Cause-related marketing, legitimacy and internationalization of professional service firms: A case study of football talent scouting microfirm

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Abstract

Purpose – The purpose of this paper is to address the role of legitimacy in internationalization to Africa of a Finnish professional service microfirm, which uses cause-related marketing (CRM) as the business model.

Design/methodology/approach – The paper consists of a single case study of a microfirm (two employees) originating from Finland, which has successfully internationalized to many African countries. Due to the uniqueness of the context, the authors use semi-structured interviews to collect founders’ insights to the issue being addressed. Moreover, along with interviews, secondary sources related to football talent scouting in Africa are also utilized in the paper.

Findings – The authors found that the case company was established with the aim of helping and uplifting poor African footballers, so the business model is CRM. It has scouted many of them for professional football clubs in Europe. The authors further found that sociopolitical legitimacy plays a major role in dealing with African footballers and local stakeholders, while cognitive legitimacy helped the case firm gain the trust of European football clubs.

Originality/value – Internationalization of microfirms operating in the service sector is a rather underresearched area compared to the internationalization of SMEs and large MNEs. The paper is one of the first to study internationalization of a professional service microfirm involved in scouting football talent in Africa and matchmaking them with European football clubs. It contributes to extant CRM and internationalization literature by being one of the first to analyze a firm whose business model revolves around CRM and discussing specific roles of different kinds of legitimacies needed for internationalization to Africa in this specific service sector.

Keywords Africa, cause-related marketing, internationalization, professional service firm, talent scouting and legitimacy

Type of paper – Research paper

1. INTRODUCTION

International business (IB) literature has addressed the internationalization strategies of firms (including both SMEs and MNEs) using a range of theoretical lenses and empirical analysis methods. However, even though significant research has been undertaken to address the internationalization strategies of firms, there is still a need to
undertake such studies as new contexts and strategic initiatives can further enhance our understanding of this important area (e.g., Hennart and Slangen, 2015). It should be further stressed that significant prior internationalization research has focused on firms operating in the manufacturing sector, and service sector firms have received scant attention. According to Kundu and Lahiri, (2015: 217), only 4% of published articles on this topic have focused explicitly on service sector firms, although it has long been established that such firms’ internationalization behavior and strategies tend to be significantly different from manufacturing firms. Therefore, the current paper aims to focus on a service sector firm operating in a unique internationalization context as described below.

Corporate social responsibility (CSR), in recent years, has become a cornerstone strategy for MNEs to show their sensitivity to societal problems and contribute to societal wellbeing (Gruber and Schlegelmilch, 2015). Cause-related marketing (CRM) has been seen as a beneficial strategy for CSR as it ultimately adds value to the corporate brand of large MNEs (e.g., Svensson and Wood, 2011; Hadjikhani et al., 2016). However, a literature review revealed that CRM has not been studied explicitly in the context of those firms for which the whole business model is developed to serve and market a specific cause or purpose in an international context, rather than using CRM as a CSR strategy. Moreover, the literature review also revealed that professional service firms, such as head-hunters or talent management firms, appear to be ignored so far in CRM research, as the focus has mostly been on large MNEs. Therefore, we believe that a gap exists in the internationalization and CRM streams of literature.

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This paper undertakes an in-depth case study of a talent-hunting professional service firm from Finland (Topspot/Player Accelerator) that helps African footballers to play in European football clubs. It should be noted that CRM has been studied in depth in prior research focusing on the sports industry, mostly by analyzing consumer attitudes, sponsorship, corporate philanthropy, and branding aspects in a developed country context (e.g., Roy and Graeff, 2003; Irwin et al., 2003; Guerreiro et al., 2016). However, the focus here is on CRM as a strategy for internationalization. We will analyze associated internationalization dynamics in depth by explicitly focusing on the legitimation strategies of the case firm. It has been argued that a crucial requirement for the success of foreign firms in emerging market contexts like Africa is local legitimacy (Gifford and Kestler, 2008; George et al., 2016). Prior literature has focused on different legitimation strategies by foreign firms, primarily MNEs operating in the manufacturing sector, by stressing local embeddedness, better working conditions, and contributions to local development by CSR activities (e.g., Reimann et al., 2012; Beamond et al., 2016; Rathert, 2016). The current paper focuses on CRM and different types of legitimacies used by the case professional service firm while operating in the African context in the professional service sector. We incorporate arguments from neo-institutional theory and organizational institutionalism (DiMaggio and Powell, 1983; Suchman, 1995; Scott, 2008) to discuss and analyze different types of legitimacies associated with CRM by the case firm in dealing with footballers (and local stakeholders) in Africa, as well as with professional clubs in Europe.
It is believed that this paper contributes to extant IB, CRM, organizational institutionalism, and internationalization of professional service firms literatures as no prior study has specifically addressed all these aspects. A key contribution of this study comes from the specific context being studied: a microfirm internationalizing to Africa using CRM as a business model. Prior internationalization research on the service sector is limited, as mentioned earlier. Even the studies that have focused on the service sector mostly concentrate on large or medium-sized enterprises. European Commissions defines microfirms as enterprises consisting of nine or fewer employees and with a turnover of less than 2 million Euros (Masiak et al., 2017). Even though more than 90% of European firms are microfirms (Hope, 2016) and a significant number these firms are in operation, especially in the service sector, research on their internationalization is minimal. Hence, this paper is an attempt to fill this gap in the literature.

The rest of the paper is organized as follows. The next section offers a theoretical overview addressing CRM, internationalization of service-sector firms, and the role of legitimacy, followed by a discussion on empirical research design. After that, results are presented. The paper concludes with the presentation of implications, limitations, and future research directions.

2. THEORETICAL OVERVIEW

Service is a fundamental form of economic value creation (Vargo and Lusch, 2004) and has been recognized as an essential research domain in marketing and management literature (e.g., Boehe, 2016; Coviello and Martin, 1999; Freeman and Sandwell, 2008;
Greenwood et al., 2007; Jensen and Petersen, 2014; Von Nordenflycht, 2010). In their crude, binary forms, services are characterized as being either “hard” or “soft,” that is, as having either non-interpersonal or interpersonal attributes (Driver and Johnston, 2001; Jensen and Petersen, 2014; Franca and Ferreira, 2016). However, the concept of service and service industries is too diverse and complicated to be clustered in dichotomous forms. That said, despite the diversity of service industries, they all specialize in the creation, substantiation, and deployment of knowledge to solve problems and create value (Reihlen and Apel, 2007).

Professional service firms are a low-capital-intensive form of service firm that concentrates on knowledge-intensive services via intangible resources that are embedded mainly in their professional labor force (Von Nordenflycht, 2010). Given the growing automation of traditional production functions (Autor, 2014) and the amplified role of intangibles in value creation and use (Vargo and Lusch, 2004), professional service firms are increasingly considered the backbone of advanced economies (Reihlen and Apel, 2007; Robertson et al., 2003). Therefore, professional service firms are often viewed as models for the knowledge-intensive firms of the new economic age (Greenwood et al., 2007). What makes professional service firms distinct from conventional manufacturing firms or traditional service firms is that inimitable knowledge and expertise resides at the core of their value proposition. In fact, their competitive capability depends heavily on their ability to organize, synthesize, and deploy professionalized bodies of expertise to generate knowledge that fulfills customer demands (Robertson et al., 2003).
As the service industry comprises several clusters, such as analytics services, entertainment, and network access, that exhibit different features in terms of value propositions and core capabilities (Jensen and Petersen, 2014), professional service firms constitute a distinct place in the service industry. Nearly complete reliance on highly skilled, non-firm-specific human capital and confined ability to monitor the activities of or assess the outputs of that human capital are among the primary characteristics of professional service firms (Von Nordenflycht, 2007). Many professional service firms are being driven from smaller, saturated, and highly developed markets, such as Australia, Singapore, and Nordic countries into the international arena (Freeman and Sandwell, 2008). Therefore, they often have a strong intrinsic motivation and the capabilities required to internationalize.

2.1. Internationalization of professional service firms

Internationalization is often defined as a process through which a firm moves from operating solely in its home market to operating in international markets (Jensen and Petersen, 2014; Hazarbassanova, 2016). It is about expanding business activities across country borders that are new to the firm (Hitt et al., 1994). While some internationalization experiences can involve low-risk, gradual stages (Johanson and Vahlne, 1977), other internationalization strategies can be classified as high-risk, aggressive, and “boom and bust” in nature (Fortanier and Van Tulder, 2009). In particular, the internationalization of professional service firms is growing rapidly, powered by contemporary innovations and socioeconomic forces (Javalgi et al., 2003). That said, internationalization is not without its challenges, and one of the critical

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elements of a global strategy for firms facing the challenges of internationalization is developing capabilities to apply against these challenges (Etemad, 2004).

Internationalization is a multidimensional construct incorporating several facets, including geographical diversification (Hitt et al., 1997), international strategy (Bartlett and Ghoshal, 1989), pace (Petersen and Pedersen, 1999; Rialp et al., 2005), and foreign operation mode (Anderson and Gatignon, 1986). Among these facets, pace and operation mode are particularly relevant to professional service firms (e.g., Hazarbassanova, 2016). When it comes to the pace of internationalization, lower resource requirements can expedite internationalization for service firms (Boehe, 2016), but host-country regulatory restrictions can hinder the speed of internationalization for some service firms. Concerning operation mode, past research suggests that host-country institutions, resources and international experience, decision-making logic, and service categories may influence the way professional service firms choose their entry modes to foreign markets (Jensen and Petersen, 2014; Hazarbassanova, 2016).

Extant research shows that firms internationalize for various reasons, including market-seeking, resource-seeking, efficiency-seeking, and strategic-asset-seeking motives (Dunning, 2000). Nonetheless, because services are intangible, heterogeneous, and perishable, and the production and consumption of services cannot typically be detached, the internationalization motives and experiences of service firms may be different from those of manufacturing firms (Majkgård and Sharma, 1998). Thus, while the mainstream motives outlined by Dunning (2000) can be applied to a wide range of
industries, professional service firms from smaller countries like Finland, Switzerland, and Singapore are more likely to be compelled to internationalize to obtain further advantages and retain their homegrown competitive advantage stemming from their knowledge-intensive competences in foreign markets as their home markets are too small and limiting (Jensen and Petersen, 2014). In particular, talent-hunting professional service firms’ default playing ground is typically the global market place as highly skilled talents are scattered all around the world, and it would be futile to confine the operational base to smaller markets for such a scarce resource as, say, professional footballers.

2.2. Cause-related marketing as a business model and legitimacy

While profit and other financial metrics such as growth and return on investment remain important concerns for many firms, the environmental and social aspects of doing business have recently gained increased attention (Gold et al., 2013; Hubbard, 2009; Mish and Scammon, 2010). Such evolution in mindsets and business models is also evident in the service industry, as most professional service firms are deeply influenced by the ideals and practices of their home countries (Faulconbridge et al., 2009). This notion may have instrumental implications for professional service firms from Nordic countries, which are increasingly well-known for their environmental (Aslani et al., 2013) and society-centric (Scholtens and Sievänen, 2013) ecosystems and business paradigms. Therefore, it might be possible to find professional service firms that develop and deploy their whole business model around a specific cause or purpose in
an international context, rather than using CRM as a tool for CSR strategy in advanced countries with high concern for the environment and society.

This position of some professional service firms, of developing their whole business models around a specific cause or purpose, is partly grounded in past research indicating that a firm in the service industry is more likely to engage in socially responsible activities (Ibrahim et al., 2003). Unlike some manufacturing firms, professional service firms entirely revolve around people. People are their primary and often only significant resource, and people are often their only major stakeholders. Furthermore, as emerging economies can also be a source of rare human talents, such as footballing (Molnar, 2011), serving such societies to support and fulfill local populations’ talent potentials while helping those who stand out to pursue opportunities in advanced economies can be seen as a cause-driven business model. Thus, it is possible that some professional service firms are compelled to design and apply business models centered on causes contributing to individuals and society at large.

In the conventional sense, CRM centers on firms creating strategies aimed at achieving marketing objectives via firm support of social causes, which is increasingly seen as essential by customers (Woodroof et al., 2019). Thus, CRM is typically considered a pivotal tool for CSR and is gaining noteworthy traction both in practice and in recent research in marketing (Christofi et al., 2018; Duarte and Silva, 2018; Woodroof et al., 2019). Firms increasingly use CRM as a means of communicating their commitment to CSR while accomplishing their strategic goals (Woodroof et al., 2019). In this vein, customer engagement plays a critical role in enhancing the
effectiveness of CRM campaigns, in terms of coverage, customization, and reduced consumer skepticism (Christofi et al., 2018), since consumers’ identification with a certain cause is crucial for their purchase intention (Duarte and Silva, 2018). That said, less is known about what happens when CRM is a central business model of small internationalizing firms rather than a strategic tool for larger firms’ CSR activities.

The focus on specific causes can be useful for an internationalizing firm as it can result in different kinds of legitimacies. Prior research has highlighted that CRM-based activities result in firms gaining sociopolitical (normative) legitimacy (Handelman and Arnold, 1999) and cognitive legitimacy (e.g., Doh et al., 2010). Legitimacy has been found to facilitate the continuity of an organization’s activities since its stakeholders are more likely to support organizations that they consider to be desirable, proper, or appropriate (Parsons, 1960). As a result, legitimacy increases the chances of acquiring necessary tangible and intangible resources for survival and growth, including goodwill and networks (Aldrich and Fiol, 1994; Scott, 2008; Lin et al., 2010). Prior internationalization literature has addressed the role of legitimacy in depth by arguing that it helps foreign firms to overcome their liability of foreignness (e.g., Eden and Miller, 2004; Wu and Solomon, 2016), which is especially necessary to survive in emerging markets (e.g., Bucheli and Salvaj, 2018). At the same time, prior empirical research focusing on the African context has highlighted the importance of different types of legitimacies for firm survival and growth due to the networked nature of African business (e.g., Amine and Staub, 2009; Honke and Thauer, 2014). However, the specific context of professional service microfirms using CRM to internationalize...
to Africa has not been addressed yet. Therefore, we believe that focusing on legitimacy types to analyze internationalization to Africa for such firms using CRM models is useful, as established in the preceding discussion.

3. RESEARCH METHODOLOGY

3.1. Choice of research method

It was mentioned earlier that there is scarce literature on why and how Western SMEs, and particularly microfirms operating in the professional service sector (e.g., headhunters), internationalize, especially to emerging economies. Moreover, the number of such firms is limited, resulting in the decision to use qualitative research based on a case study for this paper. In order to get an in-depth understanding of the internationalization of microfirm internationalization with CRM as the main business model, an explorative single case study was conducted. A single case study is an appropriate research design when the case is chosen to represent a unique situation (Yin, 2009; Ledford and Gast, 2018). Through an in-depth case study of one firm’s behavior, it is possible to illustrate with rich data how the unique context of the case (Ledford and Gast, 2018) explains firm behavior in an under-researched area. Thus, context is a necessity to understand the case firm’s behavior in depth (Tsang, 2013), leading to the choice of an explorative study design. This allows the study to be approached with flexibility and an open mind (Tsang, 2013). Moreover, the context itself (headhunting professional footballers in Africa for European clubs) with interaction effects increases the complexity of the studied phenomenon, justifying the use of a case study for the current research. It should be further noted that the single
case study approach is able to expose the blurred boundaries between the phenomenon and the context (Eisenhardt, 1989; Yin, 2003) by truly capturing the context within which the selected case company operates (Geppert et al., 2003; Poulis et al., 2013) and, consequently, making contextualized explanation possible (Welch et al., 2011). Finally, single case studies have been used to explain under-researched and context-specific topics in well-ranked management and marketing journals (e.g., Johnson and Duxbury, 2010; Degbey and Pelto, 2013; Eriksson et al., 2014; Hassett et al., 2018).

This study focuses on the internationalization of a professional service microfirm to expand the understanding of extant CRM research and internationalization literature using the single case of a Finnish professional service microfirm involved in scouting football talent in Africa and matching it with European football clubs. George et al. (2016) highlighted the need to bring more of the African context into management research, even though lack of data or access can pose some difficulties for researchers. Therefore, it is believed that, even though it is a single case study, this paper will enrich the extant literature as one of the first papers to analyze an internationalized microfirm involved in scouting football talent in Africa for European football clubs. This opens the door for future studies to further delve into analyzing this important region and interesting research context.

3.2. Data collection and analysis

Data were collected from the Finnish firm Topspot (also operating under the Player Accelarator brand), which scouts and recruits football players in African countries. The case firm is a microfirm; it operates in the professional services sector and has

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internationalized to emerging economies. Hence, the case firm represents a service sector firm engaged in socially responsible activities. The interviewees were selected based on their knowledge of the topic and the fact that, being experienced in operating in the African context, they understood the associated dynamics. Furthermore, there was easy access to the data as the people in the case firm were very open-minded and willing to share their experiences. Interviews were conducted with the founder and principal partner of Topspot using thematic, semi-structured discussions. The primary interviews were conducted in English in February 2019, followed by further discussions with interviewees in the following months. Data were triangulated using publicly available information on the firm and with additional discussions with case firm respondents. The unique business model of the firm has received significant attention, and, hence, various other sources of valuable information were also available. We collected the secondary data from the Topspot and Player Accelerator web pages, the firm’s press releases, interviews with SmartMonkey TV (SmartMonkey, 2015), Finnish public service broadcasting company (YLE) news items (YLE, 2015), articles published in the Finnish Ministry for Foreign Affairs newspaper (Kehityslehti, 2018), and news provided by the national business promotion organization Business Finland (GoodnewsFinland, 2014). Table 1 summarizes the interviewees’ backgrounds.

Table 1. Topspot founders’ (interviewees’) backgrounds

<table>
<thead>
<tr>
<th>Interviewee 1, Mikko Perälä</th>
<th>Interviewee 2, Marko Saranlinna</th>
</tr>
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<tbody>
<tr>
<td>Age</td>
<td>Age</td>
</tr>
<tr>
<td>42</td>
<td>48</td>
</tr>
<tr>
<td>Education</td>
<td>Education</td>
</tr>
<tr>
<td>M.Sc. (Information technology)</td>
<td>M.Sc. (Business Studies)</td>
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</tbody>
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Keeping in view the discussion in the literature overview, the uniqueness of the context and the lack of specific prior research, the main interview followed open discussions (interviews) around the themes of “internationalization of professional service firms and CRM,” “talent scouting in Africa and the role of CRM,” “balancing profit-making with CRM,” and “the role of legitimacy in this process” with the main interviewee and the other research participant in the firm. Open-ended discussions in qualitative research are very useful as they do not restrict interviewees’ understanding and experiences regarding the contextual topic, thereby increasing validity and reliability (Bell et al., 2018).

The interviews were recorded and properly transcribed. After transcribing the interviews, content analysis was performed, as suggested by Patton (2002). Categories were identified in the data based on the themes mentioned above in order to present the findings clearly. The discussion in the interview was further substantiated with organizational documents, a documentary produced by the founders, and the web pages of the football clubs the case firm had been dealing with.

3.3. Analysis of research trustworthiness

Given the necessity of data validity (Collis and Hussey, 2013), particular attention was paid to ensure the trustworthiness of the findings. The trustworthiness of interpretive
research should be assessed by adopting two complementary sets of criteria (Flint et al., 2002). First, consistent with earlier research that mentions credibility, transferability, dependability, confirmability, and integrity as vital components of trustworthiness (e.g., Lincoln and Guba, 1985; Sinkovics and Ghauri, 2008), these criteria were evaluated and deployed diligently. In particular, this study (a) delivered a synopsis of the early analyses of the findings to research participants for feedback (credibility), (b) thoroughly followed current guidelines given in the literature for data collection and analysis (dependability), and (c) sought an independent auditor to authenticate the consistency and accuracy of the findings (confirmability).

Second, the criteria of generality, understanding, and control (Corbin and Strauss, 1990) were evaluated as follows: discussions were held in a way that enabled various facets of the phenomenon to emerge (generality); executive synopses were offered to research participants, who were asked whether they correctly reflected their actual experiences (understanding); participants were able to exert influence over particular aspects of the data and themes that emerged out of the data (control).

4. RESULTS

4.1. Introduction to the case firm

Topspot is a football talent discovery and development organization that scouts young and promising football players, mainly in Africa. A serial entrepreneur, Mikko Perälä, founded the firm in 2010 with football agent Marko Saralina. The founders shared a goal of using sports to improve the living conditions of poor people in developing countries. They believe in trust, credibility, and industry knowledge, and, based on
these values, the founders have been building a transparent scouting business. Topspot has been organizing tournaments in Africa, mainly in Nigeria, and in doing this, the firm has been looking for football talents to whom the firm may provide opportunities with European clubs and a way out of poverty. According to the founders, the firm is running a non-profit, community-based business and is helping local communities to grow promising players as responsible individuals and role models. The founders believe that successful players will help their communities.

Mr. Perälä has a background in high technology firms, particularly in software firms, and, hence, Topspot is highly involved in developing technologies for supporting football coaching and combining football with wellbeing. In doing this, the firm provides players with educational courses and degree-level studies in Finnish-government-certified educational institutions. These degree-level studies combine sports with information technology and business courses. Furthermore, Topspot arranges for promising talents to attend La Liga camps and trial periods in Europe. The goal of the trial periods is to guide the players to take responsibility for their own development and progress, and in doing this, during the trial periods, the players train and live like professional athletes.

So far, Topspot has scouted more than 15,000 players, out of which more than 100 professional players have received deals with European league teams. Topspot has scouted players primarily from Nigeria but also from Ghana, Cameroon, Gambia, Sierra Leone, Namibia, the Ivory Coast, Senegal, Zambia, South Africa, and Ethiopia. Moreover, at the same time, Topspot has organized hundreds of talent tournaments.
Topspot utilizes its vast networks of players, ex-players, and other football professionals, academies, clubs, sports organizations, and related firms in its operations. The firm funds its operations with the talent-scouting commissions they charge from Nordic football clubs.

4.2. Main findings

CRM is the business model of the case firm, as both firm founders were motivated by the desire to help young African footballers achieve their potential and improve their financial standing. The interviewees specifically highlighted the importance of such a service as in the African countries where they operate, many young footballers have been victims of human trafficking and other kinds of abuse. The core value offered by the case firm is opportunity, for both talented young footballers and European clubs that need international players to remain competitive but cannot afford to pay for famous and high-salary athletes. The choice of Africa for internationalization was influenced by the extensive prior scouting experiences in the region of one of the founders (Mr. Saranlinna) as well as the possibility to communicate in English in target markets, most of which were British colonies at some point in time. The interviewees further stressed that even though they scouted a few players from Francophone African countries like Cameroon and Senegal, international operations for their firm were relatively easier in English-speaking African countries.

The biggest challenge, according to interviewees, has been to balance CRM with profit-making, which is required for any business to succeed. The process of headhunting a footballer can be rather long and tiresome: in many cases, it involves...
multiple tiers of actors, including footballers’ parents and local tribal chiefs (in some cases), and there are financial incentives associated with a footballer’s success in European clubs. The strategy adopted by the case firm to balance these conflicting requirements was to develop a constant mode of communication between all parties involved, one in which potential clubs are involved in the headhunting process right from the start. As a result, some financial limitations are addressed; for example, if an interested European football club sees a talent via video, it may be willing to offer some fees in advance and during the recruitment process. Close and continuous collaboration with stakeholders, including customers (in this case, European football clubs), has been referred to in past studies as a major factor for the success of CRM initiatives (Robinson et al., 2012; Samu and Wymer, Jr., 2013).

A key point, which Mr. Perälä highlighted during discussions, is related to the importance of both the short-term and long-term influences of legitimacy for success in the headhunting business. He stressed that word of mouth based on prior successful matchmaking between footballers and European clubs, as well as winning the trust of parents and relevant social actors, earned them the required legitimacy to succeed. Additionally, local authorities are, in some cases, very interested in this business and tend to promote their favored footballers. So, for a foreign firm, establishing a good rapport via legitimacy is helpful for operations. This finding supports the argument presented in prior studies that legitimacy is helpful for foreign firms during internationalization as it helps to overcome the liability of foreignness (e.g., Eden and Miller, 2004; Wu and Solomon, 2016). According to interviewees, both sociopolitical
and cognitive legitimacies are important for the case firm. Sociopolitical legitimacy appears to play a bigger role in dealing with African footballers, their parents, and other relevant stakeholders. Sociopolitical legitimacy has been referred to as the acceptance of external stakeholders (government, the general public, social actors, etc.) of a new firm’s operations being in line with societal norms (Aldrich and Fiol, 1994). It is important to note that some prior studies have also stressed the importance of sociopolitical/normative legitimacy in the African context due to African nations’ collectivist cultures and the importance of networking for a business to succeed (e.g., Amine and Staub, 2009; Honke and Thauer, 2014). Like any other international business, the case firm also complies with local regulations to further strengthen its sociopolitical legitimacy. However, the respondents referred to changes and ambiguity in regulations concerning operations of foreign professional service firms, such as headhunters. This finding is in line with prior studies in the African context, which have referred to the fluctuation of regulations including different interpretations of the same law by different officials (e.g., Sutton et al., 2015).

Cognitive legitimacy further played an essential role for the case firm as it was vital to win the trust of relevant European football clubs, which have increasingly become calculated in dealing with such ventures due to the risks of fraud associated with them. Cognitive legitimacy “refers to the spread of knowledge about a new venture,” and “one can assess cognitive legitimation by measuring the level of public knowledge about a new activity” (Aldrich and Fiol, 1994: 648). From a customer’s point of view, cognitive legitimation means that people are knowledgeable users of a
product or service (Aldrich and Fiol, 1994), and legitimation is high when the activity becomes so well known that it is taken for granted (Hannan and Freeman, 1989: 63). The case firm developed in-depth knowledge of requirements as well as resource limitations of the focus football clubs, and it developed a rapport with the clubs regarding the quality of the offered services. Moreover, it established a routine in which the firm continually updates the football clubs about the headhunting process. This approach has reduced many uncertainties associated with this process and has helped the case firm to successfully match many interested clubs with African footballers.

Football scouting is a highly competitive industry. In addition to all major football teams, there are numerous private scouting agents screening and recruiting promising talents. Mr. Perälä noted that many major football clubs have outdone Topspot by promising candidates luxurious salaries and professional football players’ lifestyles. In this setting, a microfirm operating in the international arena with fewer financial resources needs to have specific capabilities. As noted above, both sociopolitical and cognitive legitimacies have had a major role in the case firm succeeding in a harsh competition, as the founders pointed out. However, as the interviews revealed, developing such legitimacies takes a long time. Moreover, along with developing legitimacies, it is important for an internationalized professional service firm to maintain them by delivering the promised services to relevant stakeholders.

5. IMPLICATIONS, LIMITATIONS AND FUTURE RESEARCH DIRECTIONS

Given the growing gravity of the social and environmental problems society faces, firms are increasingly compelled to adopt CRM practices to both advance their agendas and create greater value for society. However, while enough is known about CRM as a supportive practice as part of firms’ marketing and CSR activities, there is not sufficient information on CRM as a business model and central business strategy. This dearth of knowledge on CRM as a central strategy, especially during the internationalization process, is the raison d’etre of this study.

The purpose of the current study was to analyze the CRM-driven internationalization to Africa of a professional service microfirm operating in the less-researched context of professional football headhunting. Keeping in view the uniqueness of the context of the operations as well as internationalization, this study offers implications for both academic and managerial audiences. A critical academic implication relates to the importance of context-based theorizing while researching professional service microfirms. So far, extant IB literature has analyzed professional service firms by mostly focusing on large or medium-sized firms operating in different sectors. However, keeping in view the dynamics of the service sector, and especially the headhunting area, microfirms can also internationalize successfully to relatively uncertain and hard-to-operate-in areas like Africa.

Moreover, this study reveals another essential implication related to use of cause-related marketing as an overall business strategy rather than its use for CSR purposes. So far, this aspect has not been explicitly theorized in extant literature. However, due to increased global awareness regarding various sustainability and social responsibility
issues, it is logical to expect that an increasing number of firms (especially microfirms and small enterprises) will use this strategy as an overall business model. Hence, such context-specific theorizing is needed for extant literature. This case study further reveals that the case firm’s operations in Africa regarding headhunting do not precisely conform to any category of operation (e.g., exporting, licensing, franchising, joint ventures, acquisitions) identified by the previous literature. This also requires further context and industry-specific operation mode research and theorizing as, due to the changing nature of globalization and new opportunities in different sectors, generic international operation mode categories may not be valid, especially in the case of microfirms operating in service sectors like headhunting.

A key managerial implication relates to the understanding of different types of legitimacies and their influences on operations for headhunting firms in the African context. Even though most managers understand the importance of legitimacy, especially in the emerging markets of Africa, Asia, and Latin America, realization of different influences of sociopolitical and cognitive legitimacies while dealing with different stakeholders can make strategies more effective. It is further necessary to note that for microfirms with CRM as a business model, cognitive legitimacy with developed market customers can prove to be a strong competitive advantage.

This paper does have some limitations, however. First, it is based on a single case study of a microfirm, and the context of internationalization is used to address CRM and legitimacy for headhunting firms. Due to this limitation, generalization based on study findings is challenging. Still, this study opens an avenue for further research on
this ignored area of microfirms and firms using CRM as a business model in the context of internationalization. Future studies can address these aspects in different industries and geographical regions using larger sample sizes. Such studies would help to develop theoretical and practical understandings of the internationalization of such firms, which may not conform to the traditional notions and modes of operation described in extant IB literature. Future studies can also explore football talent-scouting in other developing regions famous for football, such as Latin America, and compare their findings with this study to identify differences and similarities. Finally, microfirms have the potential to enrich management and marketing studies in general, and future researchers should make an effort to expand on this under-explored research area.

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