Corporate Diversification by Partnerships –
A case study of an entrance into eSports

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Abstract
When diversifying into new markets, companies have a wide range of strategic options to choose from. This thesis investigates reasons and drivers behind why companies use partnership as a diversification strategy when entering new markets. Using a theoretical framework composed of external and internal factors (Sánchez-Peinado & Menguzzato-Boulard, 2009) combined with Lambert’s (2008) partnership model, a single-case study was conducted on a sports marketing agency’s entry into the fast growing eSports market. Primary data from semi-structured interviews and written internal material, together with secondary data, i.e. reports, presentations and articles, constitute the foundation of the thesis’ material. The analysis demonstrates how several factors, both external and internal, have been considered when deciding the strategy. The four drivers of Lambert’s (2008) partnership model, have moreover managed to describe the reasons behind forming a partnership in the endeavor of diversification. Furthermore, the study found high significance of additional drivers in the form of knowledge-sharing and the opportunity to gain access to a wider business network. These additional drivers are therefore recommended to be treated as separate drivers in future research. Finally, the study concludes that the increasing pace of change and therefore higher uncertainty in traditional and newly arising markets can favor the rather risk-averse strategy of partnerships, which therefore may serve as an interesting field for future research.

Keywords: diversification strategy, market entry, partnerships, partnership model, external factors, internal factors, sport industry, eSports
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1. Introduction

In order to sustain or increase competitive advantage and growth, companies must constantly adjust, diversify and develop their businesses and strategies (Ansoff, 1958). With the aim to progress and grow, companies have for long engaged in diversification strategies to extend their businesses with new types of activities in existing or in new markets (Ansoff, 1958). Corporate diversification is therefore, not surprisingly, a widely studied area in strategic management, and researchers have for long discussed advantages and drawbacks of different strategic modes in the field (Sánchez-Peinado & Menguzzato-Boulard, 2009). As previous research discusses, companies typically diversify into new markets by internal development, acquisitions, joint ventures or partnerships, each having unique characteristics that make them favorable in certain situations (Chen & Hu, 2002; Datta et al., 1991; Gary, 2005). Research has moreover tend to describe the context of a new market with factors such as growth rates, market concentration and entry barriers, as main factors behind companies’ decisions on what strategy to enter a new market with (Thompson et al., 2013; Sánchez-Peinado & Menguzzato-Boulard, 2009).

Traditionally, the strategies of internal development and acquisitions have been widely used by a high majority of companies when diversifying into new markets. Previous research have therefore to a great extent focused on these two forms of diversification strategies (Chatterjee & Singh, 1999; Lamont & Anderson, 1985; Simmonds, 1990), thereby possibly making the motives and objectives behind the examples of acquisition and internal development easier to comprehend. As the use of partnerships as a diversification strategy started to grow just in recent decades, literature in the field still urge for more studies on its characteristics and cases when it is best to apply (Hagedoorn, 1993; Kandemir et al., 2006; Sánchez-Peinado & Menguzzato-Boulard, 2009), making partnerships of particular interest to study. Partnerships have been described to possess the advantages of being more flexible, less costly and less risky than other entry modes into new markets (Drago, 1997). However, since a partnership is a relatively slow entry mode with small investments, companies risk to miss out on opportunities in new markets by this strategy, as competitors might use faster and higher-investment approaches (Busija et al., 1997; Drago, 1997). With this in mind, it is interesting to study why companies decide on partnership as an entry strategy into new markets, especially in newly arising markets where the opportunities are highly pronounced.
Although there are numerous arguments for market-specific factors being the determinants behind companies’ entry strategies in diversifying into new markets, empirical observations display how similar firms in the same industry decide on different entry modes when approaching the same new market, as can be seen in newly arising markets, like eSports¹ (Business Insider, 2017; Newzoo, 2016). Lots of companies from a wide range of industries, looking for investment opportunities, are now trying to find their entry into the dynamically growing and continuously forming eSports market (Bozorgzadeh, 2017; Business Insider, 2017). Organizations from the traditional sport industry are no exceptions, and several actors have recently announced their entry into eSports, however, by using different diversification strategies. While some have used an internal development strategy (PSV, 2016), others have moved more aggressively by acquisitions (ESL gaming, 2015; Schalke04, 2016). Meanwhile, examples of collaborative diversification can be found in organizations entering the eSports market by partnerships (Lagardère, 2017a). In light of this, questions can be raised regarding what actually determines a diversification strategy.

By building on the arguments above, this study aims to investigate the factors and motives behind companies’ decisions on partnerships as a diversification strategy into newly arising markets. Due to the limited number of previous research within the field, the thesis aims to contribute to current literature by expanding the research on partnership as diversification strategy and also by considering theoretical statements in newly arising and fast growing markets, such as eSports. Furthermore, the thesis intends to provide practical examples of why partnerships can be a favorable strategy when approaching fast and stably growing markets. With this in mind, the study attempts to explain the mentioned objectives by answering the following question:

*Why do companies decide to use partnership as a diversification strategy when entering newly arising and fast growing markets?*

¹ eSports - the market of professional video gaming.
2. Literature review

The literature review first presents the study's principal concepts and previous research within the depicted field of diversification strategies. Thereafter, the concept of partnerships which the study’s analysis reconnects to is described, before the theoretical framework then is presented.

In response to the need of continuous growth and development, companies constantly strive for new opportunities, where they can serve existing markets with new products, take their existing product lines to new markets, or make strategic reconstructions and start to serve new markets with differentiated product lines (Ansoff, 1965). In their attempts to diversify, companies can follow different entry modes into new markets, and there are a number of factors that influence managers in their choice on what strategy to choose (Sánchez-Peinado & Menguzzato-Boulard, 2009).

2.1 Factors of Diversification

Motivated by today’s competitive landscape, the increasing speed of technological change, and with the aim to integrate various streams of previous research, Sánchez-Peinado and Menguzzato-Boulard (2009) developed a theoretical framework of factors related to pre-entry conditions and other firm-related factors. The conditions are categorized in three sets of factors: Industry-related factors, Firm and strategy-related factors, and Transaction-related factors, see table 1.

<table>
<thead>
<tr>
<th>Industry-related factors (External)</th>
<th>Firm and strategy-related factors (Internal)</th>
<th>Transaction-related factors (Internal)</th>
</tr>
</thead>
<tbody>
<tr>
<td>● Market growth</td>
<td>● Degree of the firm’s diversification</td>
<td>● Tacitness of know-how being transferred</td>
</tr>
<tr>
<td>● Market concentration</td>
<td>● Relatedness of new market</td>
<td>● Specificity of investment</td>
</tr>
<tr>
<td>● Marketing intensity</td>
<td></td>
<td></td>
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<tr>
<td>● Research and Development intensity</td>
<td></td>
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Table 1 - Factors of Diversification, based on Sánchez-Peinado and Menguzzato-Boulard (2009)

The Industry-related factors influence diversifications by being entry barriers and by measuring the expected reactions of incumbent companies (Sharma & Kesner, 1996;
Thomas, 1999; Yip, 1982). While research and development (R&D) as well as marketing intensity are considered as potential entry barriers, market concentration and market growth are rather seen as reactions of companies already operating in a given market (Chatterjee, 1990; Kessides, 1986; Yip, 1982). With regards to market growth, companies need to consider the levels of uncertainty and the associated risk in the market, but also the opportunity costs that slower entry strategies to fast growing markets can raise (Hennart & Reddy, 1997; Sánchez-Peinado & Menguzzato-Boulard, 2009). Market concentration is another factor impacting companies’ strategy, since a concentrated market may deter firms to add one more player and thus increase competition further, but also as a concentrated market only possesses a limited number of companies that an organization can cooperate with or acquire (Chang & Rosenzweig, 2001; Yip, 1982). The degrees of marketing and R&D intensity in a certain market show the height of entry barriers. If there is intense marketing activity, customers tend to be more loyal to incumbent companies, thus switching costs might be higher. If the R&D intensity is high, accessing the necessary technologies and assets to compete in the market might be difficult and costly (Anand & Kogut, 1997; Porter, 1980).

Sánchez-Peinado and Menguzzato-Boulard (2009) divide the *Firm and strategy-related factors* into two main categories: the degree of diversification, and the similarity and relatedness of the market that the company aims to enter compared to the company’s current markets. The degree of diversification denotes the company’s previous experience in entering new markets and taking up new types of activities, thus the flexibility of its structure and the ability to learn and adapt to new environments (Chang & Singh, 1999; Yip, 1982). The greater the experience, knowledge and adaptability of a company, the higher investment the company might undertake (Chang, 1996; March, 1991). Furthermore, Chang and Rosenzweig (2001) argue that the choice of entry strategy often is influenced by the specific company’s previous experience, meaning that diversification often occurs sequentially, and the first and later applied entry modes in the same diversification sequence are likely to be the same. The diversification strategy is furthermore influenced by the relatedness of the new market to a company’s current markets, and the factor of how much of the company’s existing resources and capabilities can be meaningfully utilized in the new set-up (Chatterjee, 1990; Yip, 1982). When deciding on a strategy for diversification into related markets, companies further need to consider whether, and how easily, a collaborative partner can copy the practices and processes of the company and therefore erode its competitive advantage (Sánchez-Peinado & Menguzzato-Boulard, 2009).
The third category of factors that impacts the choice of diversification strategy stem from the transaction itself, and are somewhat related to the organization as well (Sánchez-Peinado & Menguzzato-Boulard 2009). One of these factors is the tacitness of the know-how that companies possess. In case the company’s expertise is context-specific and difficult to codify, transferring it entails high transaction costs and the inherent risk of revealing it to external partners (Kogut & Zander, 1992; Madhok, 1998). Finally, the specificity and repeatability of the investment can have a modifying power over different diversification strategies. If an investment is high-volume and requires many specific assets, companies might tend to follow strategies with higher dependence on external partners. However, they also have to consider the exit barriers and the dangers of revealing firm-specific assets in connection with partnering, as well as whether their current resources and capabilities suffice for independent strategies (Chang & Rosenzweig, 2001; Williamson, 1985).

2.2 Modes of Diversification

Considering the above explained multiple industry-, firm and strategy-, and transaction-specific factors, companies can decide to apply different diversification strategies. The entry into new markets can take a number of distinct forms, from high-engagement investments in internal development or acquisitions, to lower-investment modes of joint ventures or more cautious collaborative partnerships (Sánchez-Peinado & Menguzzato-Boulard, 2009).

When companies enter a related market, internal development is considered a suitable diversification mode due to the available capacities and resources to transfer tacit know-how and exploit existing firm-specific advantages in high-specificity investments (Busija et al., 1997; Yip, 1982). However, this mode is less favourable in fast growing and highly concentrated industries, due to the slowness of internal development and the fact that there is limited room for an additional player in the new market. Furthermore, other modes are prefered in industries with high entry barriers due to enhanced marketing intensity and brand loyalty to current companies, and/or high R&D requirements (Chang & Rosenzweig, 2001; Kogut & Singh, 1988). Acquisition, on the other hand, is a rather quick strategy and therefore suitable when entering fast growing and also concentrated markets, since it does not increase competition (Chang & Rosenzweig, 2001). Moreover, acquisitions are typically favoured in companies with great previous experience of diversifications and when entering related businesses where a company can exploit its existing expertise (Kogut & Singh, 1988).
However, there are also disadvantages related to acquisitions, including the cost and commitment of purchasing a current market player from an already concentrated market, or for instance the difficulties connected to transferring tacit know-how to so far external parties (Chang & Rosenzweig, 2001; Stuart, 2000).

While previous literature has laid extensive focus on investigating the factors and motives behind choosing the two diversification strategies explained above, less focus has been paid to the recently more and more used diversification strategy of partnerships (Hagedoorn, 1993; Sánchez-Peinado & Menguzzato-Boulard, 2009). However, companies nowadays more often use shared control modes in implementing their growth strategies, as market dynamism increases and the need for flexibility gets more crucial (Kandemir et al., 2006; Lee & Cavusgil, 2006). Nevertheless, by studying the diversification strategy of hundreds of companies, Sánchez-Peinado and Menguzzato-Boulard (2009) found that regardless of the potential advantages of partnerships, the majority of companies still prefer acquisitions and other traditional diversification strategies, due to partnerships being “still an unknown strategic option [...]” (Sánchez-Peinado & Menguzzato-Boulard, 2009, p. 980).

2.3 Partnerships

Forming partnerships is not a new phenomenon in either the business world or in a broader context, but it has nevertheless gained more attention both from scholars and practitioners in recent decades (Albers et al., 2016). In generic terms, strategic alliances are defined as “an agreement between two or more organizations to work together and share resources for the benefit of the parties of the alliance [...]” (Drago, 1997, pp.53). Similar to the generalist view, but adding more layers to this definition, partnerships in the business world are seen as “relatively enduring interfirm cooperative arrangements, involving flows and linkages that use resources and/or governance structures from autonomous organizations [...]” (Parkhe, 1993, pp. 794). Furthermore, Yoshino and Rangan (1995, pp.5) explain a strategic alliance as the alliance of at least two legally independent companies that “share benefits and managerial control over the performance of assigned tasks; and make continuing contributions in one or more strategic areas; such as technology or products [...]”.

2 Since literature on collaborations of two or more companies often use the terms “partnerships” and “strategic alliances” interchangeably, and on behalf of simplicity and with the purpose of avoiding misconceptions, this thesis will hereinafter use the term “partnership” to describe such organizational relationship.
There are a number of possible motives behind companies’ engagements in partnerships. These comprise increased production capabilities, reduced uncertainty both internally and with regards to external factors in the organization’s environment, the opportunity to develop competitive advantage and opportunities to explore new markets and jointly increase the partners’ profitabilities (Todeva & Knoke, 2005). In more concrete terms, companies engage in partnerships with the aim of market seeking, gaining access to new technologies, reaching economies of scale, sharing costs, overcoming legal barriers or legitimizing their activities (Agarwal & Ramaswami, 1992; Doz & Hamel, 2001; Harrigan, 1988). Depending on the different motives and objectives, partnerships can vary in length as well: some are meant to be short-term, for instance to accomplish a market entry, while others are designed to be long-term, as in the case of joint R&D activities or vertical integration of an industry’s value chain (Kanter, 1994).

In the struggle of reaching continuous growth and keeping firms alive, companies, especially in always changing technological or digital markets, often choose a diversification strategy either to reach niches within their industry or to extend their operations into new and/or related markets (Sebrek, 2015). Since a company’s networking capabilities are seen as a viable option to secure growth (Kogut & Kulatilaka, 1994), companies often choose to build partnerships as a way to enter into a new market or industry (Drago, 1997). There are a number of reasons why partnerships often are chosen over other types of entry modes into new areas, and these reasons can partly be found in industry- and firm-specific factors, and partly in companies’ internal motives behind diversification (Sánchez-Peinado & Menguzzato-Boulard, 2009). The external factors of high market growth and concentrated markets favor a partnership strategy, as organizations together with incumbent companies faster can gain access and exploit opportunities than in for instance the case of internal development (Hennart & Reddy, 1997; Kogut & Singh, 1988). Furthermore, high entry barriers, such as marketing and R&D intensity, may also make partnership a preferred strategy, as companies thereby can use their partner’s brand strength and previously gained set of assets to achieve their goals (Kogut & Singh, 1988). Additionally, when a company has no active knowledge about the market aimed to be entered, entering alone could be a costly and highly risky investment (Malhotra et al., 2003). Furthermore, through partnerships, not only the costs and risks related to entering the market are shared, but firms can also decide to initially only commit themselves loosely to their partner and thus to the new market (Rothaermel & Deeds, 2004). This is further extended by the potential resource- and
knowledge-sharing, and the opportunity to build organizational intelligence on the know-how of partners (Grant & Baden-Fuller, 2004; Koka & Prescott, 2002). Harrison et al. (2001) argue that when the partners are similar in their nature or complement each other in available skills and resources, and these resources are integrated, the learning effect can be even bigger, creating synergies with increased productivity and efficiency. This increased efficiency and productivity, paired with the partners’ joint effort and interaction, can in turn signal and raise the degree of value created during the lifespan of the partnership (Madhok & Tallman, 1998).

It is still of crucial importance that companies select a matching partner and prepare for shared operations, since partnerships do not only pose the danger of opening up to external firms, but also have a rather high tendency to fail within their first year(s) due to for instance the lack of trust, cooperation or strategic misfit, different expectations, management issues or changing environments (Drago, 1997; Liboni et al., 2015; Thompson et al., 2013; Zineldin & Dodourova, 2005). Additionally, when choosing modes for collaborating with other organizations, and especially in the case of diversification, partnerships carry the great risks of losing out on opportunities that competitors with faster and more risk-seeking entry modes, such as acquisitions, more likely will reach (Busija et al., 1997; Li, 1995). Finally, transferring tacit know-how can also make partnership a less attractive strategy, since companies then must reveal their secrets and processes to a partner, and in case of a highly specific investment may find themselves at unease due to the must to adapt to the partner’s needs as well (Chang & Rosenzweig, 2001; Madhok, 1998).

Partnerships have furthermore also been discussed in literature on business networks and many researchers point out that there currently might be a new era of business networks taking place (Adner & Kapoor, 2010; Chesbrough, 2006; Nambisan & Sawhney, 2011). Because of the technology development’s networked nature and the scattered nature of knowledge and expertise, companies can nowadays, according to Ritala et al. (2013) among others, not manage development activities by solely relying on their in-house resources, but by collaborating with external parties. According to the business network theory, developed by D’Cruz and Rugman (1992), companies can by business networks make use of resources that are owned by others than the company itself. Forsgren (2013) describes the business network theory in regards to companies’ processes into new markets, and explains how the only way to acquire the necessary knowledge of a new market is through small, gradual and
cautious investments. As knowledge cannot be acquired without first-hand experience, companies can with advantage gradually invest in new relationships and partnerships where the knowledge lies (Forsgren, 2013).

2.3.1 The Partnership Model

With the aim to create a deeper understanding of partnerships, Lambert (2008) developed a model to explain collaborations between businesses. He describes partnerships as tailored business relationships that are based on openness, mutual trust, shared rewards and shared risks. He moreover asserts that partnerships should result in a better performance compared to what each company can achieve individually.

The Partnership Model contains five different parts that can map out a partnership: Drivers, Facilitators, Components, Outcomes and Feedback (Lambert, 2008), see figure 1. While the Outcomes reflect the performance of the partnership, the Feedback refers to the feedback partners can provide each other when certain outcomes have been obtained. The Components are processes and activities that both build and sustain the partnership and thus are ongoing during the partnership’s implementation and existence. However, before the implementation of a partnership, there have to be reflections on purposes, expectations and circumstances. The Facilitators refer to the environment of companies and how it might impact the partnership’s potential in succeeding. The Drivers are the compelling reasons to engage in the partnership, and therefore also represent the expected benefits that the partnership can bring. The Drivers are moreover divided into four different categories: assets and costs efficiencies, customer service improvements, marketing advantages, and profit stability/growth. While assets and cost efficiencies are drivers meaning that the partnership will lead to a more efficient use of assets and/or costs, customer service improvement means that the partnership will create better opportunities for the engaged company to serve their customers in a better way. Marketing advantage denotes from how the companies by the partnership can be more visible and gain marketing benefits through visibility in the environment of the other company’s network or campaigns. Profit stability and growth are drivers that explain how a company by a partnership aims to gain stability in their profit and growth of their business. All these drivers together set the expectations of the outcomes of the partnership (Lambert, 2008). Lambert (2008) stresses that these drivers moreover provide an understanding of why a partnership occurs, and also states that the stronger these drivers are, the better are the chances for a successful partnership.
2.4 Theoretical Framework

As have been described in the literature section, there are several relevant aspects to study in the case of diversification strategies and partnerships, and why companies decide on different entry approaches into new markets. Due to the business environments that companies operate in, there is a need to continuously seek for diversification opportunities (Ansoff, 1958). However, it is not obvious what diversification strategy a company should use and empirical observations show how similar companies diversify into the same market with different strategies, partnership as one. This study will therefore pay attention to why a partnerships strategy is chosen when approaching a newly arising and fast growing market, and the actual reasons behind the chosen strategy.

By using the four categories of drivers in the partnership model described by Lambert (2008), this study aims to break down, crystallize and describe the aim and purposes of the engagement in a partnership when approaching a new market. The four categories of assets/cost efficiencies, customer service improvements, marketing advantages and profit stability/growth are described as the drivers that a partnership is built on that furthermore present the expectations on the partnership. Examining these drivers will give the possibility to see what purposes are considered before deciding on a partnership strategy, and therefore
further create an understanding of what advantages a company sees in this strategy compared to other entry modes.

By using the four categories of the drivers in Lambert’s (2008) partnership model, the thesis does not only wishes to describe reasons behind a partnership diversification strategy, but it also intends to get an understanding of how external and internal factors, described by Sánchez-Peinado and Menguzzato-Boulard (2009) among others, can play a part when deciding the strategy. Therefore, literature on various possible factors, described by Sánchez-Pleinado and Menguzzato-Boulard (2009), will be used as a lens when investigating the drivers behind the diversification strategy. By this lens, the study intends to gain an insight on what internal and external factors companies are considering when deciding on what strategy to enter a new market with. As current literature on partnership as a diversification strategy urge for more studies in the area, this study wishes to contribute to previous research by examining and gaining an understanding of why this certain strategy is chosen in the context and the circumstances presented.

3. Method

_The following section describes the study's design, chosen single-case method and execution. The section furthermore contains arguments, motivations and justifications to all methodological choices._

This study is what Saunders et al. (2012) call an exploratory study, since the research aim is to find an understanding of the context in a certain event. The study moreover operates in a methodological framework of a case study using a single-case design. In order to gain a rich understanding of the research context and of the situation being enacted, a case study strategy is considered relevant (Eisenhardt & Graebner, 2007). This strategy has moreover proved to be favorable in previous research within the fields of partnership as well as diversification, as a case study provides expositive material (D'Cruz & Rugman, 1994; Hennart & Reddy, 1997), which further strengthens the reliability of this study. A case study approach is furthermore useful in this thesis, as it has considerable abilities to answers to “why?” questions, which is also why case studies are often used in exploratory research (Saunander et al., 2012). The usage of a single-case study is motivated by the fact that this study intends to get a deeper understanding of a phenomenon in a relatively unexplored context, also with
abstract characteristics (Bell & Bryman, 2015). Using an in-depth approach with a single-case will presumably provide information-rich material in which the research question can be explored in a favorable manner (Bell & Bryman, 2015).

Many case study designs use a combination of various kinds of data (Yin, 2009), which is also the case in this study. In order to strengthen the confidence of the study’s result, this thesis uses and triangulates multiple sources. In this study the triangulation is conducted by the examination of the phenomenon partly by primary data from semi-structured interviews with several individuals with different experiences (further described in section 3.3), and partly by the use of several types of primary and secondary written data, which subsequently add further perspectives to the study. The written data takes the form of articles, public reports, press releases as well as internal documents from the study object (further described in section 3.1).

A qualitative method has shown to be successful in generating detailed and intensive material in examining a single-case (Bell & Bryman, 2015). The use of semi-structured interviews is moreover considered appropriate for this study since several key questions are aimed to be answered through an interview guide with relatively broad questions, see appendix 1, while it at the same time is considered favorable with an openness for discussion and elaboration of answers (Saunders et al., 2012). If needed, the questions can moreover be supplemented by several follow-up questions that are adapted due to the obtained answers. This approach is pondered appropriate as the study aims to gain elucidative material that gives possibilities to understand the respondents and their situations better, while it also reduces the risk of misunderstanding and thus provides greater potential to better understand the context of the situations.

3.1 Written data
In order to examine the study from several perspectives, written data both in primary and secondary forms have complemented the material obtained from interviews. Initially, the study object’s website was used, which provided access to primary data in the form of historical information of the company and its previous events, financial reports, press releases and corporate documents. These documents provided possibilities for a deeper insight into the company, its financial situation and expressed reasons for its strategic moves. Besides
studying the company’s website thoroughly, the company’s annual financial reports and annual situation analysis presentations were used to analyze the reasons behind choosing various strategic moves. Furthermore, the interview respondents provided the researchers with several internal documents, investor relation material and presentations, that showed the company’s strategy, their analysis of possible markets to enter, including but not limited to potential entry modes and partner options. Following the respondents’ references and using various search engines, further external reports, articles and statements regarding the company, the market, and other companies’ previous diversification modes could be obtained. The written data has served as additional and complementary sources to the interviews in order to investigate what has been said about the eSports market and how it is perceived, both from the study object’s point of view and other actors in the industry. It has also served as an information provider regarding how the study object has described and presented its strategy internally and externally. Thereby, the written data of articles, reports, press releases as well as documents, has provided additional secondary data necessary to put the primary data in a broader context.

3.2 Choice of research context and respondents

3.2.1 Research Context

Conducting research on how companies use partnerships as a diversification strategy in entering new markets is a rather broad and in itself not industry-specific field of research. However, this study investigates the phenomenon in the context of the sport industry for several reasons. One important factor is the extreme competitiveness and therefore uncertainty in the industry (Budzinski & Satzer, 2011). In many cases only small nuances decide which team or athlete will be the winner in competitions and thereby gain increased attention from the public and the media, as well as higher volume of prizes and sponsor agreements. Meanwhile, by not winning, significant portions of the budgets will automatically be lost (Budzinski & Satzer, 2011). An additional characteristic of the sports world is the market concentration and the growing financial inequalities where the biggest clubs turn even bigger, leaving the smaller clubs behind stagnating and without chance of ever reaching their levels (Platts & Smith, 2010). For these reasons, sports organizations today aim to constantly extend their businesses into new areas where they can find new, predictable and stable revenue sources (Rockerbie & Easton, 2014).
One potential area where sport organizations turn today to find new revenue sources is eSports, that emerging from the video gaming industry, today comprise different teams of players organized in league structures competing for the ever-growing prizes. Thus, the industry with $0.5bn annual revenue, and an unprecedented annual growth of 40-50%, becomes not only an attractive, but an obvious market to diversify into for organizations and agencies from the similarly structured traditional sport industry (Lang, 2017; Newzoo, 2016; Tribbey, 2016). Besides the special characteristics of the eSports market, empirical evidence shows a range of examples of different entry strategies that similar organizations from the traditional sports world have implemented when entering eSports. Since all these organizations come from the same industry and are entering the same new market, it seems apparent that the reasons for choosing an entry strategy do not only stem from the industry-specific factors, but also from firm- and strategy-specific ones. In an attempt to investigate these underlying factors specifying company’s diversification strategy, the case of Lagardère’s entry into eSports is analyzed below.

Lagardère Sports and Entertainment (LSE) is a subsidiary of the Lagardère Group, a French multinational, having the headquarter of sports in Germany. While LSE, at its current setup, was formed in 2015, the subsidiary has fifty years of expertise within sports marketing and sports management (Lagardère, n.d.). The company is to a great extent built on a wide business network within sport club management, stadiums and arena operations, as well as other types of sport competitions (Lagardère, 2015a). The global presence and embeddedness in the various business networks within the sport industry makes Lagardère a suitable study object when investigating how companies engage in partnerships to access new markets. The company recently joined a partnership with the European team Unicorns of Love (UoL) in the rapidly rising eSports market (Lagardère, 2017a), which demonstrates Lagardère’s strategy in approaching a new market through a partnership with an insider from it. However, Lagardère has a history of various kinds of diversification strategies and entry modes (Lagardère, 2017b), which makes the company even more interesting to examine in regards to the aim and research question of this study.

3.2.2 Choice of Respondents

In order to find accurate respondents with awareness of the partnership and thereby create possibilities to gain valuable material in accordance with the interview guide, a project leader within the chosen study object was approached by phone. This person could further provide
information and contact details to people involved in the project of the company’s new diversification into eSports, who therefore could be contacted. After getting access to several respondents from the project group, two additional persons were approached that had not been involved in the project group and the strategy discussions behind the specific partnership. The aim of including these respondents was to gain perspectives from persons outside the project, however with previous experience in the company, that could serve as additional viewpoints, and confirm or add new angles to the investigation.

Altogether, five interviews were acquired with representatives from the study object, three of which were included in the project group for the company's strategic approach to the new market, see table 2. Prior to the interviews, one hour long meetings were planned with each of the respondents, with the reason of having opportunities for deeper interviews with possibility for several follow-up questions.

<table>
<thead>
<tr>
<th>Respondent</th>
<th>Position at Lagardère</th>
<th>Interview type</th>
<th>Date of interview</th>
</tr>
</thead>
<tbody>
<tr>
<td>André Fläckel (Project group representative)</td>
<td>Manager Digital Sponsorship</td>
<td>Skype interview</td>
<td>2017-03-28</td>
</tr>
<tr>
<td>Thomas Ottl (Project group representative)</td>
<td>Associate Marketing Operations</td>
<td>Skype interview</td>
<td>2017-03-30</td>
</tr>
<tr>
<td>Moritz Altmann (Project group representative)</td>
<td>Director of Product Management</td>
<td>Skype interview</td>
<td>2017-03-31</td>
</tr>
<tr>
<td>Saorabh Sharma</td>
<td>Director Stadiums and Arenas</td>
<td>Face-to-face interview</td>
<td>2017-03-31</td>
</tr>
<tr>
<td>Balázs Kulin</td>
<td>Marketing Director</td>
<td>Face-to-face interview</td>
<td>2017-04-27</td>
</tr>
</tbody>
</table>

Table 2 - Respondents, semi-structured interviews
3.3 Execution of interviews

The semi-structured interviews were conducted via Skype or face-to-face, depending on the respondents’ availability to participate. Interviews have the advantage of obtaining a rich set of data that can be analyzed and further possibly provide a better understanding of the respondents' answers (Saunders et al., 2012). The interviews via Skype allowed access to important company representatives being located abroad during the execution of the study. Although Skype interviews do not possess all the advantages of face-to-face interviews, they are more favorable than other interview forms, such as e-mail, since a more open discussion is possible in a Skype interview while it also possesses the possibility to ask immediate follow-up questions.

In addition to the Skype interviews, two face-to-face interviews were also conducted. According to Saunders et al. (2012), in addition to providing a rich set of data, face-to-face interviews also possess the opportunity to advantageously address the respondents' reactions and gestures. However, Saunders et al. (2012) further explain how the interviewer should be careful in interpreting gestures, comments and cadency, as it might increase the risk of being perceived as biased (Saunders et al., 2012), which therefore has been taken into account during the execution of the interviews. The face-to-face interviews were conducted at one of the study object’s offices in order to let the respondents be in a familiar environment with increased chance of engaging in freer, more relaxed and comfortable conversations (Saunders et al., 2012). All interviews were conducted in English, which on the one hand contributed to the avoidance of misunderstandings and reduced the risk of missing nuances stemming from translation flaws (Saunders et al., 2012). On the other hand, since not all the respondents are English natives, forming answers in English could possibly make it more difficult to express their thoughts in the same way as they would phrase it using their mother tongue. However, as all respondents are fluent in English, the method of using the language was considered to be of advantage.

The interview guide was e-mailed to all the respondents in advance in order to give them an opportunity to prepare and give more thoughtful responses, and thus generate greater possibilities for a deeper insight. The prepared follow-up questions were not issued to the respondents together with the interview guide, in order to reduce the risk of steering and influencing the answers for the main interview questions. The researchers aimed for.
consistency with the same person leading the interviews and the other one observing, taking notes and asking follow-up questions when warranted. Any differences, in for instance communication styles, that moreover could influence the respondents' answers, were therefore reduced during the execution of the interviews, which further ensured that the execution was conducted in a more reliable way and therefore to some extent strengthened the reliability of the study. In order to increase the validity, occasional control questions were asked during the interview to assure that the respondents’ answers were understood correctly.

All interviews were recorded, with the permission from the respondents. The interviews were moreover transcribed, which allowed a better analysis of the material since an accurate reproduction was possible and correct citation could be used (Saunders et al., 2012).

3.4 Operationalization

Using diversification and partnership literature as a theoretical lens, this study is conducted upon the four categories of drivers in the partnership model described by Lambert (2008). The chosen drivers from Lambert (2008) are used in order to concretize and crystallize any possible purposes behind the study object’s strategy in entering a new market, while the diversification theories will contribute to understand the external and internal factors considered in this. With the internal and external factors, described by Sánchez-Peinado and Menguzzato-Boulard (2009), in mind, the study wishes to extract whether the study object has considered factors focusing on the firm and/or factors related to the market and its circumstances, when deciding the entry strategy into eSports. The theoretical lens of factors can moreover complement the drivers by adding aspects that are not solely related to the company in question. This study has mainly been carried out following, what Saunders et al. (2012) call, an inductive approach, as the study wishes to derive conclusions from empirical experience and furthermore are lead by some ground observations, although some core arguments are developed from existing theories and previous research.

An interview guide has been designed, see appendix 1, with inspiration from Lambert’s (2008) four categories of drivers to engage in a partnership. The interview questions are formulated to cover aspects of related theories and literature on partnership in businesses and diversification strategies (Lambert, 2008; Sánchez-Peinado & Menguzzato-Boulard, 2009). The answers from the interview questions together with supplemented written data, have
created conditions to extract relevant empirical material to answer the research question. Dividing the interview guide into different subject categories led to the formulation of questions expressed in a relative broad manner, see Appendix 2, in order not to steer the answer of the respondent, but to allow more open responses. These were further supplemented by additional, pre-prepared follow-up questions for the cases when the answer was not considered specific enough. Keeping the possibility in mind that the respondents may not provide all the information they possess, the interview guide was constructed and the interviews executed in a way that it was not obvious for the respondents what content specifically was desired to be obtained.

4. Findings

The following section initially provides a presentation of how the chosen study-object and context is described by the obtained primary and secondary written data. Thereafter follows a demonstration of the primary material retrieved from semi-structured interviews. The material gathered from the latter, is structured in categories according to the interview guide presented in the method section, see appendix 1.

4.1 Written data

4.1.1 Reports, website and internal documents by Lagardère

Lagardère has a long history of diversification. According to the company’s own historical presentation, Lagardère has in more than fifty years been engaged in several different diversification modes into new markets, industries and fields. Historically, acquisitions have by far been Lagardère’s most commonly used diversification strategy, and have since 2000 accounted for more than 70 percent of the company’s different entry modes. Strategies of internal development and partnerships follow in a very similar amount thereafter, and account for 6 respectively 7 percent historically. However, the use of partnership as a diversification strategy has increased in the last decades, and 87,5 percent of the company’s total diversifications with partnership as a strategy has occurred after 2000. Meanwhile, internal developments as well as mergers have lately decreased in use (Lagardère, 2017b).

After its history of internal development, mergers, acquisitions, joint ventures and partnerships, Lagardère today offers a variety of solutions to its clients, including but not
limited to business planning, market research, marketing, sponsorship, digital services, and stadium and event management (LUSS, 2014a). As can be read in documents that the company distribute internally regarding new potential partners, the aim of Lagardère’s operations is to establish and expand value-adding customer relationships (LUSS, 2014a). To achieve this aim, the company acts as a sport marketing and sales agency for the mixed business-to-business and business-to-customer client base (LUSS, 2014a). The company expresses its aim of signing long-term, 10-year agreements, with strong cooperation between the involved parties where continuous growth and mutually beneficial results can be achieved (LUSS, 2014b; Lagardère, 2015a; Lagardère 2016a). Although the company’s relation with most of its clients seems organized, problems between the parties may sometimes occur, which if unsolvable, may lead to the termination of these agreements, as happened recently in the case of Friends Arena, the Swedish national stadium (Metro, 2017). Through frequent acquisitions of new rights, the company has, according to its internally created market overview report from 2017, an extensive portfolio within the sports industry (LSE, 2017).

Even though the company today has a wide portfolio of rights in the sport industry, the sport divisions has only showed small-scale growth rates in recent years, far behind the growth of most of the other divisions within Lagardère, such as Travel Retail or Publishing (Lagardère, 2015b; 2016b). These results in themselves, but also in comparison with the performance of other divisions, urge Lagardère Sports and Entertainment to embrace new opportunities.

In a news article published on Lagardère’s website in January 2017, the company declared how it is entering eSports with the purpose to extend its portfolio and to “intensify its knowledge, expertise and network that it has accumulated in the marketing of sports rights holders all over the world […]” (Lagardère, 2017a). The article moreover describes how the company’s digital department decided the entry mode to eSports after a twelve-month market analysis, with result in a partnership with the Germany-based Unicorns of Love (UoL), one of the most outstanding eSports teams in Europe, according to Lagardère (Lagardère, 2017). As stated in the article and as the company’s internal market analysis concludes, Lagardère hopes to gain access and insight into the eSports market with the help of the UoL, and further believe that it can provide a strong base for subsequent growth opportunities (Lagardère, 2016c; Lagardère 2017). By means of the partnership agreement, Lagardère becomes the exclusive marketing partner for the UoL with prime responsibilities similar to some of their other partnerships.
4.1.2 Public reports and articles

Various reports and articles display how eSports is a rapidly growing market that incorporates professional gaming in an (semi)-organized form. With an attempt to clarify the term eSport and to avoid misconceptions around it, a definition from the global eSport market report Newzoo (2016) can serve as guidance: eSport is “competitive gaming in an organized format: an event or league, organized by a third party, with a specific goal (i.e. winning a tournament or prize money), with a clear distinction between players and teams who are competing against each other for a chance to reach that goal [...]”. While competitive gaming and the professionalization of gaming has been a growing trend since the 1970s, a boom of the industry has been discussed since the rise of online streaming opportunities, such as Youtube and the game streaming platform Twitch (Dot ESport, 2015). According to the global eSport market report Newzoo (2016), the industry is growing rapidly both in terms of audience and revenues. In 2016, 292 million people watched eSports and the total audience is expected to reach 425 million by 2019 (Newzoo, 2016).

Newzoo (2016) moreover declares how eSports had approximately $0,5bn in revenue globally in 2016, which is a 43 percent increase compared to 2015 and 137 percent higher than in 2014. Moreover, in the foreseeable future, the drastic growth of eSports is likely to continue, crossing the $1bn threshold in annual global revenue by 2019 (Newzoo, 2016). Compared to the major league real-life sports, the financial scope of eSport ($0,5bn in 2016) is still a fraction of major traditional sports leagues with revenues of $4-5bn in NBA\(^3\) respectively NHL\(^4\) or the entirety of European football with $30bn, which is acknowledged in another report on eSports from Deloitte (2016).

4.2 Interviews

4.2.1 Partnership strategy

All the respondents agree on how digitalization has changed the circumstances and settings in the sport industry. They describe that Lagardère is dedicated to provide value to their customers by being early adopters of innovative solutions and technologies, and seeing the changes that digitalization brought about they decided to dig deeper into digital opportunities. Three of the respondents explain how the company built a project group of four members

\(^3\) National Basketball Association - the professional basketball league in the USA

\(^4\) National Hockey League - the professional hockey league in the USA
from various departments more than a year ago, with the aim to understand and find a strategy regarding the growing eSports market. The project group then began to gather information and analyze the market with the purpose of finding out if and how to approach this new field. They found that there are many similarities between the traditional sport and the eSports market: besides publishers, there are different media channels, leagues, events and teams acting as cornerstones of the eSports economy, which similar to regular sports operates by using the revenues of sponsors, partners, broadcasters, consumers and licence fees. However, the project group moreover found vital differences between sports and eSports, the main difference being that in eSports almost everything is digital, therefore, physical location, borders or facilities matter significantly less. Another important distinctive characteristic of eSports compared to traditional sports, but even to other industries, is how the game publishers own their games and therefore can decide to eliminate them at any time and thus possess a decisive power over all the leagues, teams and events organized around their games. Further differences between the two markets can be found in how the eSport is only loosely organized with little regulatory power and rudimentary gaming associations, since its roots are based and built on the gaming community. As one respondent describes it, the popularity of eSports began to emerge when people started to share (live) how they play online, and the games and players having the highest view numbers attracted the first sponsors.

Based on the project group’s market analysis, one respondent describes a growing consumer group of what he calls “digital natives” who feel that traditional sports like football and tennis are “not their thing [...]”, but rather like to play video games (often even a version of the same real-life sports) at home. With the growing group of “digital natives” as well as the distinctive characteristics of eSport per say, according to three respondents, entering the eSports market will give access to a whole new consumer group that previously has been difficult to reach. One respondent build arguments around the attention drawn to this market and how he and his colleagues expect eSports to be bigger than basketball and ice hockey by 2020. He moreover mentions how eSports has the great potential to become the first global sport, due to its ground that is built on digital products and surfaces. In addition, it is, according to the respondent, easy to participate in gaming, since anyone with a regular computer and internet connection can join. He further explains that although the magnitude of football/soccer today is enormous, it is still not very widespread in for instance the US. On the contrary, with global connectedness to the internet, people can play these kinds of games when- and
wherever. Three of the respondents highlight how significant the eSports market is, how it has been growing and will continue to grow going forward, which also means that it is a great continuous opportunity for Lagardère. To quote one respondent: “It is the future!” Two respondents also describe how the traditional sport industry has a declining growth due to the maturity of the market and how Lagardère therefore needs to extend its portfolio with something new, and the fast growing eSports market feels like an obvious possibility. One respondent moreover describes a trend of market concentration within the sport marketing industry due to the aims and opportunities of reaching scale economies. Today there are, according to this respondent, only very few players sharing a significant portion of the market, which means that if you do not invest in the new things that are coming up you will lose to others, and the “bigger sharks [...] will eat you up”.

When talking about why diversifying into the eSports market by a partnership, one of the respondents that has not been a part of the project group, explains that he is not sure why Lagardère decided to take on this strategic approach, but he can imagine that it was done in order to get to know the market more, understand it further and find some kind of niche that Lagardère could exploit. The three respondents that were involved in the project group describe the reasons behind the strategy more thoroughly. One of them explains how the eSports market is completely different from traditional sports when it comes to structure, so even if they analyzed it beforehand, they could not grasp the whole picture, and a partnership was therefore considered a good way to gain a better understanding of the eSports market. He moreover described how it can be a “soft” entering into new markets, to gain legacy and trust there, just as building up knowledge. He continues by adding that Lagardère can bring value to the partner, create a good relationship and thereby grow together with them. Three of the respondents also mention how this partnership strategy is something that Lagardère already has strong competence in, and that it therefore also felt like a very favorable, natural alternative. The company has previously done similar diversification endeavours, and according to all the respondents they might dive further into this market by gradual investments. They have already discussed possible upcoming steps and investments. One of the respondent that was not a part of the project group, however, claims that he would have done it differently if he would have decided the strategy. He means that a more aggressive approach would be more favorable, as it would provide “more money in a shorter time [...]”. He also mentions that the eSports market is growing rapidly and “if you do not invest enough, you will continue to do what you already are doing and maybe not change or
innovate [...] fast enough”. This argument is supported by the other respondent who was not included in the project group, who also sees the risks in not doing investments big enough into this fast growing market and highlights that other entry modes potentially could have been more favorable.

All respondents see opportunities in getting access to a wider business network by approaching eSports with this partnership. One of the respondents explains how Lagardère gained “huge attention” just by publishing the partnership, both in the eSports market and the traditional sports market. Another one describes how their partner is a great player in the eSports market and that Lagardère therefore already is in contact with many other big actors within the market. He moreover explains how they want to grow together with the market and felt that they in a very short time have gained access to several key players.

The respondents, however, agree on the fact that other strategies also could have been used to approach the new market. One of them describes how the project group “deeply” discussed several other strategies like mergers and acquisitions, to name a few. He explains how there are pros and cons with all strategies, and that they still have other alternatives in mind, although they decided to start their entrance with this partnership after steady considerations. The same respondent also elaborates on the risk that this partnership brings less control over Lagardère’s entrance into this new market, and that they now have to consider more factors due to the other partner than perhaps would have been the case in other strategies. Another respondent mentions the risk of putting small investments in one actor in the new market, as they by focusing to narrow on this might miss other opportunities.

4.2.2 Expectations from partnership

Regarding expectations on the partnership, all of the respondents except one, have high expectations on knowledge-sharing, while the last one does not see that at all. The latter respondent was not a part of the project group and has therefore not engaged in the discussions leading to the partnership. He stresses that their partner, has no interest in sharing its knowledge, but only cares about its own win and in gaining money with the help of Lagardère. However, the other respondent who neither was a part of the project group, can see how the partnership can provide a lot of knowledge. The other three respondents, involved in the project group, are moreover very clear about knowledge-sharing in the partnership. They all mean that they have already learned and will continue to learn from the
partner. One of them explains how UoL has been very open with their know-how and their knowledge about the speed of the market. He furthermore claims that not losing opportunities in a dynamic environment due to slow reaction time, is something Lagardère has to learn a lot from. Another respondent describes the “huge potential” for Lagardère to learn from this partner, to get a deeper awareness of the new market, and gain knowledge that they moreover can bring back to their current businesses in the traditional sports market.

Overall, the respondents, to a certain extent, agree on the reasons behind the partnership as an entrance strategy to the new market. They all stress that one of the aims is to become more efficient with assets and costs. However, they all mention that it is not totally clear for them yet how, or even when, this will happen since Lagardère still lacks knowledge in the new market and its structure. One respondent describes how they expect that the partnership will open up new doors and create a new structure in Lagardère in several ways, and that they thus hope to reach higher efficiency eventually.

They moreover agree on that Lagardère aims to create improvements when it comes to customer services, as the company will widen its portfolio, and as one respondent expresses it: “will reach even new target groups by new offerings […]”. Another respondent describes how one purpose also is to provide more knowledge about “new sports” to current customers, and thus bridging between traditional sports and eSports. With that said, they could improve customer service by connecting target groups from the two markets and thereby offer customers new opportunities in the other market.

The three respondents involved in the project group have more similar ideas regarding marketing advantages with this partnership, than the other two. They all describe how Lagardère might gain more brand awareness during this journey, but that it is not considered a prime purpose of the partnership. They explain that it is rather a focus on the partner when it comes to visibility and brand awareness, than on Lagardère. Anyway, the other two respondents, that moreover have been working for the company for years, see marketing advantages as a more obvious purpose, even though they have not been a part of the project group behind the entry strategy.

When it comes to profit stability and growth, they are all very clear in describing how it is one of the absolute core purposes behind this strategic approach. They all describe eSports as
a big opportunity and a market that will just continue to grow. One of them makes it very clear that “it is not a trend, eSports will continue to just grow bigger and bigger [...]”. Another one describes that they do have goals and milestones, but in the long-term the aim is to gain stable profitability. He says that “it is a very profitable field, and we feel that we can be profitable quite soon and that it will be stable in the long-term”. One respondent describes how Lagardère aims to “surf on the wave of the market [...] now”, and that eSports for sure is “here to stay”. Although the respondents who were not involved in the project group agreed on that the purpose is to gain stable profitability, they are both skeptical to how the chosen strategy will lead to this, or whether this is the most effective strategy to reach this purpose.

Three of the respondents are very similar in their ideas regarding the partner’s expectations on Lagardère in the partnership. They believe that the partner have several expectations, one of them is that Lagardère can help them become more professional. However, these respondents point out that it initially is more important to deliver, to make sure everything works out and to create a good relation- and partnership. Meanwhile, one of the other two respondents stresses that the partner in the eSports market only cares about money, and that it is not about trust.

4.2.3 Partnership characteristics

Two of the respondents explain how there of course can be problems within the partnership, but that in the end of the day everyone just wants to deliver to the other partner, so usually problems more or less solve themselves. Nevertheless, even though the special characteristics of UoL are highlighted by the respondents, they all agree on that this partnership relatively easily could be replaced by a substitute, although it is not without any cost. It is generally believed by the respondents that the UoL are like the “St. Pauli of eSports”, meaning that while the team might not be the absolute biggest or the most successful in Europe, its strong culture and supporter base, together with its unique appearance, makes it the ideal partner to enter the eSports market with. One of the respondents describes how the possibility to substitute one partner for another depends a lot on the characteristics of each partnership, but aligns with the others regarding that this partnership is not the hardest one to substitute.

Going forward the respondents see that Lagardère’s focus lies on this partnership and to make sure that it works out in a successful way. They all describe how Lagardère will continue to do further investments in the market and highlight the importance of continuous investments.
Two of them emphasize that their strategy is not completely set in stone, and they will continue to discuss various strategies going forward. One of them mentions acquisition as an option. However, three of the respondents say that the next investments will be like the one already made, small and step-by-step.

5. Analysis and Discussion

In this section the material presented in the Findings is analyzed and discussed with consideration of the theoretical framework and previous research in order to find answers with regards to the aim and research question of this study.

5.1 General

Lagardère’s history shows numerous examples of how the company has increased its market coverage and control in its current markets. This aligns with how Ansoff (1985) first, and later many other scholars, describe that continuous growth and finding new and extended revenue sources are inevitable needs of organizations. However, in many cases companies do not have the opportunity to further expand in their original market, or simply find the strategy of diversification more favorable than the formerly mentioned strategies. In line with this, the declining growth of the traditional sport industry due to the market’s concentration and maturity, urge companies like Lagardère to embrace new opportunities in new areas. Other than this general pressure in the sports market, Lagardère Sports and Entertainment is especially in the need of finding new opportunities, since the division’s performance and growth in recent years has been significantly weaker than other divisions’ within the same organization. Therefore, considering the opportunity to secure growth, develop complementing solutions and resources to the original business, and thus increasing the competitive advantage, as Markiades (1997) among others describes it, it does not seem like it has been a question if, but rather how to enter the fast growing world of eSports.

Lagardère decided to enter the world of eSports through a partnership with the team UoL, choosing this path over other strategies like acquisitions and internal development. The decision of why the company decided on partnership as a diversification strategy can be understood by analyzing the industry-, firm and strategy-, and transaction-specific factors behind the diversification move, as described by Sánchez-Peinado and Menguzzato-Boulard
(2009), combined with the company’s and the project group’s drivers in accordance with Lambert’s (2008) partnership model.

5.2 Factors

5.2.1 Industry-related factors

All the respondents as well as the internal material emphasize the analysis of the eSports market, indicating how external factors initially took a major role in deciding the company’s strategy. As the respondents describe how several different diversification strategies were considered during the preparatory analysis, it was not obvious what strategy to use, which corresponds to the problematization of this paper regarding the difficulties in knowing what strategy to use in certain situations. Nevertheless, the fast growth of the eSports market lead Lagardère towards a partnership strategy as it was considered to provide quick access to the market, which corresponds to the description of Sánchez-Peinado and Menguzzato-Boulard (2009) regarding how high growth favors faster strategies, like acquisitions and partnerships, where companies can avoid the high opportunity costs of a slower strategy, such as internal development. While acquisitions enable quicker and higher return on investment and this strategy enjoys popularity among companies in the sports industry, just as in other industries, the strategy of partnership offers smaller returns for Lagardère but has the quality of being flexible in the newly arising, and therefore still somewhat unsettled and uncertain eSports world. Due to the high growth in eSports, competitors’ more aggressive strategies could seem a more logical strategy. Nevertheless, the respondents agreed on, based on their own and external market analysis, that the steady growth is expected to continue in the upcoming years, which, according to them, therefore decreases the risk of missing out on opportunities by the partnership strategy. Therefore Lagardère could, according to the project group, choose a more cautious and gradual entry mode with other potential benefits, such as resource and knowledge-sharing, or better collaboration with an insider firm already possessing valuable experience about the market. With this in mind, it seems like this kind of fast changing as well as growing market creates and uncertainty that makes the company less concerned about the risk of missing out on opportunities, and rather creates a bigger concern regarding the risk of moving into the market without enough knowledge. This furthermore favors more cautious investments, as partnerships, in order to let the diversifying company get to know the market more, at least initially.
Another factor that can impact companies’ entry modes to eSports is the concentration of the market. Chang and Rosenzweig (2001) as well as Yip (1982) argue that partnerships in general are suitable in highly concentrated markets, as companies can gain access to incumbents easier and cheaper than by purchasing an incumbent, which due to the concentration of the market, might be extremely costly. However, the eSports market is not considered concentrated, since it is a young and still-forming market, with vague structure and young market players that relatively easily can be accessed. According to Chang and Rosenzweig (2001) and Yip (1982), the poor concentration of the eSports market would have favored the more aggressive entry mode of acquisition over partnership. It can therefore be argued that other factors, like the speed and therefore uncertainty of the market that are related to risk, have been more considered than the opportunities of other strategies related to a not concentrated market, in this case.

Similarly, intense marketing, strong brands and highly-engaged customers pose higher entry barriers, where partnering with an incumbent could make sense as this strategy gives quick and cheap access to the market (Porter, 1980; Sánchez-Peinado & Menguzzato-Boulard, 2009). However, the rapid rise of eSports began only in the past few years, and most teams were established only in recent years simultaneously with the growing popularity of professional gaming. Therefore, there are no or very rare examples of teams with intense marketing and extremely high follower base, which attributes would serve in favor of a more direct acquisition strategy (Sánchez-Peinado & Menguzzato-Boulard, 2009). Although the special image of UoL and what it can bring, is described as some kind of motivation for choosing the partnership strategy, the UoL is still a young team. With this in mind, acquiring a team or even starting an own one could have made sense, and Lagardère’s choice of strategy can therefore not be fully explained by the factor of marketing intensity, in itself. The strategies of acquisitions and internal development are, according to Anand and Kogut (1997), further supported by the market’s relatively low entry barriers when it comes to technical and R&D requirements, as well. Although the eSports market and gaming is almost fully digital, participation on team-level has relatively small technical requirements and can, other than the skills of players, easily be developed or purchased. Nevertheless, the lack of knowledge of the market is still considered high, which thereby creates a barrier in itself, even though Lagardère made a deep analysis of the market in beforehand. This gives further evidence on the crucialness of knowledge about the new market, and it can again be argued that the uncertainty of this new and fast growing market, that moreover is a prime example of
today’s new fast changing and digital business world, makes companies more cautious in their entry investments.

5.2.2 Firm- and strategy-related factors

As mentioned, Lagardère has a long history of diversification, and according to Chang (1996) and March (1991) long experience means the tendency of higher investment strategies in new diversification moves, as the company has greater knowledge, experience and hence adaptability. However, Lagardère went for a smaller investment in the form of a partnership when entering eSports, although Kogut and Singh (1988) argue that acquisitions are favoured in companies with great previous experience of diversification. Furthermore, Chang and Rosenzweig (2001) describe how previous experience has crucial influence in determining the choice of new diversification modes, and according to Lagardère’s history, it would therefore have been more obvious if the company had used acquisition as an entry mode into this new market. Although the company also has previous experience from partnerships, a diversification strategy that moreover has increased in use in recent years, acquisition is still by far the most implemented strategy by the company, and stands for more than seventy percent of the company’s diversifications in recent decades. With this in mind, a more aggressive approach would have been more in line with what Chang and Rosenzweig (2001) suggest as the most appropriate strategy in such case. However, it should not be overlooked that the respondents explain how they have considered previous experience when deciding on the entry mode, as they highlight their knowledge from previous partnerships, although they do not mention their experience of acquisitions. Acquisitions are, however, commonly mentioned in the company’s various reports, indicating that it is a settled strategy of the firm, making it even more questionable why it is not used in the case of eSports. The company furthermore in several texts and articles on its website points out that Lagardère is an innovative company that aims to adopt new technologies early, indicating that fast and aggressive entry modes presumably could be favored. One of the respondents, who was not a part of the project group, moreover builds further on this indication as he describes how a more aggressive approach into this new market would have been more favorable, since he thinks Lagardère might lose to competitors as the partnership entry is not fast or aggressive enough. Although the respondents from the project group explain how they have considered previous experience before engaging in the partnership, it cannot be considered one of their main considerations when deciding on the strategy. The importance of experience, described by Chang (1996) and March (1991), can with the findings from this study therefore be
questioned as the company’s previous diversification experience is not as prioritized as the market-related factors. Therefore, it can be argued that today's faster and continuously changing business environment can create new conditions that companies have to adapt to when diversifying, thus weakening the arguments of Chang (1996) and March (1991).

Nevertheless, the respondents explain how the new market of eSports is similar to the traditional sport market in various ways, which indicates that the new market is considered related to the company’s already existing ones and that an internal factor therefore, in some sense, has been taken into account. The respondents from Lagardère furthermore describe how they can bring current knowledge into this new market. This corresponds to Chatterjee's (1990) as well as Yip's (1982) description of how the relatedness of the new and current markets also influence the mode of diversification, since resources and capabilities thus can be utilized in a meaningful way. This can further lead into transaction-related factors and knowledge transfer. The knowledge of Lagardère can be considered tacit due to the complexity of writing down this knowledge and experiences. This would, according to Busija et al. (1997) and Li (1995) favor internal development, while it, according to Chang and Rosenzweig (2001) as well as Madhok (1998), also make partnership a less attractive strategy, as the partner can take advantage of the situation after they have gained the necessary specific knowledge. However, in the case of Lagardère, several of the respondents highlight how it initially is important to create a good relationship with the new partner and they also explain the mutual opportunities of learning, which might reduce the risk described by Chang and Rosenzweig (2001) and Madhok (1998). Although the findings indicate that the internal factor of relatedness of the markets has been considered by Lagardère, knowledge-sharing is emphasized more, meaning that the opportunity to gain knowledge from a partner is more crucial than keeping the own knowledge within.

The similarities between the markets create, according to Harrison et al. (2001), smaller barriers to the new market, indicating how more aggressive investments are fortunate. This further makes diversification in the form of internal development the most suitable option, according to Busija et al. (1997). Although it seems like the respondents from Lagardère have considered the similarity factors, they do not invest in the internal development mode which Busija et al. (1997) suggests in suchlike case. This factor might therefore not be considered as one of the main determinants in deciding Lagardère’s diversification strategy. It can moreover be argued that other entry barriers, such as the uncertainty related to a lack of
knowledge, have created circumstances that in this case have been considered more important. However, another reason making internal development less appropriate when entering a rapidly rising market, as eSports, is the slowness of that strategy. Regarding the similarities of the two markets, several of the respondents also describe how this gives the possibility to gain knowledge from the new market that can be brought back to Lagardère’s other markets, which is an argument for using a partnership strategy where knowledge can be shared. Although the respondents mainly see similarities between the markets, they also explain how there are differences that make the situation more uncertain, which in line with Todeva and Knoke (2005) makes partnership a more favorable strategy, and furthermore highlights the project group’s main focus on more external factors.

Risks and possible problems are concisely acknowledged by the respondents and they do not really perceive any problems with their current partners. More than one respondents describe how possible problems often “solve themselves”, although they do not describe this further but rather rely on their previous experiences. However, an article describes how the company just recently terminated its cooperation with one of its partners, Friends Arena, due to problems in the agreement that the two partners simply could not solve. Since the respondents from the project group do not really explain possible problems with partnerships and because problems, according to them, have occurred extremely rarely in the history of the company, it seems like they do not have a solid plan to solve possible issues, and they might therefore not have realized all possible drawbacks with partnerships. This further indicates that the project group has relied on the confidence in previous experience of partnerships when deciding the entry strategy, and therefore have focused on internal factors in that sense. However, some of the respondents have considered possible partnership problems, as they explain how Lagardère at least will not lose too much investments in this entry strategy if the partnership does not work out, indicating cautiousness to an estimated uncertainty of the new market and how external factors thus are pondered.

The two respondents who were not included in the project group and therefore not a part of the decision-making for this diversification strategy, have been working in the company for years and are presumably aware of the company’s fundamental strategy, not least as several of their arguments are matching the statements presented in various forms at the company’s reports and presentations. These respondents do not agree on that partnership is the most appropriate strategy in the case of eSports and they emphasize their skepticism several times.
This indicates how the project group can have considered external factors more compared to internal ones focusing on Lagardère itself. However, the respondents from the project group clarify how several possible diversification strategies actually have been discussed before deciding on the partnership. They moreover explain how they still have other strategies in mind, indicating that the partnership is just a first step of a bigger and longer, but yet to be defined, plan. This gets more likely as the respondents also state that some upcoming moves are already discussed, and the project group might therefore have a similar understanding as Forsgren (2013) regarding how the only way to learn a new market is by small, cautious and gradual investments. Since two respondents, not part of the project group, were not engaged in the preliminary analysis of the eSports market, they do not necessarily know the difficulties in getting to know and completely understand the market. This moreover implies that their scepticism towards the chosen strategy can have been dependent on their unawareness regarding the uncertainty connected to the lack of knowledge.

Both external and internal factors, such as market growth, marketing intensity, and previous experience, can, according to the answers from the respondents, offer some explanation about why the strategy of partnerships was chosen over other entry modes. Nevertheless, several factors would, according to previous research, point towards the use of other diversification strategies. Therefore, in an attempt to create a deeper understanding of the company’s strategy-decision, the drivers behind the partnership with UoL will hereinafter be analysed, using components of Lambert's (2008) partnership model.

5.3 Drivers

The interviews with representatives of Lagardère revealed information of several drivers and further results that to a great extent can be explained by Lambert’s (2008) description of the four drivers in the Partnership Model.

All respondents assert how improved efficiency with assets and costs is one reason behind engaging in the partnership, and it can therefore be considered a driver behind the decision, indicating how internal factors have been considered in the decision-making process. However, the respondents do not really see or agree on how these efficiency improvements will happen, demonstrating how it probably not has been deeply discussed or considered in the planning process of the partnership strategy. It can therefore be understood as a driver regarding the decision to enter the eSports market, but the importance of this driver in
deciding to enter it by a partnership strategy instead of other entry modes can be questioned. It can therefore further be argued that other strategies, like internal development where the plans are more independent, could have meant a clearer picture of how the assets and costs efficiencies would be improved.

Although the respondents mention marketing advantages, it is not considered as a main point in deciding on the strategy, and can therefore not be completely pondered as one of the main drivers as described by Lambert (2008) in the partnership model. However, in line with business network theory, described by Forsgren (2013), all respondents explain how Lagardère by this partnership will gain access to and be more visible in the extensive business network of the partner in the eSports market. This means that brand awareness and marketing advantages in some sense are reasons or drivers behind the strategy, although it has not been discussed as a main purpose behind it, as the entry through a partnership will provide quick access to a wider business network within the new market. This gets even more likely as the respondents describe how they considered several actors to partner up with, before they decided on UoL, not because UoL is the biggest one, but because of its treasured business network among other factors. It should, in any case, not be overlooked that several of the respondents acknowledge how marketing advantages is an obvious purpose, even if it has not been discussed in the decision-making process. With that said, there might be purposes and aims embedded in other drivers that perhaps not always are discussed, possibly because they are apparent outcomes of the strategy. Gaining access to wider business networks can moreover be argued to become more essential going forward, as knowledge-sharing gets more crucial since many industries and businesses now are changing faster and more often, which further might favor the use of a partnership strategy.

Several respondents moreover describe how the access to new business networks that the partnership can provide, further can help Lagardère to learn more also about networks within eSports. Even though one respondent do not really see UoL’s interest in gaining new knowledge with the partnership, it becomes distinct that knowledge-sharing has been discussed in the project group, as it is mentioned several times. Another reason that strengthens the argument of knowledge being a main driver, is how the project group started to learn about the eSport industry more than a year in advance of the entry, but still felt a lack of knowledge regarding the market. This indicates, in line with Forsgren (2013), how hard it can be for outsiders to learn everything about a new market before entering, and therefore in
some way verifies business network theory regarding how the most efficient way of learning about an industry is through an insider that is embedded in a wider business network (Forsgren, 2013). This can furthermore, to some extent, describe why there is a need to enter the market together with an insider, regardless whether it is through an acquisition or a partnership. The respondents from Lagaërdre’s project group also describe how they already have gained knowledge from the partner, meaning that knowledge-sharing is not only an expectation, but already has started to become an outcome. Lambert (2008) points out how the stronger the driver and the expectation of it is, the better chance for reaching a successful outcome, which thereby might explain the strength of knowledge as a driver. With the possibility to reach wider business networks and create shared knowledge, it can moreover be argued that the partnership strategy is likely to grow in use due to fast and continuous changes occurring in today’s business environment that makes comprehensive knowledge difficult to capture. This argument is further strengthened by the fact that the strategy of partnership actually is growing in popularity and use, which further leads to the idea of how partnerships might be more and more used as an initially step into new markets going forward. Furthermore, this corresponds to how Kandemir et al. (2006) among others, describe that companies more often use shared control modes when implementing their growth strategies nowadays, and further how flexibility gets more important.

The respondents furthermore agree on naming profit stability and growth as the main driver for choosing a partnership strategy. Since eSports is described as a market that is not a trend and that the prospects of its growth to a great extent is described as stable even in the long term, the respondents in the project group do not seem to consider any big risks in not entering this market by a more aggressive strategy. The respondents rather feel confident in the market’s prospects, indicating that they believe there is time to do rather smaller and gradual investments. This argument gets further stronger as the respondents from the project group moreover point out how this is just a first step, and that continuous investments probably will follow. However, Busija et al. (1997) as well as Drago (1997) and Thompson et al. (2013) describe how one of the big risks in using partnerships as an entry mode to a new, very fast growing market, is that the approaching company can miss out important opportunities and thus lose competitive advantage by not investing more aggressively. Nevertheless, the case of Lagardère indicates how the particular risk is not considered too high by the respondents, since the prospect for the long-term growth of the market is very promising. Meanwhile, empirical observations reveal how some competitors are moving into
the market with more aggressive strategies, indicating that the project group possibly underestimate the risk of missing out on opportunities. While this gets further trustworthy as two respondents point out how the company should invest heavier in order to stay competitive, the project group seems to have considered other factors as more essential. In anyway, the project group’s confidence in the eSports’ growth can in some sense be considered a main driver behind the partnership strategy, as they thereby can invest more cautious initially while still gain benefit from the market growth later on. It can moreover be discussed whether it can be a part of- and embedded in the expectations on profit growth and stability driver that Lambert (2008) describes, since profit expectations still are present.

Regarding improved customer service, the respondents can see opportunities and they do have expectations on it, which aligns with Lambert's (2008) explanation of customer service improvement as a driver. However, the answers and discussions rather accentuate knowledge, as it is the knowledge that will create new value for the customers of Lagardère and thereby improve the company’s customer service. The respondents emphasize the expected knowledge-sharing and the learning effects in the new partnership on several occasions. Knowledge-sharing has been pointed out as a possible factor in decisions on diversification in previous research, although it is not treated as a separate driver in Lambert’s (2008) partnership model. While it is not presented separately in the model, knowledge-sharing can, in the case of Lagardère, be considered present in the other drivers. The fact that the project group felt a lack of knowledge regarding the market, gives a hint of that this uncertainty lead them to treat knowledge as one of the main drivers in deciding on a partnership strategy. The respondents also explain how they see possibilities to bring knowledge from this new partnership back to the current markets, making partnership a favorable strategy and that this has been deliberated. This furthermore corresponds to what Lagardère states on its website regarding how the company aim to “intensify knowledge, expertise and network […] by this new partnership”. However, these words might of course be built upon statements from the project group, but it still leads towards indications on knowledge as one of the main drivers. Yet, one respondent who was not a part of the project group do not believe as heavily in the knowledge-sharing, indicating that the decision perhaps would have been different with different people in the project group. Nevertheless, this respondent did not participated in the preliminary analysis, as previously have been acknowledged, and are therefore presumably not aware of the difficulties that the project group have found in reaching knowledge enough
to invest heavier in the market. This further strengthen previously argumentations regarding the importance of knowledge in fast changing markets and dynamic business environments.

6. Conclusions

The following section provides answers to the research question by initially summarizing the results of the study, followed by a description of its limitations and suggestions for further research.

The aim of this study was to examine factors and drivers behind companies’ decision on partnerships as a diversification strategy into new markets. The thesis investigated a major sport marketing agency’s initial steps into the fast growing eSports market using a strategy of a smaller and rather cautious investment in partnering with an European team. By using a theoretical framework built of the four drivers in Lambert’s (2008) partnership model, as well as of chosen literature on diversification by Sánchez-Peinado and Menguzzato-Boulard (2009), the study aimed to answer the following research question:

Why do companies decide to use partnership as a diversification strategy when entering newly arising and fast growing markets?

This study shows that both external and internal factors can provide explanations to why the partnership strategy can be chosen over other entry modes, which corresponds to the explanation of Sánchez-Peinado and Menguzzato-Boulard (2009) regarding different factors’ influence on companies’ diversification strategies. In this single-case, the main focus showed to be on the external factor of growth rate, since the partnership provided quick access to the fast-growing eSports market. The low-investment and risk-averse partnership strategy was, in this study, furthermore pondered beneficial as the new market was considered unstructured, with a relatively high degree of uncertainty and risk. The internal factors of experience and relatedness also influenced Lagardère’s strategy, although to a smaller extent than the external ones. The relatively high relatedness between eSports and Lagardère’s original markets, made the strategy of partnership further beneficial, since the company thereby expected to get use of its existing skills and resources in the new market, while the partner could contribute to the partnership with its complementing expertise.
Complementing the factors, this study has shown how the four drivers *assets and costs efficiencies, customer service improvements, marketing advantages, and profit stability/growth*, described by Lambert (2008), can be further reasons behind choosing a partnership strategy. However, the study further demonstrates, as Lambert (2008) also explains, how not all of these drivers necessarily must be included simultaneously or be of equal importance. In the case of Lagardère, profit stability and finding further growth opportunities can be considered the main driver of the four above mentioned. Notwithstanding that there are four drivers included in Lambert’s (2008) model, this study proposes additional drivers. Knowledge-sharing has showed to be a highly emphasized reason behind the partnership, and the access to business networks within the new market has also been enlightened in the case of Lagardère. Although they can be considered apparent or embedded in the other four drivers, this study found great significance in proposing knowledge-sharing and the opportunity to gain access to the wider business network, respectively in line with Forsgren (2013), as separate drivers for choosing partnerships as a diversification strategy.

Based on the findings and discussion of this study, it can be asserted that a faster pace in business environments can urge for diversification strategies, like partnerships, that provide quick access to the approached market. A faster pace is moreover often associated with continuous change, which further makes it difficult to obtain control and comprehensive knowledge of the new market and thereby increases the level of uncertainty and the risk related to it. Hence, the value of market knowledge increases and companies become likely to accept higher opportunity costs when deciding on their diversification strategy. Consequently, this paper argues that in fast-growing and continuously changing markets, such as eSports, the diversification strategy of partnership is likely to increase in popularity going forward. A partnership strategy does not only provide companies with a quick entry to the new market, new knowledge about it and access to wider business networks, but it also gives abilities for companies to keep their flexibility, commit themselves only with lower investments, and therefore reduce the risks with their commitments.

6.1 Limitations

This research has been built on a single-case study investigating Lagardère’s entry into eSports, and the company-specific factors or the relatively small number of respondents
might therefore bias the results. Since Lagardère entered eSports in early 2017, the scope of the thesis covered the initial partnership with UoL, even though the respondents mentioned how further strategic investments in the market might be implemented shortly. This way, the thesis investigates the factors and the drivers of the partnership strategy at its current state, and can therefore not draw conclusions about the company’s entire diversification strategy. Furthermore, the sport industry in itself, and eSports even more, carry numerous special traits compared to other industries and markets, therefore may studies of cases in other industries find alternative results. This can especially be the case when investigating entrances into markets that are not newly arising, and the findings from this study might therefore be further limited.

6.2 Future research

Through the examination of this study, numerous interesting fields emerged for future research. One area, in itself, is to extend the research further by involving other types of actors entering eSports. It is also considered interesting to investigate and compare the external and internal factors, respectively the drivers behind partnerships in other fast-changing, uncertain and/or newly arising (digital) industries. Moving away from an organizational point of view, future research can also look into how individual factors might influence the decision-making on diversification strategies, and how the composition of decision-makers for a certain case thereby can matter. Another interesting aspect to consider in future research is how the increasing pace of change and therefore uncertainty in traditional as well as newly arising markets, might favor the relatively risk-averse strategy of partnership, as this strategy in recent years furthermore has been growing in use. Finally, the areas of knowledge-sharing and gaining access to business networks through partnerships in the diversification endeavors of companies, can also serve as appealing areas for future research.
7. Reference list


Tribbey, C., (2016). *Broadcasters take long view with eSports: from ESPN to Turner, networks seek a growing, non-traditional market: people watching other people play video games*, NewBay Media LLC.


**Interviews**


8. Appendix 1

Interview guide

General

- What is your position at Lagardère?
- How long have you been working at Lagardère?

The company

- Who would you say are Lagardère’s customers?
- How does Lagardère creates/adds value to its customers? (e.g.: product development, marketing, innovative solutions, other resources, customer service, etc.)
- How does Lagardère make money?/What does Lagardère sell?
- Why did the company decide to enter the eSports market?

Partnership strategy

- What are the main purposes with establishing the partnership with Unicorns of Love?
- How do you see this partnership compared to other entry modes? (e.g.: merger, acquisition, greenfield)?

Expectations

- What does Lagardère expect from this partnership when it comes to knowledge- and resource sharing regarding the eSports market?
- With entering this partnership, does Lagardère’s aim to reach higher operational and/or cost efficiency?
- Did Lagardère consider how this partnership could contribute to improve Lagardère’s services offered to its customers?
- When deciding on this partnership, did Lagardère consider any marketing advantages?
- Did Lagardère thought about profitability stability and growth when discussing to invest in this partnership?
● What do you think are UoL’s expectations from this partnership?

Partnership characteristics

● Can there be problems encountered with regards to partnerships? Possible solutions to problems?

● Do you consider the new partner hard to substitute? (For instance, if there are too many problems within this partnership, can you easily find a new partnership that will be able to bring the same value or would it be hard?)

● What are the next steps for Lagardère when it comes to eSports?
## Operationalization

<table>
<thead>
<tr>
<th>Subject category</th>
<th>Main source</th>
<th>Example of question</th>
<th>Motivation</th>
</tr>
</thead>
<tbody>
<tr>
<td>General &amp; Company</td>
<td></td>
<td>How long have you been at Lagardère?</td>
<td>The interview's initial questions intended to create a facile entry with simpler questions that, however, also could provide a preliminary understanding of the respondent’s interpretation ability.</td>
</tr>
<tr>
<td>Partnerships strategy</td>
<td>Lambert (2008), Sáchez-Peinado &amp; Menguzzato-Boulard (2009)</td>
<td>What are the main purposes with establishing the partnership with Unicorns of Love?</td>
<td>The questions here aimed to capture the basic picture of the purposes behind the chosen entry strategy and the respondent's interpretation of it, as well as the considerations around internal factors in it.</td>
</tr>
<tr>
<td>Expectations</td>
<td>Lambert (2008), Sáchez-Peinado &amp; Menguzzato-Boulard (2009)</td>
<td>What does Lagardère expect from this partnership when it comes to knowledge- and resource sharing about the eSports market?</td>
<td>The purpose of these questions was to get a further understanding of the expectations on the partnership, how it might impact the company, and thereby see possible common perceived attributes in it and in reasons behind it.</td>
</tr>
<tr>
<td>Partnership characteristics</td>
<td>Sáchez-Peinado &amp; Menguzzato-Boulard (2009), Forsgren (2013)</td>
<td>Do you consider the new partner hard to substitute?</td>
<td>The questions meant to provide answers that could describe characteristics of the new partnership and the business relationship embedded in it.</td>
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