

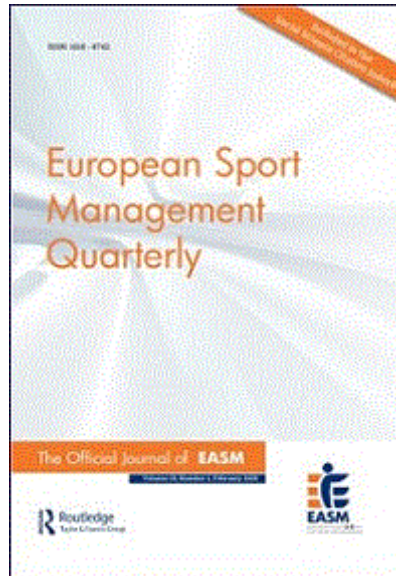
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**The Impact of Perceived Corporate Social Responsibility on Value-in-use through Customer Engagement in Non-Profit Sports Clubs: The Moderating Role of Co-production**

Journal:	<i>European Sport Management Quarterly</i>
Manuscript ID	RESM-2020-0249.R3
Manuscript Type:	Research Paper
Keywords:	corporate social responsibility, value co-creation, service-dominant logic, customer engagement, non-profit sports clubs

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The Impact of Perceived Corporate Social Responsibility on Value-in-use through Customer  
Engagement in Non-Profit Sports Clubs: The Moderating Role of Co-production

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## ABSTRACT

**Research question:** Despite the increasing importance of customer engagement (CE) as a significant facet to facilitate increased profitability for organisations, little sport management research has examined antecedents and consequences of CE. Using the service-dominant logic as a theoretical framework, this study examines whether perceived corporate social responsibility (CSR) predicts value-in-use through CE, considering the moderating role of co-production.

**Research methods:** Participants ( $n = 483$ ) were recruited from non-profit sports clubs in Iran. Structural equation modelling was applied to test the research model.

**Results and Findings:** The findings revealed positive associations between perceived CSR, CE, and value-in-use. Perceived CSR had a positive indirect effect on value-in-use through CE. Furthermore, co-production had a moderating effect on the relationship between perceived CSR and CE, where the relationship was stronger for individuals with higher co-production. Findings from this study suggest perceived CSR is a key antecedent of CE, highlighting the importance of co-production and CE in promoting value-in-use in non-profit sports clubs.

**Implications:** Non-profit sports clubs can co-create value by engaging customers through CSR. Findings from this study highlight the importance of CE and co-production in promoting value-in-use in non-profit sports clubs.

**Keywords:** customer engagement, corporate social responsibility, value co-creation, service-dominant logic, non-profit sports clubs

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Service research has focused on customer engagement (CE) as a fundamental resource that can have positive consequences for both consumers and organisations (Chang, Huang et al., 2019). Yet, knowledge of CE antecedents remains limited (Roy, Balaji et al., 2018), with managers suggesting that there are some challenges in developing CE (Venkatesan, 2017). CE has been identified as a key contributor to increasing a firm’s long-term reputation (Verhoef et al., 2010), enhancing organisation performance (Kumar et al., 2019), competitive advantage, profitability (Hollebeek et al., 2019) and behavioural loyalty (Behnam et al., 2021b). CE can also help to decrease consumer attrition (Chathoth et al., 2016).

Organisations can improve the implementation of their business strategies by engaging customers through the antecedents and consequences of CE, making an understanding of these concepts critical (Pansari & Kumar, 2017). Several studies conceptualise CE in the marketing literature (Hollebeek, 2019; Hollebeek et al., 2019; Kumar et al., 2019; Pansari & Kumar, 2017). Hollebeek et al. (2019) theorised that CE could be seen as the driving force for co-creation which refers to “joint value creation by the company and the customer” (Heidenreich et al., 2015, p. 280). CE is “a psychological state that occurs by virtue of interactive consumer experiences with a focal object (e.g., a brand) in service relationships” (Brodie et al., 2011, p. 260). CE is considered as the mechanics of a customer’s value addition to the firm, whereas value co-creation is the joint activities by parties in which value is generated with actors’ inputs. Service practitioners and scholars alike increasingly recognise that consumers have an important role in value co-creation (Vargo & Lusch, 2016). Witell et al. (2011) suggested that organisations face challenges in developing new services hence the understanding of value co-creation is significant because the value co-creation process contributes to organisation capacity to generate viable ideas for new services (Taghizadeh et al., 2019). Moreover, "value is always co-created by firms,

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consumers and other stakeholders" (Woratschek et al., 2014a, p. 18), and the role of actors is "to integrate the resources of their specific networks to co-create value" (Woratschek et al., 2014a, p. 19), which can be facilitated through interaction (Vargo & Lusch, 2016). Interaction may include mental, virtual, or physical communication, with customers to influence customer experience (Grönroos & Voima, 2013). Brodie et al. (2011) argued that "CE states occur within a dynamic, iterative process of service relationships that cocreates value" (p. 259). This interactive nature of CE (Islam et al., 2019), is theoretically suitable for effective value co-creation. While these conceptual notions of CE are logical, empirical evidence is scant (Jaakkola & Alexander, 2014), and calls for more research have been made to investigate the drivers of co-creation (Van Doorn et al., 2010).

Sport organisations, through community development programs, related to health, education, and positive youth development, attempt to strategically engage both individuals and communities in socially favourable behaviours (Rowe et al., 2019). These endeavours are closely linked to the notion of corporate social responsibility (CSR) and since that organisations act in socially responsible ways and activities are more appealing to customers, these customers become more engaged with the organisation (Abbas et al., 2018). If CSR actions create positive feelings toward the organisation, customers will experience an emotional bond (Moliner et al., 2019). Given that engaged customers have a strong emotional bond (Moliner et al., 2019), so CSR actions can positively influence CE. Since one of the main challenges of marketing services has been the active identification of strategies to promote CE (So et al., 2020), further examination of this relationship can be important to understanding these strategies. CSR, integral to organisation strategy, business operations and social, ethical, economic, and legal responsibilities (Walzel et al., 2018), can influence positive consumer outcomes and lead to

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financial benefits (Inoue & Kent, 2014). However, CSR has received little attention in the CE literature (Abbas et al., 2018). Given that there are calls for further research into the drivers of CE (e.g. Brodie et al., 2011; Romero, 2017), and that customers' perception of CSR may influence their decision to engage with the organisation activity (Chu et al., 2020), we consider perceived CSR as a driver of CE for this study. While existing CE research focuses on marketing actions such as satisfaction (Pansari & Kumar, 2017), customer perceived value (Itani et al., 2019), and service quality (Islam et al., 2019), the current study examines a new relationship which considers the impact of social actions (CSR) used by sports organisations as perceived by customers on CE.

The current research presents a conceptual framework that identifies the role of perceived CSR in engaging consumers to co-create value in non-profit sports clubs (NPSCs). We examine the interface between perceived CSR, CE, and value co-creation (Abbas et al., 2018; Iglesias et al., 2018) through considering value-in-use as a consequence and co-production as a moderator. Sport organisations have been focused on the efficient use of actors' operant resources in order to create and offer value propositions, for which customer knowledge is an important resource (Behnam et al., 2020a) in the processing of co-creation (Woratschek et al., 2014b). Indeed, this concept has been examined in some sport settings (e.g., Bertschy et al., 2020; Kolyperas et al., 2019); yet not in the sport non-profit sector. Research on CSR is more focused on profit-oriented professional sport (e.g., François et al., 2019; Hills et al., 2019) and the nonprofit sector has been neglected (Misener et al., 2020; Zeimers et al., 2020). Chelladurai (2016) argued that "the concept of CSR is more important in the nonprofit sector than in the profit sector" (p. 7). In addition, there are calls for further exploration into the role of CE in nonprofit contexts (Kumar et al., 2019), as well as for other industries such as service (Hollebeek & Chen, 2014; Rather et

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al., 2019). Hence, this research seeks to explore the antecedent and consequence of CE in NPSCs in Iran. Since members are often declared as customers in non-profit management in Iran, so the term "customers" also refers to the members of a club in our research.

### **Theoretical Background**

#### ***Customer Engagement***

The concept of CE has received a great deal of attention in the marketing literature in the last two decades (Hollebeek et al., 2019). Several dimensions of CE have been introduced in the marketing literature, including Hollebeek et al.'s (2014) three-dimensional model with cognitive, affective, and activation constructs. According to Hollebeek et al. (2014), the cognitive dimension refers to a consumer's organisation-related perception in a particular consumer/organisation interaction, the affection dimension is defined as a consumer's level of positive organisation-related feel in a particular consumer/organisation interaction, and the activation dimension refers to a consumer's level of energy, attempt and time spent on an organisation in a particular consumer/organisation interaction. Vivek et al. (2014) developed and validated a generalized multidimensional scale for measuring CE, which included conscious attention, enthused participation, and social connection. Dwivedi (2015) developed and empirically tested a three-dimensional model of consumer brand engagement that is characterised by vigor, dedication, and absorption. Using a four-dimensional scale of CE (i.e., customer purchases, customer referrals, customer influence, and customer knowledge), Kumar and Pansari (2016) found that CE affected firm performance. Brodie et al. (2019) developed the conceptual domain of CE from the customers/consumers and firm-customer dyad to actor-to-actor perspective and relationships among multiple actors in service ecosystems thereby providing five fundamental propositions that embody a broader network perspective of engagement.



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CE has received some attention in the sport management literature within a more focus on fan engagement (e.g., Santos et al., 2019; Stieler & Germelmann, 2018; Yoshida et al., 2014). For example, Yoshida et al. (2014) reviewed the conceptualisation and measurement of fan engagement. They identified management cooperation, prosocial behaviour, and performance tolerance as three elements of fan engagement. Recently, in research on actor engagement, Buser et al. (2020) found that multiple sponsors and the sponsee, integrate resources beyond the sponsorship contract such as technical and management competencies, networking skills, innovative products/services, and ideas. However, engaging consumers in NPSCs is different to engaging fans/brands, because consumers have different features. Hence, the present study draws on the conceptualisation of CE by Hollebeek et al. (2014).

The current research uses the service-dominant (S-D) logic framework (Vargo & Lusch, 2016) as a theoretical foundation. The S-D logic framework emphasises the role of consumers in value co-creation (Vargo & Lusch, 2008) and has been used in exploring the interface between CSR, CE, and co-creation (e.g., Hollebeek et al., 2019; Luu, 2019). The framework suggests that value co-creation is derived from a summation of resource integration through interactions between consumer and organisation (Vargo & Lusch, 2008, 2016). Vargo and Lusch (2016) premised that "actors cannot deliver value but can participate in the creation and offering of value propositions" (p. 10), and value can be co-created through engagement (Payne et al., 2008). We identify the CE antecedents of perceived CSR, and delineate the CE consequences of value-in-use while considering the moderating role of co-production, as discussed further below.

***Corporate Social Responsibility and Customer Engagement***

Perceived CSR refers to consumers' perceptions of how well an organisation connects societal obligations and its stakeholder expectations by engaging in voluntary actions (Lacey et al., 2015). The CSR concept has received a great deal of attention in the sport management

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literature in the last three decades (Rowe et al., 2019). Babiak and Wolfe (2013) introduced forms of CSR initiatives into six categories: corporate governance, environmental management and sustainability, labour relations, diversity and equity, community relations and philanthropy. Misener et al. (2020) and Morrison et al. (2020) emphasize the two dimensions of awareness of social responsibility and affective evaluation. Joo et al. (2020) recently developed six consumer-based CSR authenticity dimensions: community link, reliability, commitment, congruence, benevolence, and transparency. Research on CSR provides plentiful evidence that organisation CSR activities help develop positive relationships with consumers (Inoue et al., 2017), through influencing trust and commitment (Ko et al., 2014). Consumers' relationship status can act as a significant factor in understanding the effect of service organisations' CSR actions (Mattila et al., 2016). CSR encourages an environment that is appropriate for enhancing relationships, which can be effective for engaging consumers (Abbas et al., 2018).

CSR is an important driver of social, environmental, economic, business and political policies across the world (Ratten & Ratten, 2011). Organisations participate in activities that provide social good when they practice CSR, going above the financial profits of the organisation to engage in actions not needed by law (Nyadzayo et al., 2016). CSR research has focused on understanding the advantages of CSR initiatives to organisations, particularly in sport industry, rather than focusing on the consequences of CSR activities on consumers' perceptions (e.g., Liu et al., 2019; Morrison et al., 2020). Given that Sen and Bhattacharya (2001) suggested that perceived CSR triggers emotional reactions in the customer's mind, further empirical research is needed at the individual level of analysis to advance our knowledge of the affecting role of CSR actions on consumer behavior (Lacey et al., 2015). That is, when consumers perceive CSR actions of an organisation, they sense that the organisation is accomplishing on

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their behalf and get emotionally connected to the organisation (Abbas et al., 2018). CSR can therefore affect CE by generating feelings of affection (Pansari & Kumar, 2017). One of the important benefits of CSR to a sport club can be improved consumers perceptions of the club (Misener & Babiak, 2015) and when customers perceive CSR actions, their minds can engage through thinking about these actions. CSR can also influence behavioural intention (e.g., Chang, Connaughton et al., 2019). Therefore, it can be said that perceived CSR affects activation as a behavioural dimension of CE in NPSCs. Hur et al. (2020) argued that organisation CSR as a workplace event influences customers’ cognitive/affective states and eventually behavioral reactions. Accordingly, we tested the effect of perceive CSR on CE in the NPSC context. This interface illuminates how sport organisations may respond to the challenges of CSR and engage consumers as key stakeholders (Babiak & Kihl, 2018). This leads to our first hypothesis:

**H1.** Perceived CSR is positively associated with customer engagement in sport clubs.

*Mediating Effect of Customer Engagement*

Sport-based value co-creation is a creative, dynamic, active, and social process aimed at the joint creation of value through collaborative organisation-consumer relationships and interactions (Heidenreich et al., 2015; Iglesias et al., 2018). Insight into value co-creation can provide better understanding of interactions in sport context, thereby facilitating positive experiences in sport (Chiu et al., 2019). Nevertheless, while CE reflects the consumer’s intra-interaction resource investment, co-creation reveals the consumer’s perceived value extracted from these interactions, thus CE can influence value co-creation. Value-in-use, as an indicator for value co-creation (as consequence), is a significant subject for services since the consumer is always a value co-creator (Lusch & Vargo, 2006). Value-in-use implies that value is specified and created by the consumer in the consumption process; and includes consumer participation in the creation

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of service (Witell et al., 2011). Value-in-use can be subdivided into experience, personalization and relationship (Ranjan & Read, 2016). Experience is an emotional and memorable interaction (Ranjan & Read, 2016) with products and services provided by the organisation (Bolton, 2004). Personalisation introduces the uniqueness of the perceived or real use process based on individual characteristics (Lemke et al., 2011). Relationship refers to “joint, reciprocal, and iterative processes ...between the customer and the object in an environment of active communication and/or engagement” (Ranjan & Read, 2016, p. 294).

Prior research recommended that engagement platforms can be used to facilitate value co-creation (e.g., Ramaswamy & Ozcan, 2016). For example, Behnam et al. (2021a) showed that CE more effect on customer co-creation in services compared to products. Based on S-D logic, Vargo and Lusch (2016, p.8) argued that "actors cannot deliver value but can participate in the creation and offering of value propositions". They suggested that (co-created) value is specified by the beneficiary (e.g., consumer), rather than the organisation. Value-in-use can be derived from the user's time (Ranjan & Read, 2016), and it requires that consumers learn the using of service proposition (Vargo & Lusch, 2004). This can be affected by cognitive and behavioral engagement through stimulating interest and spending a lot of time using the sport service. One of the goals of service personalisation can be to increase consumer enjoyment with the services provided (Ranjan & Read, 2016) which can reinforce their enjoyment via affection engagement. Experience, as a sub-division of value-in-use, also manifests in the form of complex consumer affective and cognitive processes, resulting from behavioural actions and extensive participation (Lemke et al., 2011) which can affect through affective and cognitive engagement. Lastly, relationship as a sub-division of value-in-use, exists in the form of engagement (Ng et al., 2009) and collaboration (Sawhney et al., 2005). Few studies have scrutinized whether engaging

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consumers can help organisations form value co-creation (e.g., Rather et al., 2019), especially value-in-use in sport management. We respond to Hollebeek's (2019) call for testing the relationship between CE and value co-creation. Testing this relationship is particularly relevant to sport clubs given the need for these organisations to manage interactions with customers and the highly interactive nature of the context in which these sport clubs operate (Chiu et al., 2019). Therefore, our second hypothesis is as follows:

**H2.** Customer engagement is positively associated with value-in-use in sport clubs.

According to H1 and H2, perceived CSR will contribute to value-in-use through CE. Statistically, mediation is demonstrated by the existence of significant indirect influence (Zhao et al., 2010). According to S-D logic, actors have interaction in society, and as Vargo and Lusch (2011) stated, value co-creation can help strengthen the bond between social units (e.g., sports clubs) and society through actors (e.g., consumers). Such an interaction in society for value co-creation may create through CSR. The literature has revealed that perceived CSR enhances CE (Abbas et al., 2018), and when consumers are engaged with a specific organisation, they are more likely to co-create in activities of that organisation (Rather et al., 2019). Hence, perceived CSR may drive CE in value co-creation with the organisation based on S-D logic (Luu, 2019). Since consumers see socially responsible organisations as viable to co-creation (Iglesias et al., 2018), by proposing that CE serves a mediational role, we investigate the association between perceived CSR and value-in-use by proposing that CE serves a mediational role. This multiple mediator can also help to clarify why a single construct, such as CE, may sometimes fail to explicate positive organisational outcomes (Heidenreich et al., 2015; Hollebeek & Chen, 2014). As such, we hypothesise the following:

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**H3.** Customer engagement will mediate the association between perceived CSR and value-in-use.

**The Moderating Role of Co-production**

Customers help to improve services through their roles as co-producers (Bettencourt, 1997). Co-production, as a means to increase perceptions of value (Auh et al., 2007), involves co-working with consumers (Hu & McLoughlin, 2012) or involvement in the design of product/service (Lemke et al., 2011). Co-production can be subdivided into equity, knowledge, and interaction (Ranjan & Read, 2016). Equity denotes an organisation's desire to share control in favor of customer empowerment and the customer's willingness to enhance their participation in co-creation activities (Hoyer et al., 2010). Knowledge refers to sharing customers' knowledge, creativity, and ideas in the expression of current and future needs (Ranjan & Read, 2016). Interaction refers to the primary interface between parties, opportunity to understand, share, and serve needs, and evaluate or adjust resource obligations (Merz et al., 2009) which are revealed through participation (Grönroos, 2011).

Conceptually, knowledge sharing and interaction are generally proposed to CE (Hollebeek et al., 2019, Kumar & Pansari, 2016). Actor engagement behaviours refer to "actors' voluntary, behavioural investments in focal object interactions to create value" (Alexander et al., 2018, p. 336). Customers help service organisations by sharing suggestions for service improvements as a CE behavior (Roy, Shekhar et al., 2018). Therefore, co-production can be considered as a CE behavior. Most conceptual engagement research suggests that CE behavior follows CE disposition (e.g. Brodie et al., 2011; Hollebeek et al., 2014; Vivek et al., 2012). In contrast to these conceptualisations, Fehrer et al. (2018) showed in experiments the opposite; that CE as disposition follows CE as behaviour. They found that customers who showed a high

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intensity of actual engagement behaviour exhibited significantly increased engagement dispositions in the next iteration. Therefore, the positive association between perceived CSR and CE proposed in Hypothesis 1 will be strengthened when co-production is higher compared to when it is lower. Correspondingly, our final hypothesis is:

**H4.** Co-production will moderate the association between of perceived CSR and CE such that the effect is stronger (weaker) at higher (lower) levels of co-production.

**Methodology**

***Research context***

To test each of the hypotheses, a questionnaire was administered to NPSC members in Iran. We selected NPSCs for two reasons. First, CE has been identified as a highly context-specific variable (Hollebeek et al., 2019), so we draw on the context of sport, which has a highly experiential nature (Daniels et al., 2019). An important reason for choosing the NPSCs context lies in its inherently relational, interactive nature with consumers. Second, CSR actions are critical for sport organisations in the emerging sports industry (Liu et al., 2019) to enhance their business activities (Walzel et al., 2018). As Burgess and Steenkamp (2013) stated, emerging markets can help to advance theory and practice. Hence, NPSCs in the emerging market of Iran were selected. NPSCs as a key section has an important role in advancing goals in the sports of Iran. Hence, they can be an appropriate sample for the research questions. Most NPSCs in Iran follow similar policies and practices which have been initiated by the government (Behnam et al., 2020b). However, types of sport, organisation size, internal actors, and processes vary across the organisations. The clubs within the present study consist of small (club size < 100) and medium (100 < club size < 400) sizes. NPSCs offer services related to competitive and recreational sport activities across both individual (e.g., Badminton) and team (e.g., Basketball) sports in Iran, but



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only one sport is provided in each NPSC. Consumers include elite athletes as well as the general public who are interested in recreation and health. The NPSCs each had separate facilities for men and women. In sum, NPSCs in Iran are similar to other countries (e.g., the EU) in terms of structure and some processes. For instance, in more countries with regard to structural aspects, these clubs are representative of federations in each city, and in relation to processes, they organise sports competitions and activities for their members with different abilities as well as age groups.

***Sample and Procedure***

Data were collected from NPSCs consumers in Urmia, Iran by means of a paper questionnaire. The survey instrument was first validated by three academic experts. Scales were examined for face validity, wording in the local language, and adaptation to the sport context. Scales were then modified based on feedback. The questionnaire was initially developed in English and subsequently translated into Persian. We followed Brislin's (1970, 1986) back-translation procedure to evaluate consistency between the original and translated measures. The Persian version of the questionnaire was translated back into English and the two English versions of the instrument were compared. Based on this comparison, we determined that the original and twice-translated versions of the questionnaire were conceptually equivalent. Fifty students were used for a pre-test of the instruments. This pilot test revealed no issues regarding instrument readability and internal reliability ( $.77 < \alpha < .93$ ). In the main study, simple random sampling of 12 of the 95 NPSCs from within Urmia was used. Of the 12 sport clubs that were invited, 10 agreed to participate. A cross-sectional design (i.e., data collection from a population at same time) was used, with a convenience sample of 483 consumers from NPSCs located in Urmia, Iran. The lead author was stationed at the entrance of each club during the busiest days



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and times of the week (from 4:00 pm to 8:00 pm on Wednesday and Thursday) over a four-week period. A total of 550 questionnaires were collected, but 67 questionnaires were removed due to incomplete responses to several items. Table 1 shows an overview of the demographic characteristics of participants. In the current study, the profile of the participants is consistent with prior work on NPSCs in Iran (Behnam et al., 2020c).

[Insert Table 1 around here]

**Measures**

Scales from previous studies were used to measure the constructs (See Table 2) since NPSCs primarily provide strong consumer-based services (Lang, et al., 2019). Perceived CSR was measured using Inoue et al. (2017) and Chang, Connaughton, et al. (2019) four-item scale. CE was modified from Hollebeek et al. (2014) scale: cognitive processing (three items), affective (four items), and activation (four items). Value co-creation was adapted from Ranjan and Read's (2016) scale, and is divided into two dimensions: a) Co-Production, which includes three sub-scales: knowledge (four items), equity (four items), interaction (four items) and b) Value-in-Use, which includes three sub-scales: experience (three items), personalization (four items), relationship (four items).

[Insert Table 2 around here]

**Data Analysis**

Maximum likelihood estimation was used with standard errors and a mean-adjusted chi-square (i.e., MLM, the Satorra-Bentler chi-square) using Mplus Version 7.4 (Muthén & Muthén, 1998-2017) which is robust to non-normal data. To evaluate the second-order measurements (i.e., CE), second-order confirmatory factor analyses was conducted.

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Internal consistency, indicator reliability, convergent validity, and discriminant validity were assessed (Chin, 1998). Internal consistency reliability was tested by calculating composite reliability (CR), while indicator reliability was tested using factor loadings. Both values should exceed the threshold of .70 (Hulland et al., 2018). Convergent validity was inspected using the average variance extracted (AVE), which should exceed the threshold of .50 (Fornell & Larcker, 1981). Discriminant validity was tested by the square root of the AVE of each construct which should exceed the inter-correlations of the construct with the other model constructs (Fornell & Larcker, 1981). A concern of cross-sectional surveys is common method bias. Therefore, we used Harman's single factor test to verify common method bias's existence in our data. Our findings demonstrated that the variance clarified by the first factor was 49% (i.e. < 50%), confirming that common method bias is unlikely to affect our findings (Podsakoff et al., 2003).

## Results

### *Measurement Model, Construct Reliability, and Construct Validity*

Results of the CFA indicated a good model fit (Tabachnick and Fidell, 2007), with  $\chi^2/df = 477.56/143 = 3.34$ ,  $p < 0.05$ , comparative fit index (CFI) = 0.94, Tucker-Lewis index (TLI) = 0.93, standardized root mean square residual (SRMR) = 0.037, and root mean square error of approximation (RMSEA) = .07. Results show that the CR values of all seven constructs ranged from .87 to .93, exceeding the .70 threshold and suggesting acceptable internal consistency (see Table 3). All of the factor loadings were higher than .70, suggesting all constructs exhibited satisfactory indicator reliability (see Table 3). For the convergent validity, all of the CR and AVE values were higher than the threshold, which indicates good convergent validity (see Table 3). The results also demonstrate acceptable discriminant validity (see Table 4).

[Insert Table 3 around here]

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[Insert Table 4 around here]

**Structural Model**

The analysis of the structural model yielded the following results for the goodness-of-fit indices:  $\chi^2/df = 365.35/98 = 3.72$ ,  $p < .05$ , CFI = .95, TLI = 0.94, SRMR = .037, and RMSEA = .075, indicating an acceptable model fit (Tabachnick and Fidell, 2007). The structural models accounted for 35% of the variances in CE and 46% of the variances in value-in-use. In support of H1, perceived CSR was positively associated with CE ( $\beta = .59$ ,  $p < .001$ ). In support of H2, CE was also positively associated with value-in-use ( $\beta = .65$ ,  $p < .001$ ). Results also show that perceived CSR was not directly associated with value-in-use ( $\beta = .05$ ,  $p = .44$ ).

A bootstrapping approach was performed for the indirect effects. Bias-corrected bootstrap 95% confidence interval (CI) was reported based on 5000 bootstrap samples, since these reflect a highly reliable procedure to test significance of indirect and total effects (Hayes & Scharkow, 2013), dealing with non-normality of the indirect effect (Little, 2013). In total, CE mediated the relationship between perceived CSR with value-in-use ( $\beta = .38$ , 95% CI [.28, .50]), supporting H3 (See Figure 1).

[Insert Figure 1 around here]

The Monte Carlo integration algorithm (Muthén & Muthén, 1998-2017) was used to determine the moderation effect. Co-production was found to be a moderator between perceived CSR and CE ( $\beta = .17$ ,  $p < .001$ ), supporting Hypothesis 4. The simple slope graph in Figure 2 shows that when co-production was high (i.e., one standard deviation above the mean:  $4.21 [M] + .97 [SD] = 5.18$ ), perceived CSR explained a higher variance in CE (simple slope =  $.60$ ,  $p < .001$ ), compared to low co-production (i.e., one standard deviation below the mean:  $4.21 [M] - .97 [SD] = 3.24$ ; simple slope =  $.21$ ,  $p < .001$ ). Moreover, co-production was found to be a

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moderator in the mediating relationship between perceived CSR and value-in-use through CE ( $\beta = .12$ , 95% CI [.08, .17]). The simple slope graph in figure 3 further shows that when co-production was high, perceived CSR yielded a higher variance in value-in-use through CE ( $\beta = .38$ , 95% CI [.28, .48]) compared to the instance of low co-production ( $\beta = .14$ , 95% CI [.06, .21]).

[Insert Figure 2 & 3 around here]

### Discussion

This study empirically examines whether perceived CSR predicts value-in-use through CE, considering the moderating role of co-production in NPSCs. The findings show that CE mediates the relationship between perceived CSR and value-in-use and when co-production is high, this relationship is higher, compared to low co-production. Theoretical and practical implications are discussed below.

#### *Theoretical Implications*

This study adds to the sport management literature by exploring CSR and CE in the sport context, particularly nonprofit sport organisations (Zeimers et al., 2020), thereby responding to calls for context-specific examination of these concepts (Chelladurai, 2016; Kumar et al., 2019; Rather et al., 2019). CE is considered as a bridge in the unit model rather than as separate consecutive links, while prior studies have only theoretically indicated these links (e.g., Hollebeek, 2019) and rarely have tested them in an integrated model. Although research has indicated some relationships between these concepts (e.g., Behnam et al., 2021a; Behnam et al., 2021b), no research to date has clearly assessed the combined indirect effect of perceived CSR on value-in-use (Iglesias et al., 2018; Luu, 2019).

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Extending the work of Abbas et al., (2018), by testing the effect of perceived CSR on CE in the NPSCs context, this study builds on prior studies of CSR (Inoue et al., 2017; Ko et al., 2014; Misener et al., 2020; Morrison et al., 2018) by showing perceived CSR as an essential process for the cognitive, affective, and behavioural engagement of sport participants. Sports clubs can improve consumer perceptions of the organisation through responsible activities in the community. If consumers’ perceptions are positive of the club’s activities, this encourages more engagement in value co-creation. Particularly, this study demonstrated that NPSCs' social activities are an important driver for engaging consumers. Findings confirm prior research that suggests CSR can lead to emotional attachment with the organisation whereby consumers sense themselves as part of the organisation, enhancing positive feelings to the organisation and increasing engagement (Abbas et al., 2018). This new insight helps us to examine activities occurring in the CSR that influences CE which can be a vital effort for building community (Babiak & Kihl, 2018). CSR can stimulate CE when consumers perceive desirable CSR results.

Second, we contribute to gaps in prior CE studies, which have scantily investigated the dynamic interplay between CE and value co-creation (see Behnam et al., 2021a; Hollebeek et al., 2019), particularly value-in-use. The proposition that CE can be considered as an antecedent of value co-creation is confirmed in this study. Specifically, we develop the work of Rather et al., (2019) by providing one of the first empirical research studies on the role of CE in value-in-use. Responding to calls for the examination of the relationship between CE and co-creation (Brodie et al., 2011; Hollebeek et al., 2019; Jaakkola & Alexander, 2014; Ranjan & Read, 2016) and calls for greater understanding of CE in interactive service settings (Fehrer et al., 2018) such as sports clubs, this study also builds on Behnam et al. (2021b), and Fehrer et al. (2018) by considering the moderating role of co-production as an engagement behaviour. Consumers have

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an active role in joint production of service through engagement (Ordanini et al., 2011). Organisations attempt to engage consumers in co-creation through engagement in new service and product development (Ranjan & Read, 2016; Witell et al., 2011). Conversation, in the process of co-production, demonstrates deep engagement (Prahalad & Ramaswamy, 2004; Ranjan & Read, 2016), and our findings suggest that the effect of perceived CSR on CE is greater among those who have higher co-production with the club, where customers have knowledge and interaction than for those who have low co-production.

Third, this study contributes to the literature by validating the effect of perceived CSR on value-in-use through CE (Iglesias et al., 2018) in NPSCs. CE can be a great opportunity for sport clubs, as it can help them to stimulate consumers into enhanced co-creation through their CSR activities. The findings confirm this by demonstrating that the indirect effect of perceived CSR on value-in-use (via CE) accounts for 46% of the total indirect effect of CSR on value-in-use. In another words, when clubs deliver CSR activities, they can more easily engage their consumers into greater value co-creation.

***Managerial Implications***

Bradish and Cronin (2009) stated that CSR should be considered as one of the most important elements of contemporary sport management practice. CSR can contribute to the growth of value co-creation by stimulating CE (Luu, 2019). CSR in sports clubs, as a potential resource, can enable an organisation to build affective relationships, CE (Abbas et al., 2018) and value co-creation (Iglesias et al., 2018). To capture the value co-creation based on our findings, it is recommended that sports managers focus on making an engaging process for CSR. Sports clubs actions and activities are important to grow perceived CSR (Walzel et al., 2018; Zeimers et al., 2019). For actions, it is recommended that organisations inform consumers about new or recent

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responsible actions in the community (e.g., through social networks) that can be a motive for consumers to engage in activities such as co-creation. For example, this motivation can be created through a charitable activity to address inequalities in their community, such as helping to improve health among people with cognitive or physical disabilities or the provision of sports equipment to low-income athletes/families. Hence, if managers want to improve value co-creation resulting from CE activities, they should create opportunities for positive interactions with consumers. The previous literature on CE recommends that organisations make stakeholder interactions an important priority in their programs (e.g., Kumar & Pansari, 2016; Kumar et al., 2019). The findings of our research add to this literature by suggesting that organisations need to admit value co-creation to enhance CSR. This is a new insight, because a lot of organisations that engage in CSR do so to improve consumer attitudes, but do not perceive that CSR may be applied to enhance co-creation as well.

**Limitations and Further Research**

As with all studies, this research has limitations which can be understood through examining the boundaries of the research. First, data were collected only from a single culture (Iran) and sport context. CE may have very different effects on consequences or antecedents according to the type of context (e.g. sports clubs of private, fitness or profit, etc.), industry (e.g., hospitality, banking, professional service) and the other countries and cultures (e.g., Asian markets where the culture is collective, versus North America or Europe where culture is more individualistic, Pura, 2005). For this reason, future studies may examine CE in different cultural boundaries such as different countries or geographical locations. Second, our study is a cross-sectional design that represents a piece of time and does not explain how CE and co-creation may alter over time. A longitudinal design, which permits for comparing results over time, may

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be useful to gauge how antecedents, consequences and CE change over time and the role of the temporal context.

Third, a limited number of moderators were considered. Future studies should investigate the relationship length (i.e., duration of time a consumer has connected with a club; Wolter et al., 2019) required for effectively in engaging in co-creation with clubs, or examine relationship stage (Cambra-Fierro et al., 2018) that can influence interactions between consumer and organisations. Beaton et al. (2011) argued that individuals progressing in the Psychological Continuum Model (i.e., increasing psychological involvement) increasingly engage in sport-related behaviours. Therefore, future research should consider involvement level as a moderator in the relationship between CE, antecedents and consequences. Furthermore, future studies should examine differences in each of the CE dimensions in the stages of this model.

Beyond results of this study, we suggest that perceived CSR can be used in investigating the role of CE dynamics as a driver of consumer motivation for the use of sport service/product. More research is needed to test additional mechanisms via which CE can facilitate behavioural loyalty. This could be done by detecting new consequences of CE or antecedents. Moreover, future studies could use the multi-dimensional constructs of CSR (e.g., Joo et al., 2019) to more accurately identify the effects of different dimensions on CE.

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**Table 1 Participants' demographic description**

Characteristic	Sport club	
	N (483)	%
<b>Gender</b>		
Male	284	58.8
Female	199	41.2
<b>Age</b>		
18–20	64	13.3
21–30	119	24.6
31–40	117	24.2
41–50	79	16.4
51–60	62	12.8
61–70	32	6.6
More than 70	10	2.1
<b>Visiting frequency</b>	<b>(in a month)</b>	
1-3	132	27.3
4-6	116	24.0
7-9	108	22.4
More than nine	127	26.3

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Table 2 Scale items

Construct
<b>Perceived CSR</b>
This club seems to be environmentally responsible.
This club does a lot of good for the community.
This club is involved in philanthropic activities.
<b>Customer Engagement: Cognitive processing</b>
Using sport services gets me to think about this club.
I think about this club a lot when I'm using club's sports services.
Using club's sports services stimulates my interest to learn more about this club.
<b>Customer Engagement: Affection</b>
I feel very positive when I use the sports services of this club.
Using the sports services of this club makes me happy.
I feel good when I use the sports services of this club.
I'm proud to use the sports services of this club.
<b>Customer Engagement: Activation</b>
I spend a lot of time using the sports services of this club compared to other clubs.
Whenever I'm using from sports services, I usually use from the sports services of this club.
I usually use from sport service this club.
<b>Value Co-Creation: Co-Production (Knowledge)</b>
This club was open to my ideas and suggestions about its existing services or towards developing a new service.
This club provided sufficient illustrations and information to me.
I would willingly spare time and effort to share my ideas and suggestions with the club in order to help it improve its services and processes further.
This club provided suitable environment and opportunity to me to offer suggestions and ideas.
<b>Value Co-Creation: Co-Production (Equity)</b>
This club had an easy access to information about my preferences.
The services at this club are aligned with my requirements (i.e. the way I wish them to be).
This club considered my role to be as important as its own in the service.
We shared an equal role in determining the final outcome of the service.
<b>Value Co-Creation: Co-Production (Interaction)</b>
During using of sport service I could conveniently express my specific requirements.
This club conveyed to its consumers the relevant information related to the service.
This club allowed sufficient consumer interaction in its services (service development, marketing, assisting other consumers, etc.).
In order to get maximum benefit from the service, I had to play a proactive role during my interaction (i.e., I have to apply my skill, knowledge, time, etc.).
<b>Value Co-Creation: Value-in-Use (Experience)</b>
The use of services is a memorable experience for me.
Depending upon the nature of my own participation, my experiences in the services might be different from other consumers.
It was possible for a consumer to improve the process by experimenting and trying new things.
<b>Value Co-Creation: Value-in-Use (Personalization)</b>
The benefit, value, or fun from the process of services depended on the consumer and the usage condition.
This club tried to serve the individual needs of each of its consumer.
Different consumers, depending on their taste, choice, or knowledge, involve themselves differently in the services.
This club provided an overall good experience, beyond the "functional" benefit.
<b>Value Co-Creation: Value-in-Use (Relationship)</b>
The club's extended facilitation is necessary for consumers to fully enjoy the services.
I felt an attachment or relationship with this club.
There was usually a group, a community, or a network of consumers who are a fan of the club.
This club was renowned because its consumers usually spread positive word about it in their social networks.

## CSR, CUSTOMER ENGAGEMENT AND VALUE CO-CREATION

**Table 3 Results of Measurement Properties**

Construct	$\lambda$	Mean (SD)
<b>Perceived CSR</b> (CR = .87; AVE = .68)		
PCSR1	.90*	4.50 (1.09)
PCSR2	.87*	4.46 (1.14)
PCSR3	.70*	4.22 (1.16)
<b>Customer Engagement: Cognitive processing</b> (CR = .92; AVE = .80)		
Cognitive1	.90*	3.97 (1.40)
Cognitive2	.89*	4.06 (1.37)
Cognitive3	.90*	4.03 (1.34)
<b>Customer Engagement: Affection</b> (CR = .93; AVE = .76)		
Affection1	.93*	3.91 (1.38)
Affection2	.87*	3.98 (1.39)
Affection3	.91*	4.00 (1.35)
Affection4	.78*	4.15 (1.25)
<b>Customer Engagement: Activation</b> (CR = .90; AVE = .76)		
Activation1	.91*	4.18 (1.29)
Activation2	.87*	4.16 (1.27)
Activation3	.84*	4.10 (1.23)
<b>Customer Engagement (second-order)</b> (CR = .91; AVE = .76)		
Cognitive processing	.93*	NA
Affection	.88*	NA
Activation	.81*	NA
<b>Value Co-Creation: Co-Production</b> (CR = .91; AVE = .78)		
Knowledge	.91*	4.23 (1.12)
Equity	.87*	4.19 (0.98)
Interaction	.87*	4.21 (1.05)
<b>Value Co-Creation: Value-in-Use</b> (CR = .93; AVE = .80)		
Experience	.91*	4.29 (1.12)
Personalization	.92*	4.22 (1.10)
Relationship	.86*	4.20 (1.08)

\* $p < .001$ 

Note.  $\beta$  = factor loading; CR = composite reliability; AVE = average variance extracted; SD = Standard deviation; NA = not applicable.

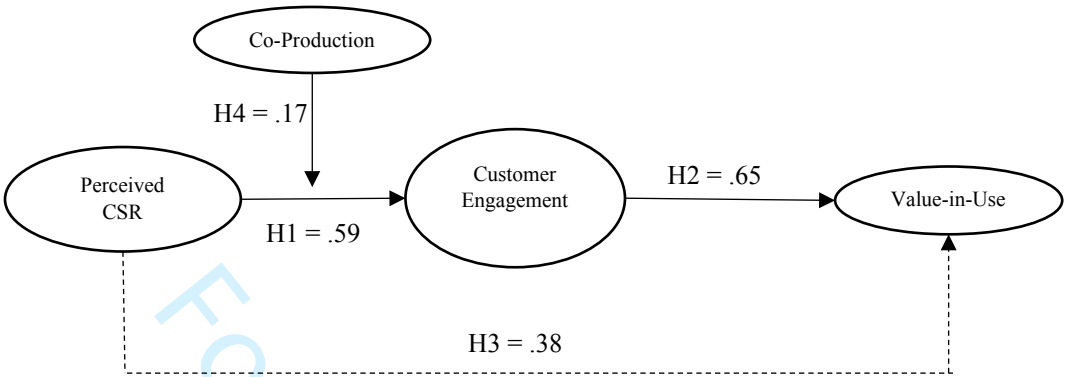
**Table 4 Correlations among the Constructs**

	1	2	3	4
1. Perceived CSR	<b>.82</b>			
2. Customer Engagement (second-order)	.59	<b>.87</b>		
3. Co-Production	.48	.69	<b>.88</b>	
4. Value-in-Use	.44	.68	.74	<b>.89</b>

Note 1: The diagonal values in bold refer to square root of AVE

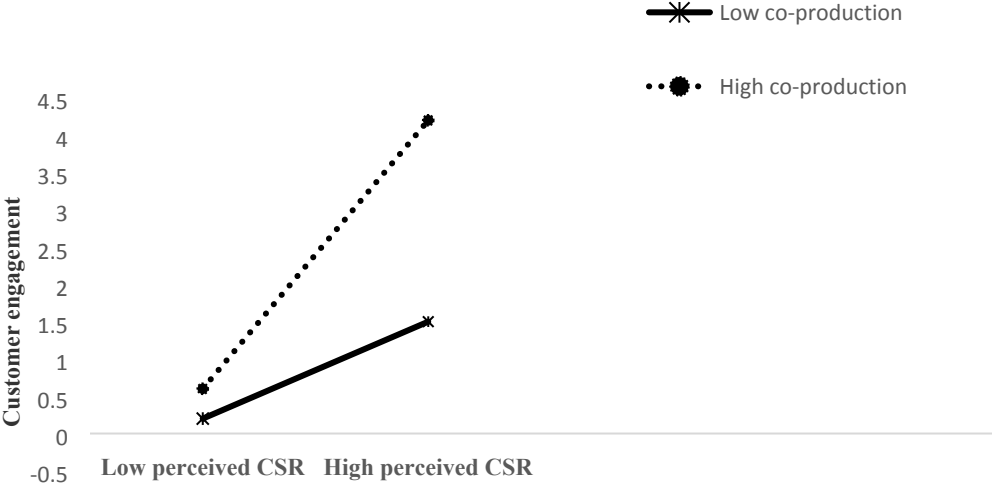
Note 2: CSR = Corporate Social Responsibility



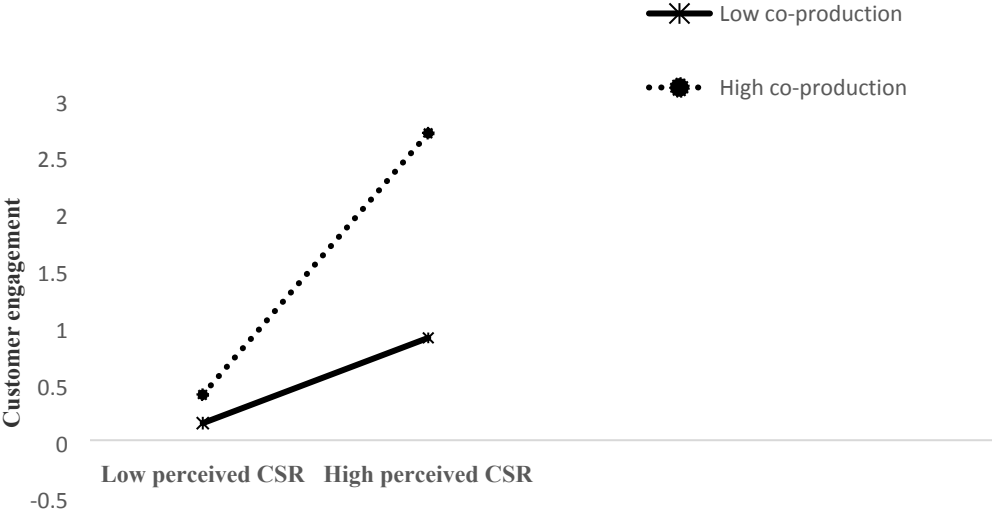


**Figure 1: Hypotheses and results of structural model**

*Notes:* Circles represent latent variables; H = Hypothesis. Direct effect  $\longrightarrow$  indirect effect  $\cdots\cdots\longrightarrow$



**Figure 2 -** Moderating effect of co-production on the relationship between perceived CSR and CE



**Figure 3 -** Moderating effect of co-production in the mediating relationship between perceived CSR and value-in-use through CE