

Chapter 17

Be Stronger Together: Partner Strategies between Material Suppliers and Sports Goods Producers to Promote High-Tech Innovations

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ABSTRACT

Innovations in sports goods are often the results of new materials. Since sport equipment manufacturers have, in many cases, no specialized capabilities in material engineering, they rely on partners who are experts in inventing or further enhancing components. Today there are many business models known that reach from simply buying the component, to licensing, to joint innovation management and beyond. One of these strategies is component branding or co-branding as a way of benefitting from the image or perception of a partner. According to this strategy, a sports equipment producer may signal their partnership with an innovative chemical company to consumers in order to gain spillover, such as increased trust in the innovation, which affects for their final product. In order to conceptualize this strategic approach, this chapter presents a real case and the theoretical background to analyze what companies may gain from co-branding. Furthermore, these insights are used to develop a framework that can be used to understand the basic principals behind such strategy. Finally, the pros and cons are discussed.

INTRODUCTION

The majority of innovations in the sports industry can be characterized as material innovations. This is mostly because of various product features are generated through material improvements or material innovations and those again drive the demand for innovations in material engineering. The mechanics or elementary characteristics of an industrial feedstock – such as durability, stability, loadability etc. – are the basis for subsequently developed product features. This fact plays an important role for sports goods

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manufactures since in many sports, new inventions are limited to strict rules and regulations or to the sport itself. For instance, swimming or athletics, can only be supported by new products to a very little extent. However, the tools used – like shoes, clothes etc. – can be further enhanced. These enhancements are nearly exclusively the result of the use of new materials. Since materials provide the basic characteristics of an ingredient to develop new product features, chemical companies and materials producers are one certain partner to increase the innovation rate in sports markets (ZEW, 2011). In this respect, some studies even identify material engineering as one of the most important sources of revolutionary technologies within economies (e.g., Tidd, Bessant and Pavitt, 2001) and especially in sports markets. Therefore sports equipment manufacturers are usually reliant upon collaboration with innovative material producers if they want to come up with an innovation beyond product aesthetics.

To illustrate this, we refer to a study done at SPOTEO – a German industry service for sports technology – that indicates a body of 20 forms of sport, which registered around 871 innovations in the years 2009 to 2011. 712 (or 81.7%) of these innovations are material improvements or new materials. Table 1 shows a selection of these sports along with the number of innovations and the kind of new applied technologies.

The majority of these material innovations provide an improvement (around 70%). The other 30% are either new in the sport but already applied elsewhere, or else constitute an absolute innovation without any prior usage. Nevertheless, all the new technologies in Table 1 are B2B products, which are sold to an original equipment manufacturer (OEM). These innovations only face the consumer when adopted into the final sports equipment product. Typically, as long as these products are in the development process, they are subject to an integrated product material selection process as a way of understanding the functioning of a certain material and the final product (Ljungberg and Edwards, 2003). This involves the commonly

Table 1. Selected sports and new technologies used

Sports	Quantity			New Technologies***	Kind of Innovation
	NT*	MS**	in%		
Soccer	29	27	93.1	Double-density; Cushioning; Microfibre Upper Material; NeoKICK Touch Control; Powerspine.	Technologies create attenuation through microfibres and coatings and reduce impact through flexure.
Badminton	25	21	84.0	3D Braid Powertec; MPCF Reinforcing; Power Bridges; TB Nano Powertec.	New material technologies for instance, carbon fibre and polyurethane.
Running	179	160	89.4	Abzorb; ADDITUS+; Antimicrobials Inserts; Ap+.	Shock absorption through new materials, antimicrobials as additives and new polymers.
Cycling	102	82	80.4	CA+ Carbon Alloy Composite; Channeltube; Cinquo-Saturn; Continental Safety System.	Extremely thin-walled aluminium tube connected with a carbon structure, aluminium and carbon performance measurement, and a combination of torque and angular velocity nylon fabric.
Swimming	6	6	100.0	Aquaracer; Powerskin; Waterfeel; Waternity.	High chlorine and salt water resistant membrane, special coating, smooth, high elasticity, extremely tear proof polyester fibre, long stability, chlorine, temperature, salt water and light resistant.

* Total number of new technologies in 2011. ** Number of new material science technologies in 2011. *** Only the sample of new technologies applied.

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