public. In France and USA, competing e-sports-players are considered to be professional athletes. This means that players can apply for professional athlete visas, the same visas as football, ice hockey or basketball professionals apply for (Auxent, 2016; Roe, 2013). This could be seen as a way of making e-sports legitimate in the sports movement and close the gap between e-sports and traditional sports, a gap which has been widely debated in Swedish press during the last years (Aaron, 2015; Tassi, 2014; Young, 2016). In Sweden, the Swedish Association of E-sports has applied for membership in the Swedish Sports Confederation (Svenska E-sportförbundet, 2017), which is an umbrella organisation representing the Swedish sports movement (Riksidrottsförbundet, 2012). In April 2017, the Swedish Sports Confederation announced that no new member organisations will be approved until 2019 (Setzman, 2017). The reason for the decision was that the definition of sports<sup>6</sup> needed clarification alongside other definitions regarding member organisations.

The abovementioned changes have not passed without notice from established actors within the traditional sports industry. Major sports clubs seem to have understood that e-sports is indeed a potential competitor when it comes to both supporters and sponsors (Deloitte, 2016). Instead of trying to diminish the sport, some clubs have instead incorporated e-sports teams or professional players into their organisations. Examples are the football clubs Manchester City; Paris Saint-Germain; FC Schalke 04 and Valencia CF (Manchester City, 2016; Paris Saint-Germain, 2016; FC Schalke 04, 2016; Valencia CF, 2016), but it does not end there. Even American NBA-teams, such as Philadelphia 76ers, have started to walk the same path and started e-sports teams (Philadelphia 76ers, 2016). Some clubs and organisations have

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<sup>6</sup> Sports is here referring to the Swedish word “idrott”.

thus entered the second stage of the transformation process (experimentation) (Porter & Rivkin, 2000) but still, numerous clubs have not started yet. Interestingly, only one Swedish football club has entered the e-sports arena so far (Jönköping, 2016). An example of football clubs, many of them playing in the best leagues in the world, that already have entered the e-sports industry are found in *Table 1.1.* with an extended list found in Appendix 1.

**Table 1.1. Examples of clubs that have entered e-sports**

Team	E-sport/-s
West Ham United	FIFA17
Schalke 04	League of Legends
U.C. Sampdoria	FIFA17
Valencia CF	Hearthstone, Rocket League
Manchester City	FIFA17
Paris Saint-Germain F.C.	FIFA17, CS:GO, Hearthstone

*Source: Paspalaris, 2016*

## 1.2. The gap and need for further research

As of today, research is lagging with regards to how the competition between traditional sports and e-sports looks like. Further, the understanding of the industry dynamics within e-sports is still being researched. Today, e-sports are in some countries considered as a sport, but in some countries not, which indicates different levels of acceptance of the phenomenon (FC Dynamo Kyiv, 2016; Setzman, 2017). However, since e-sports is now growing into a community with large viewership numbers and hefty prizes, it can no longer be swept under the rug. What remains unclear is how sports or clubs outside the top leagues of the world will handle the rise of e-sports. That sport teams choose to enter the e-sports industry is today a fact, however, no one has so far investigated why this phenomenon exists.

### 1.3. Purpose of the study and research question

This thesis has the objective to increase the understanding of what football clubs think of e-sports, and why (why not) they would like to enter e-sports. This will be done through an investigation of how Swedish football clubs interpret the rise of e-sports, the overall research question will thus be:

*How do Swedish football clubs perceive e-sports?*

In order to answer the research question, two studies were conducted. The first study used a quantitative approach where secondary data was used providing an overview of the Swedish football industry, and the football clubs' views on substitutes. Study 2 used a Grounded Theory approach in two steps (described in section 3.) to understand the potential drivers for top clubs in Sweden for entering e-sports. Thus, the combination of the two approaches was used to gain deeper insights than any of the approaches could provide by themselves (Goulding, 2005).

After Study 1, two questions were identified:

- *Why do football clubs choose to enter e-sports?*
- *How have football clubs chosen to enter e-sports?*

After *Research Phase 1* in Study 2, three questions arose:

- *Do Swedish football clubs perceive e-sports as a substitute?*
- *Are the Swedish football clubs entering e-sports for the same reasons as the football clubs in Research Phase 1?*
- *Why would (would not) Swedish football clubs like to enter e-sports?*

### 1.4. The expected contribution to research

This thesis should increase the understanding of the different dynamics between the football and the e-sports industry. The results should provide an overview of the current state and help football clubs understand how they potentially could use e-sports to improve their business. Sports clubs in general, and football clubs in particular, will be given information about the positive and negative sides with starting an e-sports section in addition to their current

activities, to base decisions whether they should enter e-sports or not. And if they would decide to start e-sports sections, how they could potentially do it.

## 1.5. Delimitations

This thesis is set to investigate *How Swedish football clubs perceive e-sports?* due to the following reasons. Firstly, Sweden is one of the forerunners when it comes to e-sports in the world, with a video game user penetration rate of 54.2% (Statista, 2016). For Study 1, a dataset was received with answers from a questionnaire distributed to Swedish clubs in football, floorball, ice-hockey, tennis and skiing.

Secondly, football was chosen because of the trend, mainly in Europe, that football teams integrates e-sports teams or sign e-sports players to their roster (Manchester City, 2016; Paris Saint-Germain, 2016; FC Schalke 04, 2016; Valencia CF, 2016).

Thirdly, Swedish football clubs playing in Allsvenskan were chosen for interviews in Study 2 since this is the top league in Sweden. However, for Research Phase 1 in Study 2, press releases for international football clubs were included since the football clubs that already have started e-sports sections primarily are located outside of Sweden.

Time restrictions and resource constraints limited the number of professional clubs and leagues that could be included for this this, the sample was therefore limited to football clubs playing in Allsvenskan.

## 1.6. Thesis Outline

To answer the research question, two separate studies were conducted, *Study 1* (quantitative) and *Study 2* (qualitative). A mixed approach was utilised to explore and understand the phenomenon better (Bryman & Bell, 2011). Firstly, the literature review for Study 1 will be presented, followed by a description of the method that was used. After this, the results and analysis of Study 1 are presented and implications for Study 2 are given. Study 1 will follow what could be considered a traditional outline.

Study 2 followed a Grounded Theory research process. It should be noted that because of this, the different sections in Study 2 are to some extent presented in an altered order. Firstly, the research design and approach of Study 2 will be presented in section 3.1. This is followed by the empirical findings of *Research Phase 1* in 3.2., where press releases were analysed. This formed the foundation for the *Research Phase 2*, in which data was collected through interviews. The findings of *Research Phase 2* are presented in 3.3. As Grounded Theory aims to find hypotheses in the empirical findings (Yin, 1991), the literature will be presented after the empirical findings in *Research Phase 1* and *Research Phase 2*. The literature review is presented in section 4. The final discussion will be held in section 5, which combines the results of the two studies and presents the gained insights. Lastly, concluding remarks, limitations of the study and suggestions for future research are presented in section 6.



Figure 1. Thesis outline

## 2. Study 1 – Swedish football industry overview

*In this chapter, Study 1 will be presented. This study will increase the understanding of what actors affect the Swedish football industry today. Firstly, a description of the relevant literature will be given. Secondly, the method of Study 1 is presented, followed by the results and analysis of the study. Lastly, a discussion of the results in Study 1 is given, continued by the implications for Study 2.*

### 2.1. Literature review

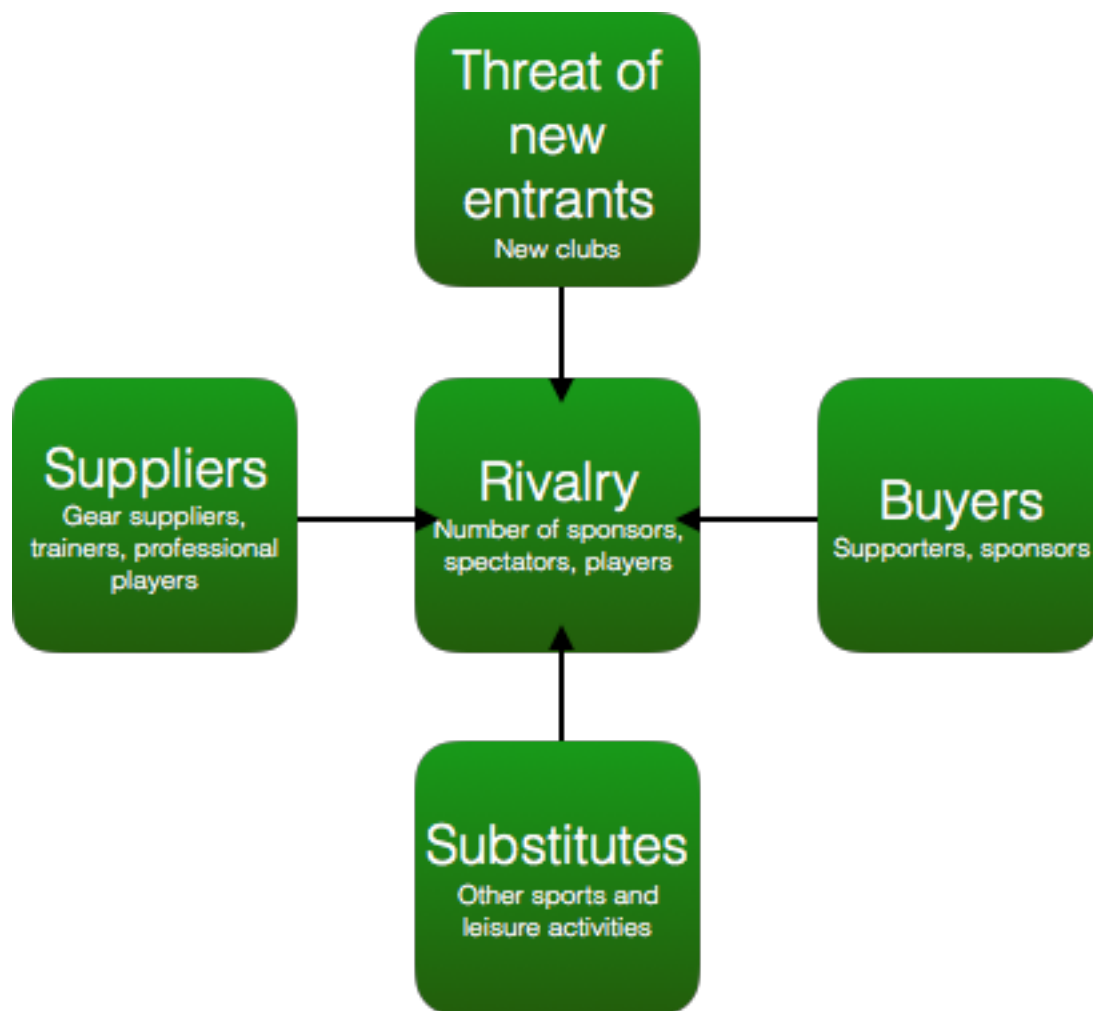
#### 2.1.1. The Five Forces

In 1979, Michael E. Porter somewhat revolutionised the strategy-subject with his five forces framework (Porter, 2008). The framework departed from the Industrial Organisation (IO) field within economics, a field that focuses on the structure of firms and markets (Ghemawat, 2006). The five forces framework is a tool to be used by managers to understand the fundamental structures of the industry and the bases for competition. The framework can help evaluate the average profitability of the players in the industry and can be useful when deciding on corporate strategy (i.e. in which industries a company should compete in). The Five Forces framework has been used to label different industries as attractive (easier to be profitable) or unattractive (harder to be profitable) (Porter, 2008).

An attractive industry has high entry barriers, few or no substitutes, low supplier- and buyer bargaining power and healthy rivalry. An unattractive industry is composed by the opposite. Consequently, an attractive industry should, according to Porter (1987), be harder to enter (due to high entry barriers) but can, if successful, be profitable. On the other hand, entering an unattractive industry could be considered relatively easy, but will be harder to profit from (Porter 1987).

Regardless of the average profitability of an industry, players can position themselves within that industry (business unit strategy) that will keep the company healthy and viable (Porter, 2008). It is at the business unit level that the competition takes place (Porter, 1987). The position should be distinct and different from the competitors to provide the customers with

unique value. Porter (2008) clearly states that operational effectiveness is necessary but not sufficient to have a successful strategy. The main argument for this is that the operational effectiveness will sooner or later be available for the competitors (Porter, 2008). Hence, operational effectiveness cannot provide a unique position in an industry. The five forces in the Porter framework are suppliers; buyers; substitutes; entry barriers; and rivalry and will further be explained from a football perspective.



*Figure 2. Porter's Five Forcers*

### *Suppliers*

The power of suppliers will have an impact on the level of profitability in an industry. If the suppliers are relatively stronger, they will have a greater opportunity of demanding higher prices and thus lower the industry margins. The power of suppliers usually rise when the concentration of suppliers is high, lock-in barriers are high and availability of substitutes is low. The football clubs are affected by various suppliers, such as arena owners, professional

coaches and gear suppliers. In addition to this, professional football players should be considered as suppliers since player salaries are a major expense for the clubs (Conn, 2013; Hammarby IF, 2016; Malmö FF, 2016).

### *Buyers*

The power of buyers follows the same logic as power of suppliers (Porter, 2008). If the buyers are numerous, the companies in the industry can play the customers against each other, thus keeping profits for themselves. The bargaining power of buyers also increases if the product is standardised (i.e. the same outcome can easily be found elsewhere). The buyers that can exercise power and affect football clubs are supporters; members; sponsors or other purchasing actors. What is purchased can therefore differ, supporters pay to watch a game while sponsors pay to display their brand in connection to the club.

### *Threats of entry*

The profitability of the industry is also affected by the entry barriers (Porter, 2008). If it is easy to enter the industry and the profitability in the industry is high, new entrants will try to acquire market shares. Consequently, average profitability levels drop. Conversely, if an entry requires large investments, economies of scale or if revengeful actions from incumbent actors are likely, fewer competitors will enter the market. Even though forceful retaliation towards a new entrant could be expensive, it could set an example for future competitors and prove the entry to be difficult. Examples of entry barriers in the football industry could be access to a stadium reaching adequate requirements and the costs of putting together a competitive team.

### *Substitutes*

Products or services that fulfils the same need as another product, but in a different way are considered as substitutes (Porter, 2008). Substitutes for football could be other sports, such as handball or tennis. What is considered as a substitute depends on how broad or narrow the industry is defined. If sports would be considered as a part of the entertainment industry, football clubs would compete with watching television, visiting a theatre or reading at home. For participants, other sports could provide team spirit or opportunities to compete against



others. For supporters, the substitutes could offer the same excitement and entertainment. Sponsors could use substitutes to reach a better target group or gain more exposure.

### *Internal rivalry*

The internal rivalry of an industry has two facets, intensity and basis of rivalry (Porter, 2008). The intensity of rivalry is likely to be high if, market growth is slow or declining, if the actors are highly committed to the industry or if the exit barriers are high. That is, if the actor has invested a lot or if the costs of leaving the industry are high, it will fight to stay relevant. The rivalry that football clubs could face is the competition for sponsors, supporters and participants. This could somewhat be contained due to the geographic region in which the football club is active.

### 2.1.2. Diving into the Five Forces framework

Furthermore, the depth and relevance of the Five Forces could be increased by using a more granular process when analysing the industry (Grundy, 2006). Firstly, the forces are not independent of each other, but are always and consistently affected by one another. For example, if buyers actively look for substitute products/services, it increases the risk of substitutes being developed (Grundy, 2006). In a football versus e-sports context, one example could be that if sponsors want to reach a target group digitally instead of physically, e-sports streaming is a substitute to football arenas. This leads to the next level of investigation recommended by Grundy (2006), namely the micro-perspective of the force, which means that a force's constituents are analysed.

Overall, the Five Forces framework and its elaborations provide a good opportunity for actors (football clubs) to understand the industry and their own strengths and weaknesses. If these are known, it enables them to position themselves to face the competition. By knowing this, they can become proactive and increase the possibilities of staying competitive and financially healthy.

## 2.2. Methodology

### 2.2.1. Choice of approach and study design

To help answering the overall research question, *How do Swedish football clubs perceive e-sports?* Study 1 aimed to provide an overview of the Five Forces in general and the substitute force in particular. The quantitative data was analysed exploratory and no hypotheses were tested.

### 2.2.2. Data

A survey design, as opposed to a case study, was used to gather data that could be used to analyse the football industry in Sweden. After discussions with Patric Anderson, Associate Professor at the department of Marketing and Strategy at the Stockholm School of Economics, the authors were granted access to a survey response dataset. The dataset included Swedish football clubs, among other sports clubs. Study 1 was thus based on secondary data analysis and the benefits and limitations of this approach are discussed in the next section (2.2.2.1). The survey was conducted in 2015 and collected data regarding sports industries. The data has not been published and was therefore considered appropriate for this study since it could provide an overview of the Swedish football industry.

#### 2.2.2.1. Secondary analysis

Secondary analysis means that the analysed data has been collected by others (e.g. researchers; companies; or official statistics) and the benefits of the collection method are plentiful (Bryman & Bell, 2011). Firstly, access to a large set of data involves great time savings and low costs. Secondly, the quality of the data is most often of high quality and can reach a larger sample, which was done in Study 1 where a national sample was reached. Thirdly, as in this case, the data has been collected by highly experienced researchers.

As described above, the benefits of secondary analysis are many but Bryman & Bell (2011) also describe its limitations. Firstly, there is a lack of familiarity of the data, which takes time to remedy. Secondly, there can be a complexity of the data that increases the difficulty of analysing. Thirdly, the lack of influence of the collection of data is prominent. Secondary datasets should therefore be approached with caution. In this thesis, the data was collected by

experienced researchers and should be considered trustworthy. Lastly, there is a risk that secondary datasets lack key variables that are necessary for a complete analysis to be conducted (Bryman & Bell, 2011). For example, no specific e-sports variables were included in the survey and was a limiting factor in Study 1.

#### 2.2.2.2. Survey

The data was collected through a digital survey tool, *Qualtrics*. The survey aimed to collect information how Swedish sports clubs were affected by the Five Forces (Porter, 2008). The survey was digitally distributed on May 27, 2015 and a reminder to answer was sent on June 26, 2015. The survey was sent to sports clubs related to five different sports. These sports were tennis, ice hockey, football, skiing and golf. The focus of Study 1 was the dataset connected to the football clubs, based on the current trend of European top clubs starting e-sports sections. A total of 435 questionnaires were sent to football clubs. The number of responding football clubs amounted to 108. Two (2) surveys were removed due to incompleteness, leaving 106 clubs in the sample and a response rate of 24.4%.<sup>7</sup>

The survey consisted of 107 questions divided over 8 blocks. The questions were closed and used Likert-scales ranging between 1-6 or 1-7. The Likert-scales ranging between 1-6 were of bipolar characteristic with lowest point (1) “do not agree at all” and highest point (6) “Completely agree”. Similarly, the Likert-scale ranging from 1-7 was also of bipolar characteristic with the lowest point (1) “Not at all” and highest point (7) “To an extreme extent”. The survey was distributed in Swedish and the relevant results have been translated into English for presentation in this thesis.

#### 2.2.3. Measures

The Five Forces (Porter, 2008) were analysed by combining questions related to each force into an index wherever possible. This provided an overview of how strong the forces were in the Swedish football industry. The force “Entry barriers” was not included since data related to this force was not collected in the survey.

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<sup>7</sup> Some respondents have left out single answers from the survey. These were included in the analysis of the Five Forces as they still are considered relevant for the analysis.

### *Rivalry*

To investigate the internal rivalry in the business, an index was created from 4 questions that touched upon different aspects of what Porter described as internal rivalry (see Appendix 2). However, the index only achieved a Cronbach's alpha of  $.511 < .7$  and therefore only one of the questions, *the clubs in our sport compete intensively to retain/increase the number of members*, was used for analysis.

### *Suppliers*

The Swedish football industry is similar to most other industries in the sense that it is dependent on several suppliers. The different actors are the municipality (for the arena/football field), coaches, professional players and gear suppliers. To generate a holistic measure of the supplier power, an index was created of four questions (see Appendix 2). The index acquired a Cronbach's alpha of  $.376$  and was therefore not used. Instead, the different facets of suppliers (coaches, gear suppliers and municipalities) are presented separately (Table 2.1.). Professional players were not included as a supplier in the dataset, and were therefore not part of the analysis.

### *Buyers*

The buyers were grouped into one single group to analyse the general feeling of buyer power felt by the football clubs, a total of 13 questions were included in the buyer index and provided a Cronbach's alpha =  $.724$ . However, the buyer force was composed by different buyer groups, such as supporters/members, public sponsors and corporate sponsors. Therefore, an attempt to create separate indices for these separate groups was made. No index could be created for the public sponsors, supporters or members (Cronbach's alpha  $< .7$ ) and these facets are presented separately. The corporate sponsors index was constructed of five items (Cronbach's alpha =  $.717$ ) (see Appendix 2).

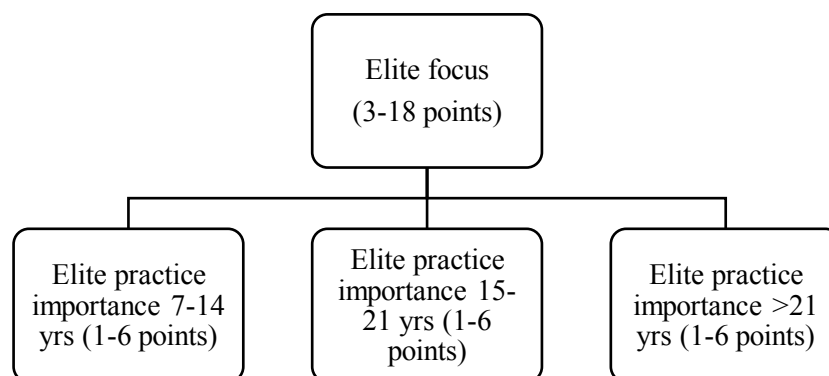
### *Substitutes*

The substitute measure was very broadly phrased in the questionnaire since it depended on industry definition. For supporters and members, substitutes could include a diverse set of activities, such as going to the movies, visiting a restaurant or travelling. For the sponsors, a

substitute could be any arena in which the same target group is reached such as a television show or other sporting events. Therefore, the substitute questions were phrased in a general sense and gave the respondents room for interpretation. A total of eight questions were used to make the substitute index (Cronbach's  $\alpha = .715$ ) (see Appendix 2). However, in the survey there was a distinction between sports related substitutes and non-sports related substitutes (*leisure activities*) and these will therefore be presented separately.

### *Elite focus*

The trend of football clubs creating new e-sports sections has mainly been seen in top-league elite clubs (Paspalaris, 2016). Therefore, it was deemed necessary to analyse whether the substitute force affected elite clubs or non-elite clubs differently. In order to conduct this analysis, an elite club variable was created. Three questions regarding the clubs' views on importance of elite-practice in their organisations were combined into the elite importance variable. Each of the three variables could have a minimum value of one and a maximum value of six. Consequently, the lowest elite score was three and the highest elite score was 18.




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*Figure 3. Overview of the three survey questions that compose the elite focus variable.*

### 2.2.4. Statistical analysis

The statistics program IBM SPSS Statistics (version 24) was used to analyse the survey dataset. The statistical tests that were made consisted of paired sample t-tests and independent samples t-tests. Firstly, an overview of the industry forces was presented. The subsequent analysis focused on understanding the different substitutes measured in the questionnaire (an explanation of these can be found in 2.2.4.). This was done by using paired sample t-tests. Furthermore, independent samples t-tests were utilised to analyse differences between More and Less elite-focused clubs.

### 2.2.5. Quality of data

A quantitative study aiming to expand the knowledge in a scientific research field must satisfy two concepts for data quality, reliability and validity. For a measurement instrument to be valid, it also needs to be reliable (Tavakol & Dennick, 2011) and consequently the reliability is discussed first.

#### 2.2.5.1. Reliability

For the thesis to objectively analyse the posed research questions, the analysis needed to fulfil the concept of reliability. Reliability is a measure that investigates how reliable a measure is, i.e. that it provides consistent results.

To verify that the respondents had understood the survey, two questions were asked in the last section; *The questions were clearly formulated*, and if *The answers were clearly formulated?* The answers were ticked on a Likert-scale between 1-6 and resulted in means of 4.31 and 4.21.

Furthermore, Cronbach's alpha was used to measure the internal consistency of the questions. Cronbach's alpha measures the interrelatedness between the questions asked. A high Cronbach's alpha ( $0 < \alpha < 1$ ) indicates that the questions measure the same construct. In this study, Cronbach's alpha was used to create for the indices that could analyse the competitive forces as presented by Porter (2008). A Cronbach's alpha of 0.7 is usually acceptable (Bryman & Bell, 2011; Tavakol & Dennick, 2011; Bland & Altman, 1997; Söderlund, 2005). Two of the four forces analysed received a Cronbach's alpha above 0.7 (customers & substitutes) and two received a Cronbach's alpha below 0.7 (rivalry and suppliers). The reliability of the measures could therefore be considered satisfactory.

#### 2.2.5.2. Validity

Validity is a measure that describes how well a variable measures the underlying concept (Bryman & Bell, 2011). Face validity is validity in its simplest form in the way that it apparently reflects the concept of interest, and should be considered an intuitive process (Bryman & Bell, 2011). The survey was created by experienced researchers in the field and

face validity was therefore deemed satisfactory. Additionally, to reduce the risk of ordering effects and thus negative/positive bias in the answers (Perreault, 1975; Söderlund, 2005) the questions within each block were presented in random order. Consequently, the validity was deemed satisfactory.

## 2.3. Results and analysis

### 2.3.1. Results of Porter's Five Forces

The results of the Five Forces (Porter, 2008) will first be presented on a general level in *Table 2.1*. The full indices will subsequently be described more granularly, except for the variables presented individually in *Table 2.1*.

**Table 2.1. Descriptive statistics of Porter's Five Forces**

Variable	N	Min	Max	$\mu$ (SD)
Rivalry	106	1	7	4.55 (1.49)
Suppliers – Gear	106	1	7	4.47 (1.53)
<b>Suppliers - Facility owner</b>	<b>105</b>	<b>1</b>	<b>7</b>	<b>3.58 (2.26)</b>
<b>Suppliers - Coaches</b>	<b>106</b>	<b>1</b>	<b>7</b>	<b>5.54 (1.15)</b>
Buyers	106	1.92	5.69	3.87 (0.73)
<b>Substitutes leisure activities</b>	<b>106</b>	<b>1.88</b>	<b>5.63</b>	<b>3.82 (0.84)</b>
<b>Substitutes other sports</b>	<b>105</b>	<b>1</b>	<b>6</b>	<b>4.00 (1.33)</b>

What was notable was that substitutes related to leisure activities was estimated to be a minor problem ( $M=3.82$ ). Only the supply group facility owners were estimated to have lower effect on the Swedish football clubs ( $M=3.58$ ). The difference between the two substitute groups (sports and leisure activities) was interesting, and raised the question if other sports were stronger competitors for time and money of buyers than non-sports activities. This will be analysed below (2.4.2.). The strongest actors in the network was the coach, and the clubs seemed to have difficulties with finding competent coaches for their teams ( $M=5.54$ ).

### *Buyer index*

**Table 2.2. Descriptive statistics of buyers**

Variable	N	Min	Max	$\mu$ (SD)
<b>Public sector organisations</b>	<b>106</b>	<b>1</b>	<b>7</b>	<b>5.60 (1.64)</b>
Public sector donors	106	1	7	3.59 (1.88)
Private companies	106	1	6.60	4.01 (1.12)
<b>Private donors</b>	<b>105</b>	<b>1</b>	<b>7</b>	<b>2.28 (1.36)</b>
Members	106	2	7	4.92 (1.11)
Fans	104	1	5	2.04 (1.16)

Notable for the buyer force was that the Public sector organisations seemed to be important for the clubs ( $M=5.60$ ), which increased the power of this type of buyer. However, since the donor was a public organisation, it could act supportive to keep the club alive and increase the general interest in sports. Private donors were less important ( $M=2.28$ ), which could indicate that private donors do not contribute to the clubs' finances.

### *Substitutes index*

**Table 2.3. Descriptive statistics substitute leisure activities**

Variable	N	Min	Max	$\mu$ (SD)
<b>Leisure activity competition</b>	<b>106</b>	<b>2</b>	<b>7</b>	<b>4.71 (1.34)</b>
<b>Leisure activity competition for corporate sponsors</b>	<b>106</b>	<b>1</b>	<b>7</b>	<b>3.78 (1.66)</b>
<b>Leisure activity competition for public sponsors</b>	<b>105</b>	<b>1</b>	<b>7</b>	<b>3.72 (1.62)</b>
Enjoyment can easily be found in other leisure activities	106	1	6	3.44 (1.12)
Community can easily be found in other leisure activities	105	1	7	3.75 (1.37)

The leisure activities substitute index was as a whole estimated as 3.82 on a 1-7 graded scale (*Table 2.1*). On the other hand, what became evident when investigating the constituents of the force was that the competition that clubs faced from leisure activities was strong “to a certain extent” ( $M=4.71$ ). However, the sponsors' willingness to sponsor the club was still rated below the centre point of the scale (4), indicating that the clubs had only lost a minor degree of sponsors to other leisure activities (*see Table 2.3*).



**Table 2.4. Descriptive statistics of substitutes sports related**

Variable	N	Min	Max	$\mu$ (SD)
<b>Football in same municipality</b>	<b>105</b>	<b>1</b>	<b>6</b>	<b>4.14 (1.45)</b>
<b>Football in other municipality</b>	<b>104</b>	<b>1</b>	<b>6</b>	<b>2.47 (1.47)</b>
<b>Other sports</b>	<b>105</b>	<b>1</b>	<b>6</b>	<b>4.00 (1.33)</b>

Sports related substitutes has shown to be “somewhat” competitive when they were “other sports” (M=4.00) or Football clubs within the same municipality (M=4.14). Football clubs in a different municipality is however considered to be rather weak (M=2.47).

### 2.3.2. Understanding the competition from substitutes

The following sections will analyse the power of substitute forces; sports related and leisure activities, to understand how these affect the football clubs. Since e-sports have been accepted as a sport by some actors, but is still seen as a leisure activity to some, the following part aimed to understand if the definition of e-sports affected the estimated possibility for e-sports to become a strong substitute.<sup>8</sup>

**Table 2.5. Paired sample t-test**

Pair	Variable pairs	$\mu$ (SD)	Difference	N	t	df
<b>1.</b>	<b><i>Football same municipality</i></b>	<b>0.62 (0.29)</b>	<b>0.33</b>	<b>104</b>	<b>10.444**</b>	<b>103</b>
	<b><i>Football other municipality</i></b>	<b>0.29 (0.29)</b>				
2.	<i>Football same municipality</i>	0.62 (0.29)	0.02	105	1.048	104
	<i>Other sports</i>	0.60 (0.27)				
3.	<i>Football same municipality</i>	0.62 (0.29)	-0.01	104	-0.334	104
	<i>Leisure activities</i>	0.61 (0.22)				
<b>4</b>	<b><i>Leisure activities</i></b>	<b>0.61 (0.22)</b>	<b>0.32</b>	<b>105</b>	<b>9.469**</b>	<b>103</b>
	<b><i>Football other municipality</i></b>	<b>0.29 (0.29)</b>				
5	<i>Leisure activities</i>	0.61 (0.22)	0.01	105	0.630	104
	<i>Other sports</i>	0.60 (0.27)				
<b>6</b>	<b><i>Football other municipality</i></b>	<b>0.29 (0.29)</b>	<b>-0.31</b>	<b>105</b>	<b>-9.353**</b>	<b>103</b>
	<b><i>Other sports</i></b>	<b>0.60 (0.27)</b>				

\*  $p < .05$  \*\*  $p < .01$

<sup>8</sup> The Likert scales estimating sports related substitutes and non-sports related substitutes differed by one point. Before analysing the statistical difference between the substitutes, the variables were normalised to a scale 0-1.

The results from *Table 2.5.* indicated statistically significant results in three of the pairs. All of the statistically significant results were related to *Football clubs in other municipalities* which had empirical support for being a weaker substitute than the others. This could indicate that the football industry is somewhat dependent on municipality borders, and that competition across municipality borders are of minor importance.

However, no statistically significant differences were found between *Other sports*, *Leisure activities*, and *Football clubs in same municipality*. It was therefore not possible to conclude that there were any differences between the three variables.

### 2.3.3. Needs differences in football and other sports

To discern why football clubs could be affected by the substitutes *Other sports* and *Leisure activities*, the substitute index factors of *enjoyment*, *pleasure and joy* and *community* was analysed. These factors were mainly related to the participants in the sports/activities.

**Table 2.6. Descriptive statistics of substitute index**

Variable	N	Min	Max	$\mu$ (SD)
<b>Similar sports give more pleasure and enjoyment</b>	<b>106</b>	<b>1</b>	<b>6</b>	<b>2.99 (1.37)</b>
Sense of communality can easily be found somewhere else	105	1	7	3.75 (1.37)
Enjoyment of participating Football can easily be found in other leisure activities	106	1	7	3.70 (1.41)
Enjoyment of competing in Football can easily be found in other leisure activities	106	1	7	3.64 (1.41)

What was notable about the results was that the football clubs believed that other sports would have a hard time providing participants with the same pleasure and enjoyment as football ( $M=2.99$ ). However, the results also indicated that there was a possibility that other sports and leisure activities could fulfil some of the same needs as football could. To further investigate if any differences between the clubs could be found, a variable based on elite focus was created and used to analyse if substitutes affect these types of clubs differently.

### 2.3.4. Elite focus and substitutes

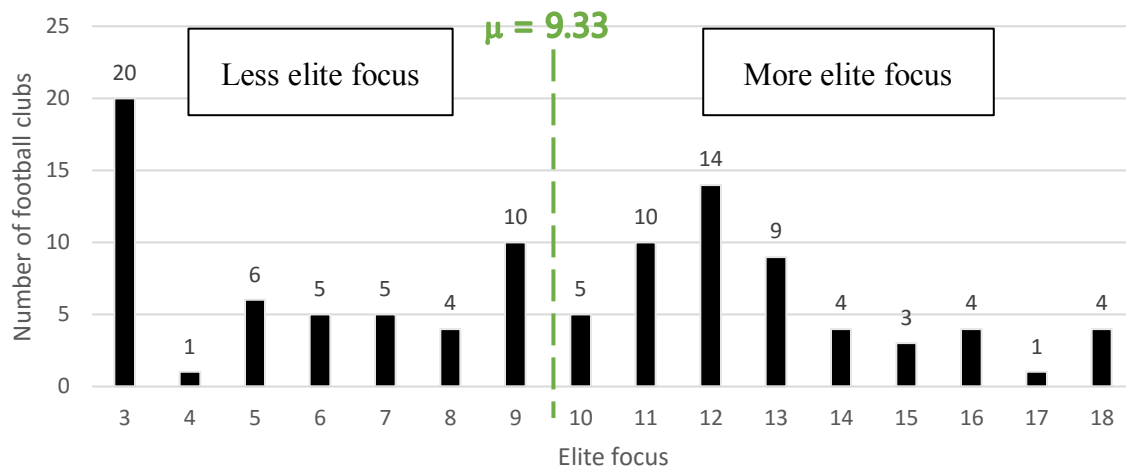


Figure 4. Distribution of elite focus variable

Table 2.7 Descriptive statistics of Elite focus variable

Variable	N	Min	Max	$\mu$ (SD)
Elite focus	105	3	18	9.33 (4.39)

The variable of ranked importance of elite practice divides the clubs into *Less elite focus* (N=51) and *More elite focus* (N=54) rather equally. Yet, the degree of elite focus was varying between the clubs. The mean resulted in  $\mu = 9.33$  on scale ranging between 3-18 and was thus slightly offset to the left.

The two types of clubs were later analysed from a substitute perspective to discern if they were affected differently by the substitute variables.

Table 2.8. Mean comparison of substitutes

Variable	Lower elite focus $\mu$ (SD)	Higher elite focus $\mu$ (SD)	Difference	Significance
Competition from football clubs in same municipality	4.08 (1.56)	4.23 (1.34)	-0.15	0.610
Competition from football clubs in other municipality	2.48 (1.53)	2.52 (1.44)	-0.04	0.894
Other sports	3.84 (1.35)	4.17 (1.33)	-0.33	0.213
Leisure activities	4.94 (1.24)	4.51 (1.42)	0.43	0.103

\*  $p < 0.05$ , \*\*  $p < 0.01$

As the results in *Table 2.8.* show, no empirical evidence was found for substitutes being ranked differently regardless if the club had *More elite focus*, or *Less elite focus*. Despite the elite or non-elite focus, nothing could be concluded about whether they would be affected equally or not by substitutes.

**Table 2.9. Mean comparison of need accomplishments**

Variable	Less elite focus $\mu$ (SD)	More elite focus $\mu$ (SD)	Difference	Significance
Similar sports can provide more pleasure and joy than football	2.94 (1.36)	3.04 (1.40)	-0.10	0.722
The pleasure of playing football can easily be found in other leisure activities	3.80 (1.37)	3.57 (1.46)	0.24	0.394
The pleasure of competing in football can easily be found in other leisure activities	3.88 (1.49)	3.42 (1.29)	0.46	0.097

\*  $p < .05$ , \*\*  $p < .01$

Furthermore, the results in *Table 2.9.* could not provide any empirical support for it being a difference between clubs with *More elite focus* and *Less elite focus* in terms of providing a joyful experience. It is thus not possible to say that there are differences between the two groups of football clubs, rather they seem to be equally affected by the substitute force.

## 2.4. Discussion

The results from Porter's Five Forces analysis indicates that the football industry is made up by actors that are rather equal in terms of force power. The highest estimated bargaining power was coaches, since these appear to be hard to find. Most of the forces hover around the centre point of the scale (4) and is therefore only representing a power estimate that is ranging between "a little" (3), "somewhat" (4) or "to some extent" (5). The weakest actors were the facility owner (supplier), followed by substitutes. However, the variable-by-variable analysis of the substitute index indicated that there are some facets that are more powerful than others. The clubs seem rather comfortable in their position to attract members and sponsorship deals to their business, as the public and private sponsors' willingness to sponsor football is only mildly reduced by other leisure activities. The Five Forces framework analysis provide empirical support for football being an industry that is rather stable, with few strong forces.

Anyhow, since no statistical significant differences were found between *Leisure activities*, *Other sports* and *Football clubs in same municipality*, it was not possible to conclude which one of these that was the strongest. It could be that the clubs believed they are exposed to just as much competition from both *Other sports* and *Leisure activities* as they are by other football clubs. Since the definition of e-sports is still debated, it could be categorised as either *Other sports* or *Leisure activities*. Whether e-sports are categorised as *Other sports* or *Leisure activities* is not important for the continuation of this thesis since both *Other sports* and *Leisure activities* could be variables exposing football clubs for a substitute risk. Furthermore, there was no statistically significant difference in any substitute variable between football clubs that had *More elite focus* or *Less elite focus*. Hence, Study 1 has not been able to provide empirical support for the claim that e-sports should affect football clubs differently, regardless of it having *More elite focus* or *Less elite focus* club.

## 2.5. Implications for Study 2

As Study 1 has indicated, football clubs may be affected by e-sports, regardless of definition e-sports and the level of elite focus in the clubs. However, most football clubs that have entered e-sports have a high elite focus (playing in top leagues). Therefore, the next part of this thesis will delve deeper into the question of why elite football clubs enter e-sports, and how it could potentially affect the clubs' businesses. The upcoming study will also try to discern what the Swedish elite football clubs think about e-sports, and whether the e-sports category is seen as a substitute.

### 3. Study 2 – The football industry’s view on e-sports

*Study 2 will continue to investigate how the Swedish football clubs perceive e-sports. Study 1 has provided an initial understanding of the Swedish football industry, but it has not been possible to discern why football clubs would be interested in entering e-sports, or what their potential aspirations and goals would be. This will therefore be investigated in Study 2. Firstly, the method used in Study 2 is presented. Secondly, the empirical findings of Research Phase 1 will be given followed by the empirical findings of Research Phase 2. Since Grounded Theory was used in Study 2, the literature review (4.) will be presented after the empirical discussion of Research Phase 2 (3.3.4.).*

#### 3.1. Methodology

##### 3.1.1. Research Strategy

Study 1 indicated that there was no statistically significant difference in substitute power between Swedish football clubs that had *More elite focus* or *Less elite focus*. However, Study 2 only included Swedish elite clubs due to the current trend that primarily elite clubs are starting e-sports sections. Therefore, only clubs from Allsvenskan were included.

The goal with this thesis was to understand *How do Swedish football clubs perceive e-sports?* As the research regarding e-sports was limited, this thesis could provide relevant insights for future research. A Grounded Theory methodology (Charmaz, 2014b) was therefore deemed to be a suitable explorative approach. This meant that rather than testing existing theories, the study aimed to create a better understanding by looking at the data and provide preliminary results for how a sport such as football addressed the increased popularity of e-sports (Glaser, 1967). Clearly, this was not the first time an industry had to evaluate potential competition from a rising industry, however, the thesis provided a fresh perspective on a development like this (Bowen, 2008).

Grounded Theory has its origin in sociology in the 1960s (Charmaz, 2014b) and has thereafter spread to other disciplines such as accounting, management and education (Strauss & Corbin, 1997). Grounded Theory was developed to provide qualitative research with a

systematic method that enabled researchers to conduct theory construction, as it could not satisfy the positivistic data quality components of reliability, validity and replicability (Charmaz, 2014a). Glaser (1967) urged the novice grounded theorists to leave the literature until after the data collection, preventing the researchers to enter with a preconceived mind and a lens through which to analyse the data. Later, the two authors started using grounded theory differently, Glaser kept using it as a way to explore and develop theory, whereas Strauss applied Grounded Theory as a way of verification (Charmaz, 2014b).

The authors entered this thesis with initial knowledge about the industries, however, Goulding (2005) describes that it is a misconception that one is expected to enter the study without prior knowledge about the subject being investigated and its related literature. Nevertheless, an open mind should be maintained throughout the analysis (Goulding, 2005), which was done in this thesis.

Charmaz (2014b) describes that Grounded Theory provides the researcher the possibility of making sense of large quantities of qualitative data by using codes. This can be done by coding, which is the process in which the qualitative data is labelled and categorised in order for it to be analysed and synthesised.

In Study 2, the first action was to collect the required data, which also included simultaneous analysis. The analysis was conducted through systematic coding and consisted of two parts, *initial coding* and *focused coding* (Charmaz, 2006).

- *Initial coding* was done through a line-by-line analysis of the data. Instead of trying to match pre-defined labels to the data, the data was scanned for actions that could subsequently be connected to categories. This way of coding enabled new ideas to arise during the analysis, as opposed to forcing the use of a certain theory.
- *Focused coding* was the second step of the coding process. Focused codes were created to conceptualise and organise the initial codes. The choice of *focused codes* was based on what *initial codes* that provided the best opportunities to analyse and categorise the data into themes.

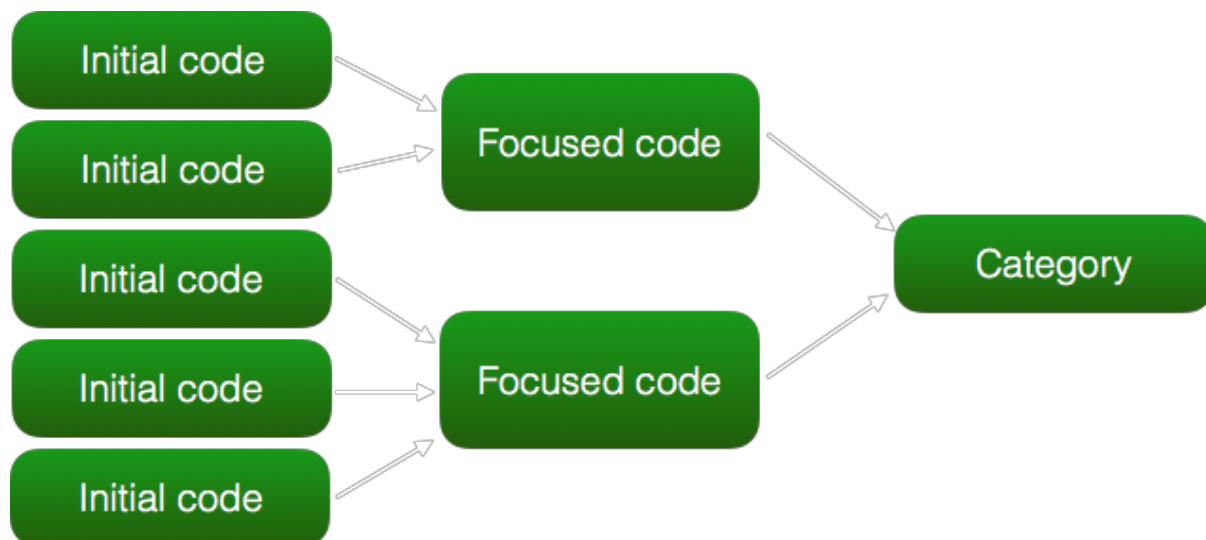


Figure 5. Categorisation of data

The focused codes were subsequently grouped into overarching categories, which focused on different perspectives of the phenomenon. Data was collected until the point when no more relevant data was found, called *theoretical saturation* (Charmaz, 2006). Lastly, when theoretical saturation was reached, a *literature review* was initiated to start understanding whether the analysed phenomenon could be explained by existing literature or if it diverged from it.

### 3.1.2. Research design

The Grounded Theory method's purpose is to understand how a phenomenon occur (Brown et al., 2002), which in this case was the process of how football clubs approach e-sports. In order to answer the research question, two research phases were conducted.

*Research Phase 1* aimed to create an initial understanding of the reasons for *why* some football clubs chose to enter the e-sports realm and *how* they did it. This was done by analysing publicly distributed press releases. It was thus explorative with no intention of testing any hypotheses. The results of *Research Phase 1*, which are described and discussed in section 3.2.4. then acted as the starting point for *Research Phase 2*.

Interviews with football club representatives were in *Research Phase 2* conducted to verify the results from *Research Phase 1* and answer the questions; *Are the Swedish football clubs*



*entering e-sports for the same reasons as the football clubs in Research Phase 1?; Do Swedish football clubs perceived e-sports as a substitute? and Why would (would not) Swedish football clubs enter e-sports?* The two phases were not completely separated but were analysed, as suggested by Grounded Theory, in an iterative way to increase the analytical depth (Charmaz, 2006). Thus, it should also be noted that even though the process is described linearly, the analysis and data collection were conducted simultaneously.

### 3.1.3. Data collection and analysis

#### 3.1.3.1. Research Phase 1

To help answering the overall research question, *How do Swedish football clubs perceive e-sports?*, *Research Phase 1* was conducted with an explorative approach to get a further understanding of the current trend of elite football clubs starting e-sports sections. The aim of *Research Phase 1* was therefore to investigate:

- *Why do football clubs choose to enter e-sports?*
- *How have football clubs chosen to enter e-sports?*

#### *Sample design*

Only football clubs that published press releases about their entrance into e-sports were included in the sample. This was to get first hand information and not lose any nuances (Bryman & Bell, 2011). Furthermore, only press releases written in English, Spanish and Swedish were included due to language limitations among the two researchers. Due to quality assurance, press releases written in other languages than the three above mentioned were not translated into English, Spanish or Swedish but were excluded, this was once again because of the risk that nuances could be lost in translation (Bryman & Bell, 2011).

#### *Data collection*

To find press releases published by clubs that had started e-sports sections, initial searches were made on Google with the text strings “football club e-sports”; “football club e-sport”; ”football club esports” and ”football club esport”. The data collection was made manually and gave further references to clubs that had started new e-sports sections. One example was found in the press release by AS Roma (2017):

*“The signings enable AS Roma’s eSports team to compete in tournaments all over the world against clubs including Paris Saint-Germain, Manchester City, Ajax, Valencia, Sporting Clube de Portugal and Galatasaray.”*

By using the abovementioned method, 16 clubs in different countries in Europe and the US were identified before the search for press releases begun.

### *Data analysis*

To keep track of the press releases and analyse what themes that were brought up in the different press releases, the program NVivo was used. The program enabled data coding and text search within uploaded files, something that is a crucial part when analysing data (Welsh, 2002). All press releases were compared and scanned for similarities and differences. Initial codes were identified through line-by-line open coding in accordance with Charmaz (2014b). By coding each press release, one-by-one, re-occurring codes as well as new codes could be identified in every press release. A memo was written after the coding of each press release where initial thoughts and connections to previous press releases were noted. After repeating the same procedure for all of the 16 press releases (see Appendix 3 for full list), the initial codes were grouped into different focused codes, based on the level of similarity to each other (Charmaz, 2014b). A full list of the initial codes can be found in Appendix 5. Three categories formed by 7 focused codes, were created out of 18 initial codes. A further explanation of the categories and the focused codes can be found in section 3.2.

### 3.1.3.2. Research Phase 2

As a second step, data collection through interviews aimed to enhance understanding of what Swedish football clubs thought of e-sports. *Research Phase 2* enabled interactivity and more extensive data about the reasoning from football clubs and other actors. Specifically, the data collection and analysis in *Research Phase 2* aimed to answer the questions that had arose after *Research Phase 1*.

- *Do Swedish football clubs perceive e-sports as a substitute?*
- *Are the Swedish football clubs entering e-sports for the same reasons as the football clubs in Research Phase 1?*
- *Why would (would not) Swedish football clubs like to enter e-sports?*

### *Sample design*

When investigating the phenomenon by using the Grounded Theory method, theoretical sampling was used, which means that a sample was constructed on the basis of relevance (Bowen, 2009). The sampling was based on the opinions of a former professional football player that also recently had worked as a club director in a football club playing in the Allsvenskan. In addition to this, the only Swedish football club that was found in the *Research Phase 1* to have started an e-sports section, was interviewed. Some people are better informed and thus more qualified than other people, and to reach those people a selective convenience sample was made (Marshall, 1996; Rubin & Rubin, 1995). In order to get the best understanding possible, interviews were conducted with football clubs and other actors connected to the industry. The number of interviews is not necessarily an estimate of the quality of research, but the depth of interview data and the variety of data (Morrow, 2005). Usually, data is collected until no new relevant data appears (Bowen, 2009), which was done in *Research Phase 2*. As a result of this, five football clubs from the Swedish top league were interviewed. One of the interviewed clubs was Jönköping Södra IF, which was the only club in Sweden that has started an e-sports section. None of the other four clubs had launched a dedicated e-sports section. Two additional interviews were conducted with other actors connected to the Swedish football club industry. One of the interviews was conducted with Svensk Elitfotboll (SEF), the interest organisation for the two best leagues in Sweden. The second interview was with the Swedish CEO of Lagardère, which focus on media rights and sponsorships in sports. The latter was not planned initially but as the results from the other interviews were analysed, the perspective from an outside actor was deemed necessary. In the clubs, one interviewee in each club with positions such as club director, CEO of the football club, head of digital development and head of events were interviewed. A complete list of the interviewees can be found in Appendix 4.

### *Data Collection*

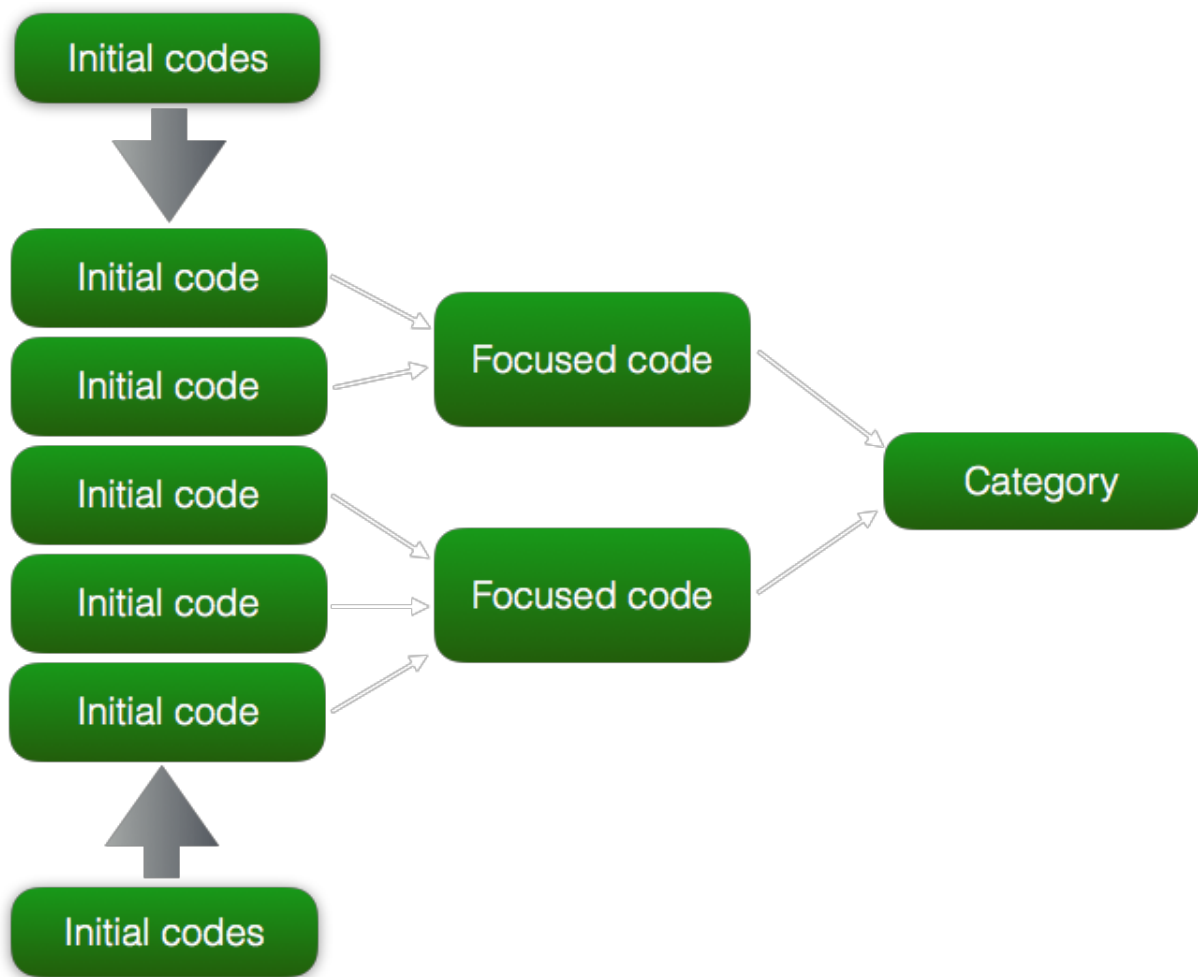
There are mainly two ways of conducting an interview, unstructured and semi-structured (Bryman & Bell, 2011). The unstructured interview is similar to an ordinary conversation, where a general topic is discussed with few guidelines (Bryman & Bell, 2011). The interviews in *Research Phase 2* were instead having a semi-structured approach, which

means the interviews were steered into the specific topic of e-sports but room to develop the interviews into different paths was given (Rubin & Rubin, 1995; Bryman & Bell, 2011).

Analysis of the data started right after the interviews and were transcribed and coded, which made it possible to develop the interview form between the interviews and add questions based on previous interview data, but also remove questions that were found irrelevant (Sikolia et al., 2013). Before every interview, the interviewees were informed via email about what the interview would be about to be able to familiarise themselves with the subject. All interviews except the one with Svensk Elitfotboll were held via telephone due to geographical distance. All interviews were recorded, with a prior acceptance from the interviewees, to secure that no important piece of data would be lost.

### *Data analysis*

Just as in *Research Phase I*, the program NVivo was used. The data codes from *Research Phase I* were used as a start for the data analysis of the interviews, however, open coding of the interviews proved to be more extensive than the ones from *Research Phase I*, hence new codes were added. This difference in the amount of data points could be explained by the limited amount of text that could be found in the press releases by nature (Westander Publicitet & Påverkan, 2017) compared to the text created when transcribing the interviews. The data was analysed through open line-by-line coding, just as in *Research Phase I*, and memos were thereafter written to note initial thoughts and connections to previous interviews and press releases. After this, the initial codes were divided into focused codes based on subject. Between the interviews, the interview questions for the next interview were modified based on what new codes had been discovered and created in the last interview. A full list on initial codes and focused codes can be found in Appendix 6.



*Figure 6. Development codes and categories*

### 3.1.4. Quality of data

The criteria transferability, confirmability, dependability and credibility are categories that all are connected to trustworthiness in qualitative studies (Morrow, 2005). These criteria are different from reliability, validity and replicability that are commonly used in quantitative studies (Morrow, 2005). Nevertheless, there are similarities between the former and the latter paradigm categories where credibility acts as internal validity, transferability provides a match for external validity and dependability offers a way to estimate reliability (Morrow, 2005; Sikolia et al., 2013).

#### *Credibility*

Sikolia et al. (2013) explains that credibility provides a way to measure what is labelled internal validity in the positivistic research paradigm. Credibility is thus a way to measure

how accurately the collected data can represent the observed reality. There are different ways to obtain credibility of data. In this study, four of the ways to obtain credibility were used; (1) *Variety of sources* (2) *Participation checks*, (3) *Updated interview questions* and (4) *Negative analysis* (Sikolia et al., 2013).

*Variety of sources* reduces the risk of analysing data that is not representative for a larger group of actors affected by the investigated phenomenon (Sikolia et al., 2013; Morrow, 2005). This was accomplished by using both publicly available data and interviews. *Participation checks* are used to clarify the data from the interviewees and make sure that the data was not misinterpreted by the researchers (Morrow, 2005). This was done in the final stage of writing. In the participation checks, one of the seven interviewees did not respond to the calls for verification. *Updated interview questions* involves making changes in the interview form used for subsequent interviews, based on the results from the former interviews. This enabled the researchers to dig deeper into topics that were shown to be relevant (Sikolia et al., 2013). *Negative analysis* is the process of investigating the cases that are exceptions from what has been investigated (Brown, 2002). This was achieved in *Research Phase 2* by involving football clubs that had not entered e-sports.

### *Transferability*

The level of transferability describes how general the results of the study are and if they can be transferred to another context (Morrow, 2005). Hence, transferability is a similar measure to external validity (Morrow, 2005; Rolfe, 2004). Transferability can be increased by clearly describing the process through which the research has been conducted, who the researchers are and the relationships with the interviewees (Bowen, 2009; Morrow, 2005). In this thesis, the method of retrieving data was described thoroughly enabling other researchers to replicate the study in other settings (Brown et al., 2002).

### *Dependability*

Dependability is a measure of how consistently the data is representing the investigated phenomenon (Bryman & Bell, 2011). The dependability of data is satisfying when the data is consistent over time, with the use of different methods, and when retrieved by different

researchers (Sikolia et al., 2013). For this thesis, dependability was achieved by following the Grounded Theory methodology processes.

### *Confirmability*

If other researchers conclude the same things, based on the same data, confirmability is achieved (Sikolia et al., 2013). Bowen (2009) explains that an audit trail should be presented with clarifications of why certain choices were made. This will make it possible for other researchers to replicate this analysis. Additionally, the audit trail presented provides proof that the authors of this thesis have not manipulated the data to reach the expected results (Bowen, 2009). This thesis has been undertaken according to these suggestions and should be considered satisfactory. However, the scope of this master thesis was not to present completely new theory, but rather to provide initial results about how an old and mature industry is affected by the rise of a new industry.

### *Limitations of Grounded theory method*

The Grounded Theory method provides the opportunity to analyse different phenomena and add knowledge to the connected literature. Nevertheless, the method do have certain limitations that should be acknowledged.

Firstly, the analysis of the data was based on the interpretations made by the authors and therefore involved subjective elements. For this type of qualitative research, this was an inherent limitation (Charmaz, 2006). However, in order to reduce the effect of this limitation, the analysis followed the guidelines for Grounded Theory as presented by Charmaz (2014b). Furthermore, in this study multiple data sources were used and the results were compared between *Research Phase 1* and *Research Phase 2* to minimise bias (Sikolia et al., 2013; Morrow, 2005).

Secondly, the conclusions from Grounded Theory studies are often contextually dependent rather than universal (Goulding, 2005). As this is a Master thesis, time constraints limited the possibility to investigate the e-sports subject on a larger scale. This has implied that the goal

of the thesis was to provide preliminary results that could be used for future research within the field.

Lastly, Goulding (2005) argues that the largest problem with Grounded Theory is the misuse of the method. That means that studies have not followed the principles connected to the method, such as theoretical sampling, inductive coding and iterative analysis of the data (Goulding, 2005). As mentioned above, the guidelines were followed closely and the label Grounded Theory was not used simply to provide legitimacy for the qualitative research.

## 3.2. Research Phase 1 – Empirical findings

### 3.2.1. Evolution of codes and categories

In the study of the press releases, the aim was to understand *why*, and *how*, football clubs had chosen to expand their business and start e-sports teams in addition to their existing football teams. In the analysis of the press releases a total of 18 initial codes were identified, and by these, 7 focused codes were established. The initial codes were created during the initial coding process, and the focused codes were used to organise the information found in the press releases. All focused codes were in a subsequent step divided into conceptual categories (Charmaz, 2006). The different categories were focusing on giving a picture of the important aspects of why football clubs chose to broaden their business and start e-sports sections. A list of the focused codes and their categories can be found in *Table 3.3.*, and a further explanation will be presented in the following section.

#### *Codes and categories*

In this section, the focused codes (*Table 3.3.*) will be explained. All codes will be explained under the categories they belong to, (for initial codes see Appendix 5).



**Table 3.3. Research Phase 1: Categories, Focused Codes**

Category	Focused Code
E-sports targets	Building relationships to stakeholders
	Marketing
	Sports achievements football clubs want to reach
	Strategic reasons or expansion
E-sports entry process	Ways to expand into e-sports
Development of e-sports	E-sports becoming popular
	Developing the e-sports world

### 3.2.2. E-sports targets

Reasons for why the football clubs, according to their press releases, chose to start e-sports segments in addition to their traditional football business were to build new, or maintaining the current, relationships to different stakeholders. Another reason was marketing purposes and the third focused code that could be found in the category was connected to the sports achievements football clubs wanted to reach.

#### 3.2.2.1. Building relationships to stakeholders

The clubs had various ways of building relationships, many clubs stated that one way to benefit their existing business was to create a new platform to connect to existing fans. By creating a new platform, they would be able to reach fans in a new, completely different way than before, which would benefit the existing relationships with the fans. How they did this varied but one example was New York City FC (2017) who stated that their player Christopher would “...play EA Sports FIFA at gaming tournaments around the world and challenge NYCFC fans pre-match as well as our players”. Manchester City (2016) also explained why they believed e-sports could strengthen the connection to existing fans; *eSports continues to gain momentum, it makes sense for our Club to be part of the action and get closer to our fans, who love playing EA SPORTS FIFA as Manchester City.*

Several press releases expressed a clear ambition to reach new target groups and recruit these to their existing base of football fans, such as in the case of SJK Seinajoki (2017); *“We hope that the launch of the eSports team will allow us to reach those people who have not previously followed top-flight Finnish football”*.

Another trend that was found in the press releases was the focus on geographical expansion. One underlying motive for this was expressed by Paris Saint-Germain (2016); *“It ties in with the project led by our Chairman Nasser Al-Khelaifi over the last five years to develop a high-profile international brand”*. A more neutral example was given by the Spanish club Valencia FC (2016); *“[...] Valencia once again has shown themselves to be on the cutting edge by setting up a team that will fly the club colours around the world”*.

### 3.2.2.2. Marketing

The second target found was connected to marketing. The codes could either describe how they would use the e-sports section to produce content and communicate with followers, or how the clubs used the press release for general branding of the club, in addition to providing info about the start of the new e-sports section. Many clubs expressly believed e-sports could help them with this, such as New York City FC (2017); *“We’ll also be creating content and livestreaming on platforms like YouTube and twitch”*. The Finnish club SJK Seinajoki (2017) was also creating new ways to keep contact with their fanbase; *“SJK eSports is opening its own Facebook and Twitter pages, through which it will be updating the fan base...”*.

Another code found was general branding of the club. The clubs showed an intention of being perceived as a leader in the development of the football world through entering e-sports. This could be expressed in various ways, such as in the case by Paris Saint-Germain (2016):

*“By becoming the first French sports club to venture into the sector, Paris Saint-Germain intends to strengthen its ties with these millions of passionate fans, attract new supporters, and increase the brand’s influence worldwide.”*

Another example of a club that wanted to be perceived as a leader was FC Dynamo Kyiv (2016) who was boasting about being the first club in Ukraine: *“It should be mentioned that Dynamo eSports project is the first one (and the only one so far) of the kind among Ukrainian clubs”*.

### 3.2.2.3. Sports achievements football clubs want to reach

When analysing the press releases, tendencies of professionalism and willingness to succeed were found, something that of course was taken into consideration when creating the initial codes. The clubs expressed willingness to send their players to big tournaments around the world, such as New York City FC (2017); *“Christopher will represent NYCFC in FIFA tournaments and championships across the globe”*. The club FC Dynamo Kyiv (2016) communicated similar ambitions; *“In 2017 eFootball fans will follow exciting program of Vitaliy’s performances at leading world tournaments, friendly competitions against teams of European football clubs etc.”* which indicated that the football clubs wanted to focus on sport-related achievements.

That the clubs wanted to achieve sport-related success was also communicated via other messages than in which tournaments they would like to participate in, such as Copenhagen FC (2017):

*“We are two leading companies within entertainment and sports venturing into eSport at the very highest level. We see great potential and have high ambitions with NORTH that will be among the worlds strongest from day one.”*

Just as Copenhagen FC, Paris Saint-Germain (2016) were communicating high ambitions of what they wanted to achieve with their steps into e-sports; *“We are venturing into this sector with a great deal of ambition and are eager to insert our Rouge & Bleu teams into the history of these new disciplines”*.

#### 3.2.2.4. Strategical reasons for expansion

Some codes created during the analysis of the data were connected to the willingness to follow an expansion plan and communicate that e-sports was part of that plan. In many cases, the football clubs showed understanding that e-sports was a new field of business for them. Manchester City (2016) was an example: *“This is a natural evolution for Manchester City. We’ve been very involved with our partner, EA SPORTS, and the FIFA franchise for some time”*. There were also examples of clubs with a modest tone about the newest addition to their product portfolio, such as Valencia FC (2016); *“This is a very interesting project and a challenge for Valencia CF to enter a sports sector with such a marked growth”*.

Another reason for expansion was to use e-sports to increase the focus on digital development within the club. This was for example found in the press release by AS Monaco (2016); *“E-sport is a very young, fast-growing market and this launch definitely represents a major milestone in the club's digital strategy”*. Another club that used their digital strategy as a reason for expanding into e-sports was AS Roma (2017); *“As one of the most digitally-connected sports teams in the world, we’ve strived to create an organisation at Roma that engages our fans through all digital channels”*. Even though the clubs expressed themselves in different ways, both codes were seen as examples of strategic reasoning.

#### 3.2.3. E-sports entry process

Football differ from e-sports and new competence were therefore needed. How football clubs entered varied, but the goal to enter e-sports successfully was the same.

##### 3.2.3.1. Ways to expand into e-sports

In the coding process, several initial codes were identified connected to how the football clubs collected the competence needed. This could be done through acquiring an e-sports team that already existed and had a slot in a league. One club that did this was FC Schalke 04 (2016); *“With the acquisition of the league slots in the hard-fought LCS, Schalke has taken the first steps towards a successful future in eSports”*, which enabled FC Schalke 04 a quick access to the top in the e-sport League of Legends.

Other clubs partnered up with already existing e-sport teams, which enabled a fast track to the top segment within e-sports, exemplified by AS Monaco (2016); *“We are delighted to seal this partnership with Epsilon eSports, which will allow us to position ourselves as a key player in this sector in France and Europe”*.

A third way was through signing individual players where individual players were signed to play for the club and lead their development, such as West Ham (2016);

*“We’ve been looking to sign an e-sports player for a while and Sean’s performance in the FIFA Interactive World Cup really impressed us. Sean will spearhead our efforts to becoming a leader in this field”*.

### 3.2.4. Development of e-sports

The third category that was created based on the focused codes identified in the press releases concerned how the football clubs explained what e-sports was and what the clubs were aiming to do to help the e-sports world.

#### 3.2.4.1. E-sports becoming popular

Almost all football clubs had a section in their press releases where info about e-sports was included such as the number of players and the amount of money involved. New York City FC (2017) did this through saying; *“The FIFA Interactive World Cup is recognized as the largest FIFA eSports tournament in the world, with millions of competitors”*, where they used the number of competitors to validate the tournament. A similar text segment could be found in the press release from AS Monaco (2016):

*“To kick off this new adventure in a fast-growing market (with over 250 million fans worldwide), AS Monaco are pleased to be joining forces with Epsilon eSports, a major player in e-sports with a wealth of experience and expertise.”*

### 3.2.4.2. Developing the e-sports world

Even though the football clubs primarily play football, they sometimes communicated the willingness to not only take a step into e-sports by starting an own team, but say they wanted to help the e-sports world to grow bigger. This could be done through contributing with *structured practices*, such as FC Copenhagen (2017) and their team NORTH; “*NORTH has created eSport training facilities at F.C. Copenhagen’s home field, Telia Parken, in Copenhagen*”.

Another example of the focused code *Developing the e-sports world* was AS Monaco (2016); “*This is a wonderful opportunity to pool our talents in order to play an ever greater role in developing e-sports*”, Some clubs indicated that their interest was not solely in developing e-sports, but also in spreading football, here exemplified by Olympique Lyonnais (2017); “*...to strengthening ties between Olympique Lyonnais and their Chinese fans and to promote the development of football and of eSport in China*”.

### 3.2.5. Research Phase 1 - Empirical discussion

The findings from *Research Phase 1* provided several reasons for *why*, and *how*, football clubs had chosen to expand their business and start e-sports. After coding the 16 press releases, several themes were identified based on the grouping of focused codes and categories. These acted as the foundation for the analysis of *Research Phase 1*.

**Table 3.4. Research Phase 1: Categories, Focused Codes (Number of unique press releases in which mentioned; frequency of code)**

Category	Focused Code
E-sports targets (16/16; 263)	Building relationships to stakeholders (15/16; 88)
	Marketing (14/16; 59)
	Sports achievements football clubs want to reach (14/16; 71)
	Strategic reasons for expansion (14/16; 45)
E-sports entry process (16/16; 66)	Ways to expand into e-sports (16/16; 66)
Development of e-sports (15/16; 99)	E-sports becoming popular (12/16; 45)
	Developing the e-sports world (11/16; 54)

The categories *E-sports targets* and *E-sports entry process* were mentioned in all press releases. However, the frequency of codes for *E-sports entry process* was the smallest of the three. The highest frequency of codes was found in *E-sports targets*, followed by the *Development of e-sports*. The third category, *Development of e-sports*, existed in all except one of the press releases.

When looking deeper in the first category *E-sports targets*, it was shown that all clubs had indicated why they would like to take a step into e-sports. Considering that the data was retrieved from press releases, the results do not appear as strange since this is the basic idea with a press release. However, it was interesting to see that all four focused codes were frequently mentioned in the press releases, which implies that the investment is taken seriously as opposed to a PR-stunt, but also that all except one club communicated they would use e-sports to build relationships to stakeholders. However, some major differences could be found when including the initial codes (IC). One example was found in the focused code *Building relationships to stakeholders* where clubs believed they would use e-sports to reach existing fans to a higher extent than new fans. The fans would in that case need to become attracted by the club's e-sports section. Hardly surprising, most of the clubs used the press releases in one or another way to brand themselves, and stating that they were pushing the limits for football clubs, either in their country or football in general. Furthermore, half of the clubs expressed an aim of becoming top level in e-sports.

All clubs communicated in which way they would expand into the e-sports business, either through acquisition, individual signing or a partnership. Only one club had acquired their way into e-sports. The other clubs chose to enter e-sports through a partnership with e-sports teams, other stakeholder or signing an individual player.

Only one club did not mention anything about the category *Development of e-sports*, and about two thirds did mention information connected to the focused code *E-sports becoming popular*. The high frequency of clubs that described the popularity of e-sports indicates that they want to justify their entry by explaining the benefits that may arise. Additionally, the focused code *Developing the e-sports world* provided varied ways of how this was achieved.

### 3.2.6. Implications for Research Phase 2

The most frequently mentioned category was the *E-sports targets* of the clubs. As previously mentioned, the scope of a press release is not to provide lengthy explanations of the process and the results are not surprising. Nevertheless, the analysis of press releases have provided an initial understanding for *why*, and *how*, the football clubs have entered e-sports, which were the goals for *Research Phase 1*. A majority of the clubs described what the targets of the investment were, something that acted as guidelines for *Research Phase 2*.

However, the results from the press releases are not by themselves relevant for the investigation of the Swedish football clubs. The results will only become useful in conjunction with data related to Swedish football, which will be collected in *Research Phase 2*. This will contribute to the understanding of whether the drivers are applicable on more levels than the European top-level. The results from *Research Phase 1* and *Research Phase 2* will thereby be cross-checked against each other and verification is therefore the first of two goals with *Research Phase 2*.

The second goal of *Research Phase 2* was to clarify the possible challenges involved in entering e-sports. Even though the press releases provided numerous insights for why the clubs entered e-sports, the challenges the clubs had to face and the requirements needed for entering e-sports were not described. More data had to be retrieved to gain a greater understanding. Thus, *Research Phase 2* aimed at providing a more nuanced discussion regarding entry into e-sports.

**Table 3.5. Implications for Research Phase 2**

Selected implications from press releases	What to explore in the interview phase
Targets for entering can be found among big European clubs why they enter e-sports.	Are the Swedish football clubs entering e-sports for the same reasons as the football clubs in Research Phase 1?
How football clubs can use e-sports is exemplified, but how this has been possible is not communicated.	What requirements need to be fulfilled before entering e-sports? What difficulties are connected to these requirements?
Football clubs indicate they believe e-sports will help them find new fans and sponsors	Is e-sports considered a substitute according to football clubs?



### 3.3. Research Phase 2 – Empirical findings

#### 3.3.1. Evolution of codes and categories

*Research Phase 2* departs from the results from Study 1 and the implications from *Research Phase 1*. The questions from Study 1 were whether e-sports were considered a substitute, what requirements that needed to be fulfilled and what difficulties that were connected to these. *Research Phase 2* therefore aimed to answer the questions:

- *Do Swedish football clubs perceive e-sports as a substitute?*
- *Are the Swedish football clubs entering e-sports for the same reasons as the football clubs in Research Phase 1?*
- *Why would (would not) Swedish football clubs like to enter e-sports?*

Two of the three categories from *Research Phase 1* were also used in *Research Phase 2*, *E-sports targets* and *E-sports entry process*. This was done to analyse the Swedish football clubs on the same premises as the European and North American clubs, which enabled the possibility of making comparisons between the two studies.

Consequently, some of the focused codes from *Research Phase 1* were used in *Research Phase 2* as well, albeit complemented with new focused codes. Furthermore, some of the reused focused codes were extended with new initial codes. A full list and overview of the used initial codes in *Research Phase 2* can be found in Appendix 6. The focused codes reused from *Research Phase 1* are written in *italics* in Table 3.6. below, and will only briefly be explained in section 3.3.2. and 3.3.3. The full explanations of these focused codes are found in section 3.2.

**Table 3.6. Overview of categories and focused codes**

Category	Focused Code
E-sports targets	<i>Building relationships to stakeholders</i>
	<i>Marketing</i>
	<i>Return on Investment</i>
E-sports entry process	<i>Knowledge requirements</i>
	<i>Perception of possibilities</i>
	<i>Ways of entering e-sports</i>

### 3.3.2. E-sports targets

In order to verify the objectives presented by the football clubs in *Research Phase 1*, Swedish football clubs were asked about the possibilities connected to entering e-sports. Therefore, the category *E-sports targets* from *Research Phase 1* was used in *Research Phase 2* as well. The categories will be described below where the initial codes have been aggregated and summed up for each focused code.

#### 3.3.2.1. Building relationships to stakeholders

A focused code reused from *Research Phase 1* was *Building relationships to stakeholders*. Just as more thoroughly described in section 3.2.2.1., this code described whether the football clubs would enter e-sports to get in contact with new or existing fans. However, the code was modified in *Research Phase 2*, as sponsors were included as stakeholders. One club that thought of this new stakeholder was Kalmar FF; “*No, but I believe that you would be able to reach ... a new kind of companies, a completely different market than we do today*”.

Furthermore, just as was found in *Research Phase 1*, the possibility of geographic expansion and reaching outside of Sweden was mentioned by the football clubs, once again exemplified by Kalmar FF; “*Yes, that is not impossible. Absolutely not, and that would have been very interesting, if e-sports could help with something like that, absolutely*”. This would reduce the dependencies of the club’s surroundings and enable the club to compete in other regions or countries, as well as attracting sponsors that had not been possible to reach before.

#### 3.3.2.2. Marketing

The second focused code was also reused from *Research Phase 1* and has been explained in section 3.2.2.2. With a slight modification, based on results from the interviews, the code not only described if the interviewees saw the new section as a source for building new marketing content, but also as a brand extension. A twist of the code, that was found during the interviews, was that no matter what kind of extension of the current brand they would do, they would do it properly, just as Halmstad BK explained it; “*[...] but if we would do it I believe we would do it properly, and then we need expertise that is relevant for this investment*”.

### 3.3.2.3. Return on investment

The third focused code related to the investment targets added in *Research Phase 2* and involved the possibility to add revenue streams by entering e-sports. The Swedish football clubs do not have as strong financials as the top clubs in the major European leagues. By entering e-sports, the interviewees showed desires to improve their economic situation. This could be done through many ways, exemplified by Svensk Elitfotboll; *“There is money to earn in the short perspective in sponsor deals and prize money, but we also think that it is not impossible that a transfer market may evolve in time”*.

Another way to earn money was exemplified by Jönköping Södra IF: *“We think it’s connected to exposure but then we also think that you can find new ways of cooperation with...for example Dreamhack”*, which is different from current sponsor deals and prize money, and should be considered as a revenue source beyond the traditional sources of income.

### 3.3.3. E-sports entry process

As has been found during the process of researching the football industry’s venture into e-sports, the fraction of clubs that had entered e-sports was still very small. In Sweden, only one club had signed players to represent the club in e-sports competitions. This set of categories were therefore related to the process of entering e-sports, and the problems and hindrances that needed to be overcome before a serious attempt could be completed. One of the focused codes in this set was transferred from *Research Phase 1, Ways to expand into e-sports*. Apart from that, three additional focused codes were established after having completed the initial coding of the interviews.

#### 3.3.3.1. Knowledge requirements

One of the focused codes in the category *E-sports entry process* was connected to what the clubs believed to be important for starting an e-sports section. The general knowledge about e-sports was one vital aspect that was mentioned by the clubs, one of them Örebro SK; *“I believe that if you generalise, the knowledge and understanding are relatively low even among our sponsors”*.

Another aspect connected to knowledge was mentioned by Svensk Elitfotboll; *“Rather, we have to do e-sport on the e-sport players’ conditions”*, which indicated that the football clubs would reach a new target group they were not used to work with. This was reinforced by Halmstad BK; *“[...] I can feel that it is a different kind of knowledge we need compared to the one we have today”*, on the question what was needed before Halmstad BK would enter e-sports. To get this knowledge about e-sports, the clubs showed willingness to learn more and one way to do this was through inspiration by other clubs, as exemplified by IFK Norrköping; *“[...] one of the topics that we will discuss with Jönköping, is how things have worked out for them, and get an evaluation from them”* and Kalmar FF *“[...] we are maybe not the organisation that takes the first step and enters right now, but we are rather at the stage where we watch the market and see what happens”*.

### 3.3.3.2. Risk of investment

Aspects and thoughts regarding risks with venturing e-sports created the focused code *Risk of investment*. One risk could be the viability of games, since these are dependent on developers and publishers that can stop producing the game, as was pointed out by the media/sponsor company Lagardère; *“And as always when something is new..., it is not obvious how it will look like a few years from now”*. This was an aspect that was coming back in the interviews, however, risks were not necessarily connected to e-sports as such, explained by Jönköping Södra IF; *“We are keen on being presented in a positive light and do not let whoever represent the club”*. The risk was therefore not solely connected to the monetary investment, but also connected to the branding of the club.

### 3.3.3.3. Perception of possibilities

Interviewees were expressing doubts about e-sports, if it was a sport and if it had become big enough to bother to enter. This was exemplified by IFK Norrköping; *“It is... the market is run by demand and it feels like it has not become anything, that it is not that great after all ... and that the answer is almost given if only one club in Allsvenskan has signed a player.”*

However, some other clubs were mentioning the fact that e-sports grow bigger and bigger and were expressing an eagerness to see what possibilities it could bring to football clubs, such as Örebro SK did; *“Well it’s something that is big already today and will continue to*

grow, and that is of course interesting to look into, how we as a football club could play a role in that market”.

Kalmar FF also gave a very positive point of view on e-sports: “[...] when I think about it spontaneously, then it is more about that I single handedly see it positively and that we can be present on new markets compared to what we are today”. Some clubs seemed to be very positive about e-sports and could only see it as an opportunity, with very few indications of it being considered as a substitute to football. Interestingly Halmstad BK saw e-sports as a good complement to football that “[...] could attract other target groups that are not hard core football fans that could become interested in football in particular and maybe sports in general”.

#### 3.3.3.4. Ways of entering e-sports

How clubs entered e-sports was brought up in *Research Phase 1*, but also by the interviewees in *Research Phase 2*. The focused code was created through initial codes regarding signing of individual players, acquisition of teams and through partnerships with teams. This focused code has been thoroughly explained in section 3.2.3.1.

#### 3.3.4. Research Phase 2 - Empirical discussion

After an analysis of the interviews, findings in *Research Phase 1* could be verified and conclusions could be drawn about whether Swedish football clubs believed e-sports is a substitute to football or not. In addition to this, an increased understanding of *why* or *why not* Swedish football clubs would enter e-sports were given.

**Table 3.7. Research Phase 2: Categories, Focused Codes (Number of interviews in which mentioned; frequency of code)**

Category	Focused Code
E-sports targets (7/7; 188)	Building relationships with stakeholders (7/7; 93)
	Marketing (7/7; 79)
	Return on Investment (5/7; 16)
E-sports entry process (7/7; 219)	Perception of possibilities (7/7; 83)
	Knowledge requirements (7/7; 61)
	Risk of investment (7/7; 56)
	Ways of entering e-sports (6/7; 19)

Within the category *E-sports targets*, all interviewees were in one or another way mentioning that a step into e-sports could lead to an increased number of fans, in specific new fans. This could be identified through the focused code *Building relationships with stakeholders*. Not as many interviewees mentioned that e-sports could be used in the interaction with existing fans. Furthermore, all except one interviewee mentioned that e-sports could be a way to find new sponsors. This indicate a belief among the clubs that e-sports can be used to reach out to new stakeholders. Just as the football clubs in *Research Phase 1*, the Swedish football clubs also see e-sports as a supportive tool in their work to develop their business and their brand, as opposed to it being a threat. This could be seen as a verification of the results in *Research Phase 1* and an answer that Swedish football clubs do not perceive e-sports as a substitute.

All clubs also mentioned marketing related content and that a step into e-sports could be beneficial for the clubs in the branding work of the club. Many clubs were also hoping that a brand extension could support this work. However, only two interviewees mentioned that e-sports could help the clubs create new content to their branding. Another aspect described by the interviewees considered the level of involvement they thought was needed if they entered e-sports. All except one mentioned that they had to make it great if they entered the e-sports scene. Many also believed that e-sports could be a good source of revenues for the football clubs.

All interviewees expressed thoughts about how important knowledge about e-sports was before entering and that the level of expertise needed to improve. One explanation for why more Swedish football clubs have not entered e-sports could thus be that the required knowledge and familiarity are too low. Instead of lunging into unknown territory, inspiration and advice are gathered from a distance. The scepticism expressed by some of the interviewees could potentially be a result of the limited knowledge regarding e-sports.

Even though there was a lack of strategy for entering e-sports, the interviewees mentioned what entry process into e-sports they deemed most likely. The findings showed that if the clubs would enter, they would most likely do it through signing an individual player or through a partnership with a team or other stakeholder, sometimes both. However, no one

mentioned acquisition as an alternative, which could be connected to their current economic situation.

*Risk of entering e-sports* was also a focused code identified in all interviews. Aspects always brought up were how important it was that the clubs did not infringe their own rules or statutes. This would expose the clubs to damage the brand and lose trust among their supporters. Another aspect was the amount of money the clubs could risk. The investment required to do a proper entry seemed to be unavailable at the moment, due to their limited financial resources. This was also connected to the unpredictability within e-sports that was mentioned in one interview, that no one knows what game that will be popular in five years from now. A large investment today could potentially be worthless tomorrow if a new and better game is launched. This was one of the primary differences between e-sports and traditional sports. The traditional sports have been ingrained in people, and the game and rules of football are likely to remain for a very long time just because of the traditions. E-sports, on the other hand, exist in a digital world that is constantly evolving. A new generation of electronic components could enable new types of games that completely invalidates the old.

The method and results for Study 2 have now been presented. In the upcoming section, the literature that can be connected to the empirical results will be described. This offers the opportunity to understand why the situation looks like it does.

## 4. Literature Review

*As Grounded Theory was used for Study 2, the empirics were firstly collected and explanatory literature will now be presented. E-sports and football is a combination of activities that has not been researched before, and thus there is a gap to fill. Nevertheless, it is not the first time that football clubs have tried to leverage their brands to achieve stronger financial results. Therefore, three selected areas of literature related to leveraging of brands will be presented.*

### 4.1. Theoretical perspectives

The fact that companies and organisations include several different products and services in their offering is nothing new. Diversification (Ansoff, 1957; Porter, 1987) and brand extensions (Aaker & Keller, 1990) have been widely discussed before in general business terms. However, these topics have not been as prevalent in the sports industry (Apostolopoulou, 2002). Previous literature has for example indicated that supporters are reluctant to perceive their clubs as commercial brands and that it removes some of the authenticity of the experience (Apostolopoulou, 2002; Chadwick & Holt, 2007). Nevertheless, football clubs have for some time needed to become more commercial to stay competitive (Abosag & Roper, 2012). Abosag and Roper (2012) mention that football clubs have faced the challenges of needing to increase profits and build stronger relationships with their fans, which have resulted in the use of brand extensions. Most of the literature about brand extensions in sports have investigated the extensions into merchandise and similar branches (Apostolopoulou, 2002), and what effects it has had on the brand-supporter relationship (Abosag & Roper, 2012). However, a brand extension where a club enters a digital sport, has not been investigated.

This literature section will apply the theoretical frameworks from previous brand extension literature to further clarify if the investigated phenomenon follows the same pattern. Furthermore, parts of the interviews were dedicated to discussing if e-sports could be considered a substitute, but in the interviews, it turned out that e-sports could be a complement. Therefore, the strategy literature from Study 1 will be revisited and applied to



better understand how the forces in the Swedish football industry could be affected if e-sports is considered a complement.

#### 4.1.1. Diversification

As was initially mentioned in this thesis, different environmental changes can trigger an industry change. The same can be the cause for a diversification decision. Ansoff (1957) mentions that the triggers can be long term trends, such as general economic or political trends. They could also be drastic changes and contingencies such as major technological advancements or economic recessions (Ansoff, 1957).

Ansoff (1957) describes two possible long term goals for diversification; (1) growth and (2) stability. The former goal means that the diversification should increase the business in terms of sales. In the latter example, the diversification should increase the stability of the business, and could be considered as a hedge against unexpected happenings.

The football clubs' relationships with existing supporters and sponsors are delicate and a decision to extend the brand should be thoroughly analysed (Abosag & Roper, 2012). Porter (1987) describes that for a diversifying action to be rational, the expanding company must be able to increase the competitive advantage through the entered business. Since diversification will always lead to added costs for the business, there must be some way of recovering the expenses (Porter, 1987). If the business is not better off and the diversification is executed for diversification's sake, it is not likely to provide long-term value (Porter, 1987).

Ansoff (1957) describes three main ways to diversify; vertical, horizontal and lateral diversification. Vertical integration means branching to other parts of the supply chain, either upstream or downstream. This enables the actor to have more control over their business. Horizontal diversification means adding new products or services that are not connected to the existing portfolio, but is in line with the company's or organisation's mission and capabilities. The last opportunity, lateral diversification, means entering a completely different industry, in which one has no previous experience at all (Ansoff, 1957).

When designing a new business model, it requires information about customers, competitors and suppliers and when evaluating, both the current and future state of the ecosystem have to be considered (Teece, 2010).

#### 4.1.2. Brand extension in general

When introducing a new product under the same family name as an old product, the new product may be influenced by previously formed evaluations about the old product (Boush et al., 1987; Aaker & Keller, 1990). This phenomenon, to introduce a new product under an existing brand name, is by Aaker & Keller (1990) called brand extension. Boush et al (1987) found that if the product extension is similar to the existing product, more positive and negative feelings about the brand or product will be transferred to the new product, compared to if the new product is not similar. An already strong brand name can be used to reduce the risk when introducing a new product to a new market (Aaker and Keller, 1990; Park, Milberg & Lawson, 1991). Introducing a new product under an existing brand can, however, seriously damage the old, existing associations to the brand if the extension is unsuccessful (Apostolopoulou, 2002).

In the analysis of a brand, the consumer is evaluating the extension's goodness of fit, which can be done through the product feature similarity and the brand concept consistency (Park, Milberg & Lawson, 1991). Product feature similarity can according to Park, Milberg & Lawson (1991) be defined as the relationships between the extension product and the old product, and can either include the same features (concrete) or have shared usage situations (abstract). Brand concept consistency can be defined as the extension's ability to hold the overall brand's concept (Park, Milberg & Lawson, 1991).

Product attributes or characteristics are often used in brand positioning and many brands have very clear attributes (Aaker & Keller, 1990). Atypical brand extensions, which are product extensions to categories that are not considered as similar to existing product families, may be negatively perceived if it requires expertise outside existing competence (Bottomley & Doyle, 1996).

### 4.1.3. Brand extension in sports

There have been moments when football clubs have been considered to not reach the level of commercialisation to be called just a brand (Abosag & Roper, 2012). European clubs have for a long time been considered to be more than just brands where the supporters have stronger connections and more longstanding relationships with their club of choice (Abosag & Roper, 2012).

Brand extensions can be used to further strengthen the relationship with existing fans when the increased number of touchpoints contribute to stronger fan identification, since they provide opportunities for the fans to become even more involved with the brand (Beech & Chadwick, 2007).

Previous literature regarding brand extensions in sports have found several factors that increase the probability of a successful brand extension. According to Apostolopoulou (2002), there are three key points to why a brand extension becomes successful: *Perceived fit* (also mentioned by Aaker & Keller, 1990), *Strength of the parent brand*, and *Promotional support of the extension*.

Apostolopoulou (2002) investigated what signified a good brand extension for U.S. professional sport clubs and was focusing on the merchandise trend that was growing at that time. The results are similar to what has been found in brand extension literature in non-sport contexts (cf. Aaker & Keller, 1990). For example, the stronger the parent brand is, the more credibility it can give the new extension (Apostolopoulou, 2002). Furthermore, the perceived fit by supporters was important for the success of the extension (see Aaker & Keller, 1990), if the supporters did not recognise the connection between the extension and the traditional product, the chances of success decreased. Therefore, before the expansion is executed, deep knowledge and understanding of the market must be acquired in order to provide high quality products that satisfy the supporters' needs (Apostolopoulou, 2002; Teece 2010, Abosag & Roper, 2012). Another managerial implication stated by Apostolopoulou (2002) is to have the extension located and displayed close to the main facility of operations (usually the arena) to further strengthen the connection between the products and brand. This investment in

promotional support for the extension is of great importance if the club wants the extension to be successful, regardless of the strength of the parent brand (Apostolopoulou, 2002).

Abosag and Roper (2012) notes that sports games are unique in their offering, no game can ever be exactly the same and supporters' experiences will be different every week and every game. Despite this, the supporter community is very attached and loyal to their teams (Abosag & Roper, 2012; Couvelaere & Richelieu, 2005). The elite football industry in Europe is mainly located in the big five leagues in Spain, England, France, Italy and Germany (Desbordes, 2006). The clubs in these leagues compete on a fundamentally different level, both competitively and commercially, than most other clubs in the rest of Europe (Abosag & Roper, 2012). Couvelaere & Richelieu (2005) investigated ways in which football clubs in France could increase their brand value where they made a distinction between two types of catalyst factors, *internal* and *external*. *Internal factors* are elements that the club is in charge for, such as the competence of managers, sponsors on the jerseys and the team's involvement in the community. *External factors* are elements that the club has no immediate control over, yet they can still leverage these factors to increase their own brand strength. Two external factors mentioned by Couvelaere and Richelieu (2005) was industry changes and technological development, which are factors that have also been presented by Ansoff (1957) and Porter and Rivkin (2000).

Abosag and Roper (2012) questioned whether brand extensions were equally accepted in smaller clubs, as they are in larger clubs in the top leagues. They found that the stronger connection the supporters had with their club, the more they perceived the club as a brand and were more positive toward brand extensions. The underlying reasoning was that the fans understood the importance of future achievements. If a brand extension can provide an opportunity for the club to stay competitive, the acceptance rate among supporters would be higher (Abosag & Roper, 2012). However, the heritage of a club had to improve or at least stay intact after the extension (Abosag & Roper, 2012). The concept of perceived fit (Aaker & Keller, 1990; Apostolopoulou, 2002) was thus found in the smaller clubs as well. It was also mentioned that a greater commercialisation and professionalism could open the possibility of becoming successful in Europe as well, not only play national games. A similar concept was found by Couvelaere & Richelieu (2005), namely that the brand equity of a football club could reach four different geographical stages, *local*, *regional*, *national* and

*international*. Regardless of what stage the brand currently is in, existing relationships should be nurtured while continuously searching for new. It could also include participation in competitions and tournaments in a different geographical area than one usually competes in.

Clearly, the design of the brand extension must be carefully composed if the aim is to increase the competitiveness of the club, strengthen existing supporters' belief in the club or attract new supporters (Abosag & Roper, 2012). At the same time, the extension should neither be considered too simple (Aaker & Keller, 1990) nor so challenging that extensive external expertise is required (Bottomley & Doyle, 1996).

#### 4.1.4. Complements

Brandenburger and Nalebuff (1997) introduced the actor *complementors* in their value net framework, which is a proposed alternative to the Five Forces (Porter, 2008). Complementors offer products or services that increase the value of the industry's product or service, for either customers and suppliers, if bought together rather than alone (Brandenburger and Nalebuff, 1997). Brandenburger & Nalebuff (1997) argue that complementors is a force that affects the industry. Porter (2008) has on the other hand argued that it is a factor that affects the industry via the other five forces that were originally presented.

## 4.2. Summary of theoretical perspectives

Three areas of literature have been discussed; diversification, brand extensions and complements. These areas they can provide explanations for parts of the results of this thesis. The theoretical perspectives that have been reviewed have proved useful to answer the overall research question *How do Swedish football clubs perceive e-sports?* The literature regarding diversification is useful to understand *why* the clubs would be interested in starting e-sports sections (e.g. Ansoff, 1957). It also provided initial understanding of *how* the clubs could approach their potential entry (Ansoff, 1957). The literature about complements offer explanations to why the traditional football fans could be better off if e-sports was added to the product portfolio. The brand extension literature also complemented the area of diversification with respect to why clubs would expand to a new industry (e.g. Apostolopoulou, 2002). However, brand extension literature (especially in football) mainly contributed to the understanding of the difficulties and hinders that clubs are facing (Apostolopoulou, 2002).

## 5. Final Discussion

*In this final chapter, the findings from the two studies will be presented through the lens provided by the theoretical perspectives presented in section 4.1. The main purpose of this thesis has been to answer the question: How do Swedish football clubs perceive e-sports? Therefore, the discussion will mainly present the preliminary findings for Swedish football clubs. Firstly, the results will be evaluated based on the theoretical alignment, and whether it diverges from what could be expected. Secondly, a discussion will be held regarding the contributions to science made by this thesis.*

### 5.1. Initial discussion of results

The analysis of multiple data sources has enabled the researchers to evaluate the expressed thoughts about e-sports and what potential pathways the development could embark on. In short, the results from Study 2 put emphasis on the fact that football will remain the primary product of the clubs, with expectations that e-sports will mainly contribute with new sponsors and fans. This was supposed to be accomplished through a brand extension into e-sports. However, for the brand extension to take place, there are still requirements that need to be fulfilled by Swedish football clubs. One of these requirements is the need for expertise about the e-sports industry.

Results in short:

- The e-sports category is by Swedish football clubs considered as a complement to football rather than a substitute.
- The Swedish football clubs would mainly use a brand extension into e-sports for growth goals.
- A brand extension in the football industry is a delicate matter, the Swedish clubs therefore need to acquire more information and understanding about e-sports before entering.

### 5.2. Perception of e-sports

The results from Study 1 indicated that e-sports could potentially compete with football for practitioners, sponsors and supporters regardless of it being a sport or a leisure activity. Despite this, a trend of sports clubs, especially football clubs, entering e-sports has started to

gain traction. It was therefore interesting to discern if the clubs invest in e-sports to grow their business, or to hedge against the possibility of e-sports becoming larger than football. The results from Study 2 provided compelling reasons to believe that the football clubs would invest in e-sports for growth goals (Ansoff, 1957) and that e-sports would act as a complement to the current football business rather than a substitute. The main explanation for why it would be a complement was a belief that e-sports could increase the general interest in sports, and hopefully also the interest in football. If a connection between e-sports and the club could be established, it would enable growth in numbers of fans and sponsors.

Additionally, the risk of e-sports being a substitute for existing fans and sponsors was deemed to be low, which could be explained by the fact that football, and sports in general, are in a unique position. Every game is unique and can never be replicated, therefore, the experience of attending a new game will always be different (Abosag & Roper, 2012). Despite this, sports fans are extremely loyal to their club (Couvelaere & Richelieu, 2005). Many fans have been influenced by family, friends and the community in which they grow up in from a very young age, which could explain their loyalty to the club (Abosag & Roper, 2012). In the light of this, the football clubs believe that current fans, players and sponsors would not prefer e-sports to football. As of now, the e-sports-phenomenon could be seen as too young to change these structures.

### 5.3. Brand extension use

The goal of an entry into e-sports would primarily be related to growth, as explained by Ansoff (1957). Goals related to stability have not been mentioned at all by any of the football clubs, only by the media conglomerate mentioning the lack of stability in e-sports today. Based on Ansoff's (1957) description of stability goals, it is not strange that this type of goals is omitted. E-sports is still a young industry with lack of structure, a diversification into e-sports for stability reasons would therefore not be considered a rational choice.

The clubs wanted to increase the loyalty to the brand as a whole by enabling e-sport fans to connect to the club's brand. Most of the football clubs indicated that the move into e-sports would be done by using the parent brand (the brand of the club) when entering e-sports and should be considered a brand extension (Boush et al., 1987; Aaker & Keller, 1990). Out of

the three main entry ways into e-sports, acquisition was deemed to be the least likely since the money needed is out of reach for the Swedish football clubs. The results in Study 2 (3.2.4. & 3.3.4.) indicated that the most reasonable entry way would be either single signings with experienced players, or partnerships with relevant actors in the e-sports community. These alternatives enable learning by doing and are not as capital intensive as an acquisition.

Identified in results from both *Research Phase 1* (3.2.) and *Research Phase 2* (3.3.) were that football clubs saw the step into e-sports as a tool for reaching out to current and new fans, as well as expanding their offering to sponsors. Several clubs indicated that they would get a new touchpoint with their current fans by entering e-sports, due to beliefs that many of their fans play FIFA. The e-sports teams or players would play against fans at different events, but another example of activation with fans was through social media. By starting an e-sports section, new marketing content could be created. By reaching and connecting with a new target group, the football clubs thought they would convert some of the e-sports fans into football fans. E-sports were also considered to be an opportunity to expand the geographical reach and enable the club to compete in larger national, European or world-wide tournaments, something that is not possible in football unless the club is playing the Europa League or Champions League. In Study 1, the geographical reach was partly limited by the municipality borders, as football clubs faced low competition from clubs in other municipalities. Since e-sports could enable a wider reach due to reduced physical constraints, football clubs might find themselves competing with very different clubs than they are currently used to.

As has been discussed in the previous section, the targets for Swedish football clubs' brand extension are growth related. However, the reason for why not more Swedish clubs have entered e-sports is related to the requirements needed for a successful extension. Since the relationship between the club and its fans is delicate, the clubs acknowledge the need to make the extension great and add value to the new section. The knowledge and expertise required with such a feat are not possessed by the clubs and holds them back. Nevertheless, the interviewees were aware of this and the majority of the organisations interviewed are actively looking for opportunities to increase the understanding of the e-sports industry, which is required before the next step could be taken.



Another aspect that needs to be considered and clarified before entering e-sports is how e-sports align with the club's current vision and values. There is still a stigma connected to e-sports and many of the interviewees were reluctant towards having a team representing the club where the video game involves shooting one's opponents to death (e.g. Counter Strike). Football games such as FIFA are on the other hand more accepted since they are similar to the traditional football. Thus, the perceived fit between the old and the new product/service, football and e-sports in this case, is crucial (Aaker & Keller, 1990; Apostolopoulou, 2002) for e-sports to be relevant.

## 5.4. Contribution to research field

This thesis has provided initial understanding of how Swedish football clubs perceive e-sports. In results from Study 1 it has been shown that Swedish football clubs believe they are exposed for a risk from substitutes threatening the Swedish football industry. In Study 2, findings show how football clubs both in Sweden and outside Sweden believe they could use e-sports as a complement rather than a substitute.

Existing literature regarding brand extensions in sport clubs have focused on merchandising (e.g. Apostolopoulou, 2002) or how the club-fans relationships have been affected by the brand extension (e.g. Abosag & Roper, 2012). This thesis has found that an entry into e-sports would not solely aim to increase revenues from existing relationships, but that an extension could reach and convert non-football fans into fans of the club. It aims to increase the pool of potential supporters to the club. The results have also indicated that e-sports could aid the football clubs to recruit new sponsors from industries that have previously been impossible to reach. Researchers have not before shown how football clubs can use such a new phenomenon as e-sports to create new money-making relationships.

## 6. Concluding remarks

### 6.1. Conclusions

The rapid growth of e-sports has attracted attention from a lot of different sports organisations from all over the world. Primarily, the entrance into e-sports has occurred in organisations with lots of resources and willingness to innovate. However, the number of clubs with less resources are also beginning to embark on the journey into e-sports. This thesis has investigated the willingness for Swedish football clubs to follow suit. It was found that Swedish football clubs are more likely to initially enter e-sports via partnerships or individual player signings and use a brand extension. The expected results from entering e-sports are connected to reaching new sponsors and improve and find new relationships with supporters to the club. The goal for the diversification is therefore to grow, rather than to stabilise the existing business. The Swedish clubs have all hinted about interest for entering e-sports, but only one has made an investment. The rest of Allsvenskan seems to look for inspiration and success cases, wondering if an investment will be worth it.

The e-sports industry has been around for some time, but it is in the recent years that it has started to gain traction in the traditional sports, corporations and media. How the future will look like can only be speculated about, but for the football clubs that can enter successfully, there seems to be major possibilities.

### 6.2. Managerial Implications

This thesis has clarified questions regarding Swedish football clubs and e-sports, more specifically; *How do Swedish football clubs perceive e-sports?*; *Why would (would not) Swedish football clubs like to enter e-sports?* and *How could they potentially do it?* Something that all interviewees confirmed was that they had noticed the fact that sports clubs in different countries had started e-sports sections and that this was something they had started to talk about in their professional life. Through this thesis, a better foundation of information is created, which can be used for further decisions whether Swedish football clubs in particular, and Swedish sports clubs in general should start e-sports sections.

## 6.3. Criticism to the study

This thesis has aimed to provide an initial understanding of how football clubs perceive e-sports and what opportunities there are to be found if choosing to enter. Below, a discussion about the limitations of the study will be presented.

### 6.3.1. Secondary data

Study 1 used secondary data to provide an overview and initial understanding of the Swedish football industry. Even though the dataset included a large amount of Swedish football clubs (106) from a wide variety of regions and leagues in Sweden, the lack of influence on the survey questions was a limiting factor. The survey was not specifically designed for this study and could not be used to its full potential.

### 6.3.2. Early stage of an industry

Even though an increasing number of football clubs in the world have added e-sports to their brand, it is still a rather recent phenomenon. It was therefore a limited amount of press releases that could be collected and analysed. Furthermore, there are still a lot of information gaps, even for the most established players in the football industry. Even though we found good support for our claims, the results are based on estimations from the clubs' representatives and not actions that have taken place.

### 6.3.3. Matching of clubs

The two different studies have investigated different types of clubs and therefore no direct comparisons could be made. The only club that was included in two parts of this thesis was Jönköpings Södra IF (part of *Research Phase 1* and *Research Phase 2*). This reduces the possibility of making inferences to other types of clubs.

### 6.3.4. Translation issues

The survey in Study 1 and interviews in Study 2 were all conducted in Swedish and later translated for this thesis. It is possible that some nuances have unintentionally been omitted in the translation process since some phrases and expressions lack equivalent translations. In

Study 2, this was tried to be remedied by verifying the quotes with the interviewees to ensure the correctness.

## 6.4. Future research

It is only in the last few years that traditional sports have started to see e-sports as an opportunity to extend their business. Despite the limited scope of this thesis, some initial understanding of how Swedish football clubs in Allsvenskan, perceive e-sports and the opportunities it provides have been given. However, the knowledge and understanding of e-sports as an industry are still scarce. There is a need to further investigate how the relationship between e-sports and football looks like.

Firstly, we urge other researchers to investigate the relationship in other settings than the one presented in this thesis as the situation in other countries and leagues might be different.

Secondly, research needs to be done to understand if the results presented in this thesis are applicable in other sports as well. Football is a very old sport and its fans are deeply connected to their club of choice, it would therefore be interesting to investigate if the same opportunities are seen by clubs in younger sports (e.g. motorsport and floorball) or clubs in sports with individual athletes such as tennis.

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## 8. Appendices

### Appendix 1.

Team	E-sport/-s
Besiktas Istanbul	League of Legends
VFL Wolfsburg	FIFA17
Santos FC	League of Legends, CS:GO, Battlefield 4, Heroes of the Storm
Saski Baskonia	FIFA17, League of Legends, Hearthstone, Dota2
Clube do Remo	Heroes of the Storm, Hearthstone
West Ham United	FIFA17
Schalke 04	League of Legends
U.C. Sampdoria	FIFA17
Valencia CF	Hearthstone, Rocket League
Manchester City	FIFA17
FC Dynamo Moscow	FIFA17, World of Tanks, League of Legends, Overwatch
Sporting Clube de Portugal	FIFA17
FC Volga Ulyanovsk	FIFA17
FC UFA	FIFA17
AFC Ajax	FIFA17
Paris Saint-Germain F.C.	FIFA17, CS:GO, Hearthstone
Jönköping Södra IF	FIFA17

Source: Paspalaris, 2016; Jönköping Södra 2017

## Appendix 2.

### Rivalry questions

Swedish (survey original)	English (translated from Swedish)
I vår idrott konkurrerar klubbar intensivt om behålla och/eller öka antalet medlemmar.	In our sport, clubs compete intensively to contain and/or increase the number of members.
I vår idrott är föreningar unika och skiljer sig från varandra avseende konkurrensfördelar.	In our sport, associations are unique and differ from each other in terms of competitive advantages.
I vår idrott konkurrerar föreningar genom olika priser på t.ex. medlemsavgifter.	In our sport, associations are competing through different prices on e.g. member fees.
I vår idrott konkurrerar vi även med utländska idrottsföreningar om medlemmarna.	In our sport, we also compete with foreign sports associations for members

### Supplier questions

Swedish (survey original)	English (translated from Swedish)
ägaren av idrottsanläggningen kan enkelt höja avgiften och/eller begränsa vår idrottsförenings möjlighet att använda anläggningen	The owner of the sports facility can easily raise the costs and/or limit the organisation's access to the facility
Leverantörer av sportutrustning är viktiga för kvaliteten för våra medlemmars idrottsutövande	Suppliers of sports equipment are important for the quality of our members practice of sports
Det är svårt för idrottsföreningar att rekrytera meriterade tränare	It is hard for the organisation to recruit merited coaches



### Substitute questions

Swedish (survey original)	English (translated from Swedish)
Vår förening konkurrerar med andra fritidsaktiviteter som inte kräver lika mycket (non-sports related)	Our organisation competes with other leisure activities that do not require as much
Vår förening har stark konkurrens från andra fritidsaktiviteter (non-sports related)	Our organisation faces strong competition from other leisure activities
Konkurrensen från andra fritidsaktiviteter gör att privata företag blir mindre intresserade av att sponsra vår förening (non-sports related)	The competition from other leisure activities makes corporate sponsors less interested in sponsoring our organisation
Konkurrensen från andra fritidsaktiviteter gör att offentliga organisationer blir mindre intresserade av att ge bidrag till vår förening (non-sports related)	The competition from other leisure activities makes public organisations less interested in sponsoring our organisation
Det finns likartade idrotter som ger större njutning och nöje [som fotboll] (sports related)	There are similar sports that give more pleasure and joy [as football]
Gemenskapen som medlemmarna får av vår förening kan enkelt hittas på andra håll (non-sports related)	The sense of community that the members receive in our organisation can easily be found elsewhere
Njutningen av att utöva vår idrott kan enkelt hittas i andra fritidsaktiviteter (non-sports related)	The pleasure from exercise our sport can easily be found in other leisure activities
Njutningen i att tävla inom Vår sport kan enkelt hittas i andra fritidsaktiviteter (non-sports related)	The pleasure from competing in our sport can easily be found in other leisure activities
Föreningar [fotboll] inom samma idrott från samma kommuner kan sägas konkurrera om olika resurser i form av t.ex. pengar tid och användning av idrottsanläggningar (sports related)	Football clubs in the same municipality competes for different resources i terms of money, time and access to sports facilities
Föreningar [fotboll] inom samma idrott från andra kommuner kan sägas konkurrera om olika resurser i form av t.ex. pengar tid och användning av idrottsanläggningar (sports related)	Football clubs from another municipality competes for different resources i terms of money, time and access to sports facilities
Andra idrotter kan sägas konkurrera om olika resurser i form av t.ex. pengar tid och användning av idrottsanläggningar (sports related)	Other sports competes for different resources i terms of money, time and access to sports facilities

## Buyer Questions

Swedish (survey original)	English (translated from Swedish)
Bidrag från offentliga organisationer är viktiga för kvaliteten på våra medlemmars idrottsutövande	Sponsorship from public organisations are important for the quality of our members' football exercise
Bidrag från privata företag är viktiga för kvaliteten på våra medlemmars idrottsutövande*	Sponsorship from corporations are important for the quality of our members' football exercise*
Bidrag från privata företag är viktiga för vår idrottsförening*	Sponsorship from corporations is important for our organisation*
Bidrag från offentliga organisationer är viktiga för vår idrottsförening	Sponsorship from public organisations is important for our organisation
Flera privata företag är villiga att sponsra vår idrott*	Several corporations are willing to sponsor our sport*
Offentliga bidragsgivare har stort inflytande på vår idrottsförening	Public donors have large influence on our organisation
Privata bidragsgivare har stort inflytande på vår idrottsförening*	Private donors have large influence on our organisation*
Ett fåtal privata företag står för större delen av vår idrottsförenings försäljning av reklamplatser*	A small number of corporations are responsible for the major part of our organisations revenue from advertising spots*
Vår idrottsförening är beroende av publikintäkter	Our organisation is dependent on ticket revenue
Ett fåtal köpare står för vår idrottsförenings publikintäkter	A small number of buyers are responsible for our organisations ticket revenue
Vår idrottsförening kan enkelt höja avgifter för medlemmarna	Our organisation can easily raise the fees for the members
Medlemmarna har stort inflytande på Vår klubbs resursanvändning	The members have a large influence on our organisation's use of resource
Våra supportere har stort inflytande på Vår klubbs resursanvändning	The supporter have a large influence on our organisation's use of resource

\* question is part of corporate sponsor index

## Appendix 3.

### Press releases

Club	Country
SJK Seinajoki	Finland
Paris Saint-Germain	France
Olympique Lyonnais	France
Manchester City	England
West Ham United	England
Jönköping Södra IF	Sweden
New York City FC	U.S.
FC Schalke 04	Germany
FC Dynamo Kyiv	Ukraine
FC Copenhagen	Denmark
Sevilla FC	Spain
Real Betis Balompié	Spain
Valencia CF	Spain
AS Roma	Italy
AS Monaco	Monaco
Panathinaikos AC	Greece

## Appendix 4.

### Presentation of interviewees

Club/Company	Title	Date
Svensk Elitfotboll	Digital Development	2017-03-24
Kalmar FF	Marketing Manager	2017-04-05
Örebro SK	CEO	2017-04-07
Jönköping Södra IF	Head of Events	2017-04-13
IFK Norrköping	Head of Events	2017-04-20
Halmstad BK	Club director	2017-04-24
Lagardère	CEO Sweden	2017-04-27

## Appendix 5.

### Research Phase 1: Categories, Focused Codes and Initial codes (Number of unique press releases where mentioned)

Categories	Focused Codes	Initial Codes
E-sports targets	Building relationships to stakeholders (15/16)	Communicating with existing fans (12/16) Communicating with new fans (7/16) Geographical expansion (8/16) Develop technological platforms in the club (8/16)
	Marketing (14/16)	Create new content (6/16) Branding of the football club (13/16)
	Sports achievements football clubs want to reach (14/16)	Become top level (8/16) Participate in tournaments (13/16)
	Strategic reasons for expansion (14/16)	Milestone for digital strategy (3/16) Brand extension (10/16)
E-sports entry process	Ways to expand into e-sports (16/16)	Acquisition of existing e-sports teams (1/16) Partnership with e-sports teams or other stakeholder (10/16) Individual signing (11/10)
Development of e-sports	E-sports becoming popular (12/16)	E-sports becoming popular (12/16)
	Developing the e-sports world (11/16)	Arranging e-sports practices (4/16) Give credibility to the e-sports world (5/16) Spread the word of e-sports (3/16) Help individual players or teams (9/16)

## Appendix 6.

### Research Phase 2: Categories, Focused Codes and Initial codes

Categories	Focused Codes	Initial Codes
E-sports targets (7/7; 188)	Building relationships with stakeholders (7/7; 93)	Communicating with existing fans (4/7; 17) Communicating with new fans (7/7; 45) Reach new sponsors (6/7; 20) Geographic expansion (3/7; 10)
	Return on Investment (money) (5/7; 16)	Potential revenue streams (5/7; 16)
	Marketing (Brand value increase) (7/7; 79)	Need to make it great (6/7; 25) Brand extension (5/7; 14) New content (2/7; 3)
E-sports entry process (7/7; 219)	Ways of entering e-sports (6/7; 19)	Acquisition (0/7; 0) Partnerships (4/7; 10) Individual signings (5/7; 9)
	Risk of investment (7/7; 56)	Economic risk (3/7; 9) Unpredictability of e-sports (1/7; 13) Values alignment (7/7; 34)
	Knowledge requirements (7/7; 61)	Understand community (4/7; 12) Need for expertise (7/7; 46) Familiarity with industry (1/7; 3)
	Perception of possibilities (7/7; 83)	Fear of missing out (3/7; 5) Collective investment (4/7; 11) Sceptic towards e-sports (4/7; 10) Increased interest of sports (5/7; 36)

## Appendix 7.

Example of interview questions:

1. How does [Club name] work with e-sports today?
2. If [Club name] enters e-sports, is it mainly the FIFA game that is interesting or could other games be of interest as well?
3. What risks and possibilities can [Club name] see with entering e-sports?
4. How could e-sports affect the brand image of [Club name]?
  - a. From a sponsor perspective?
  - b. From a supporter/member perspective?
5. Is e-sports a complement or a substitute?
6. Are other sports (e.g. ice-hockey, handball) considered as complements or substitutes?
7. What is required for [Club name] to move forward with e-sports?
8. Is there anything else that you as a club has thought of with regards to e-sports?