

Cause-related marketing, legitimacy and internationalization of professional service firms

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A case study of a football talent scouting microfirm

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Ahmad Arslan

*Department of Marketing, Management and International Business,
Oulu Business School, University of Oulu, Oulu, Finland*

Ismail Golgeci

*Department of Business Development and Technology,
School of Business and Social Sciences, Aarhus University, Herning, Denmark*

Lauri Haapanen

*Department of Marketing, Management and International Business,
Oulu Business School, University of Oulu, Oulu, Finland*

Shlomo Tarba

*Department of Strategy and International Business, Birmingham Business School,
University of Birmingham, Birmingham, UK*

Cary Cooper

Manchester Business School, University of Manchester, Manchester, UK, and

William Y. Degbey

*Department of Marketing and International Business,
Turku School of Economics, University of Turku, Turku, Finland*

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 under-researched 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 Internationalization, Cause-related marketing, Professional service firm, Talent scouting

Paper type Research paper



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1. Introduction

International business (IB) literature has addressed 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 internationalization strategies of firms, still there is a need to undertake such studies as new contexts and strategic initiatives that 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, p. 217), approximately only 4 percent of published articles on this topic have focused explicitly on service sector firms, although it has been established since long that such firms' internationalization behavior and strategies tend to be significantly different from manufacturing sector 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 well-being (Gruber and Schlegelmilch, 2015). Cause-related marketing (CRM) has been referred 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, literature review revealed that CRM has not been studied explicitly in the context of those firm where 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 like headhunters 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.

We undertake an in-depth case study of a talent hunt professional service firm from Finland (Topspot/Player Accelerator), which 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 sports industry by mostly analyzing consumer attitudes, sponsorship, corporate philanthropy and branding aspects in developed country context (e.g. Roy and Graeff, 2003; Irwin *et al.*, 2003; Guerreiro *et al.*, 2016). However, our focus is on CRM as a strategy for internationalization. We analyze associated internationalization dynamics in-depth by explicitly focusing on legitimation strategies of the case firm. It has been argued that a crucial requirement for success in emerging market (EM) context like Africa for foreign firms is local legitimacy (Gifford *et al.*, 2010; 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 condition and contribution to local development by CSR activities (e.g. Reimann *et al.*, 2012; Beamond *et al.*, 2016; Rathert, 2016). The current paper aims to focus 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 case firm in dealing with footballers (and local stakeholders) in Africa as well as with professional clubs in Europe.

We believe that our paper contributes to extant IB as well as CRM, organizational institutionalism and internationalization of professional service firms' literatures, as so far, no prior study (at least to our knowledge) has specifically addressed all these aspects. A key contribution of our study comes from the specific context we are studying, that is, microfirm internationalizing to Africa using CRM as a business model. Prior internationalization research on service sector is limited, as mentioned earlier. Even the studies which focused on

the service sector, they mostly concentrated 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 EURO 2m (Masiak *et al.*, 2017). Even though more than 90 percent of European firms are microfirms (Hope, 2017) and a significant number these firms operates, especially in the service sector, research on their internationalization is minimal. Hence, our paper is an attempt to fill this gap in the literature.

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 implication, 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 form, services are characterized as being either “hard” or “soft,” based on their non-interpersonal or interpersonal attributes (Driver and Johnston, 2001; Jensen and Petersen, 2014; França 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 firms that concentrate on knowledge-intensive services via intangible resources that are embedded mainly in their professional labor force (Von Nordenflycht, 2010). Given growing automation of traditional production functions (Autor, 2014) and amplified role of intangibles in value creation and use (Vargo and Lusch, 2004), professional service firms are increasingly being considered backbone and beating heart 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 service industry comprises of several clusters that exhibit different features in terms of value proposition 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 required capabilities 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 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 process (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 elements of a global strategy for firms facing 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 is particularly relevant to professional service firms (e.g. Hazarbassanova, 2016). When it comes to pace of internationalization, while, on the one hand, lower resources requirements can expedite internationalization experience for service firms (Boehe, 2016), host-country regulatory restrictions can, on the other hand, 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 mode 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 production and consumption of services cannot typically be detached, internationalization motives and experiences of service firms may be different from those by manufacturing firms (Majkgård and Sharma, 1998). Thus, while 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 stemming from their knowledge-intensive competences in foreign markets as their home markets are too small (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 scarce resource as 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, 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 practice 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 environment and society.

This position on some professional service firms developing their whole business model around a specific cause or purpose is partly grounded in the past research evidence 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 for them,

and people are often their only major stakeholder. Furthermore, as emerging economies can also be a source of rare human talents such as footballers (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 the 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 are seen increasingly 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 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 offering it 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 possibilities to acquire necessary tangible and intangible resources for survival and growth including goodwill and networks (Aldrich and Fiol, 1994; Scott, 2008). 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 Salomon, 2016) which is especially needed to survive in EMs (e.g. Bucheli and Salvaj, 2018). At the same time, prior empirical research focusing on African context has highlighted the importance of different types of legitimacies for firm survival and growth due to networked nature of African business context (e.g. Amine and Staub, 2009; Hönke and Thauer, 2014). However, the specific context of professional service microfirm using CRM to internationalize to Africa has not been addressed earlier. Therefore, we believe that focus on legitimacy types to analyze internationalization to Africa for such firms using CRM model is useful as depicted in the above discussion.

3. Research methodology

3.1 Choice of research method

It has been mentioned earlier that there is scarce literature on why and how western SMEs and particularly microfirms operating in the professional service sector like headhunting internationalize, especially to emerging economies. Moreover, the numbers of such firms are also limited, resulting in our choice of qualitative research method based on a case study. In order to get an in-depth understanding of the internationalization of microfirm internationalization with CRM as the main business model, we conducted an explorative single case study. 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, we can illustrate with rich data how the unique context of the case (Ledford and Gast, 2018) explaining firm behavior in an under-researched area. Thus, we see

context as a necessity to understand case firm behavior in depth (Tsang, 2013) leading to the choice of explorative study design so that we can approach the study with flexibility and an open mind (Tsang, 2013). Moreover, the context (headhunting professional footballers for European clubs in Africa) itself with interaction effects increases the complexity of the studied phenomenon justifying the use of case study for current research. It should further be noted that our single case study approach is able to expose the blurring 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 as well (e.g. Johnson and Duxbury, 2010; Degbey and Pelto, 2013; Eriksson *et al.*, 2014; Hassett *et al.*, 2018).

In this study, we focus on the internationalization of a professional service microfirm to expand our understanding of extant CRM research and internationalization literature using a single case of a Finnish professional service microfirm involved in scouting football talent in Africa and match making them with European football clubs. George *et al.* (2016) also highlighted the need to bring more of African context in management research, even though lack of data or access can pose some difficulties for researchers in some cases. Therefore, we believe that despite being single case study, our paper is enriching extant literature as it is one of the first to analyze an internationalized microfirm involved in scouting football talent in Africa and match making them with European football clubs. By doing so, it is opening door for future studies to further delve into analyzing this important region as well as interesting research context.

3.2 Data collection and analysis

We collected our data from a Finnish firm, Topspot (also operating under Player Accelerator brand), which is scouting and recruiting football players in African countries. The case firm is a microfirm; it operates in the professional services sector and has internationalized to emerging economies. Hence, the case firm represents well 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 well all associated dynamics. Furthermore, we had easy access to the data as the people in the case firm are very open-minded and willing to share their experiences. We interviewed the founder and principal partner of Topspot, and in doing this, we used a thematic, semi-structured style discussions. The primary interview was conducted in the English language in February 2019 followed by further discussions with interviewees in the coming months. Additionally, we triangulated our data using the publicly available information on the firm and with additional regular additional discussions with case firm respondents. The unique business model of the firm has received rather significant attention, and hence, various other sources of valuable information were also available. We collected the secondary data from Topspot and Player Accelerator web pages, firm's press releases, interviews by Smart Monkey 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 national business promotion organization, Business Finland (GoodnewsFinland, 2014).

Table I summarizes interviewees' background.

Keeping in view discussion in literature overview, the uniqueness of context and lack of specific prior research, the main interview followed open discussions (interviews) around themes of "internationalization of professional service firms and CRM," "talent scouting in Africa and role of CRM," "balancing profit-making with CRM" and "role of legitimacy in this process" with the main interviewee and other research participant in the firm. Open-ended

discussions in qualitative research have been referred as being very useful as it does 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, we undertook a content analysis, as suggested by Patton (2002). We identified categories 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 web pages of football clubs the case firm has been dealing with.

3.3 Analysis of research trustworthiness

Being aware of the necessity of data validity (Collis and Hussey, 2013), we paid particular attention to ensure the trustworthiness of our 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 constituents of trustworthiness (e.g. Lincoln and Guba, 1985; Sinkovics and Ghauri, 2008), we evaluated and deployed these criteria diligently. In particular, we delivered a synopsis of our early analyses of the findings to research participants for feedback (credibility), thoroughly followed current guidelines given in the literature for data collection and analysis (dependability) and sought an independent auditor to authenticate our consistency and accuracy of our 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 enables various facets of the phenomenon to emerge (generality); executive synopses were offered to research participants and 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, which is scouting young and promising football players, mainly in Africa. A serial entrepreneur, Mikko Perälä, founded the firm in 2010 together with a football agent Marko Saranlinna. Founders shared a goal to use sports to improve the living of poor people in developing countries. They believe in trust, credibility and industry knowledge, and based on these values, the founders have been building 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 an opportunity with European clubs, 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, in turn, will help their communities in which they grew.

	Interviewee 1, Mikko Perälä	Interviewee 2, Marko Saranlinna
Age	42	48
Education	MSc (Information technology)	MSc (Business Studies)
Work experience	Serial entrepreneur in the fields of sports and information technology, established more than 20 start-up firms in eight different countries/four continents	Serial entrepreneur in the field of football scouting, in particular in Africa

Table I.
TopSpot Founders' (Interviewees') backgrounds

Mr Perälä has his 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 well-being. In doing this, the firm provides players with educational courses and degree level studies in Finnish government-certified educational institutes. These degree level studies combine sports with information technology and business courses. Furthermore, Topspot arranges for the promising talents 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.

Until today, Topspot has scouted more than 15,000 players, out of which more than 100 professional players have got a deal in European league teams. Topspot has scouted players primarily from Nigeria but also some from Ghana, Cameroon, Gambia, Sierra Leone, Namibia, Ivory Coast, Senegal, Zambia, South Africa and Ethiopia as well. Moreover, at the same time, Topspot has organized hundreds of talent tournaments. Topspot utilizes its vast networks of players, ex-players and other football people, academies, clubs, sports organizations and related firms in its operations. The firm is funding its operations by talent scouting commissions they charge from Nordic football clubs.

4.2 Main findings

We found from the discussions that CRM is the business model of case firm, as both firm founders were motivated with the desire to help young African footballers to achieve their potential and improve financial standings. Interviewees specifically highlighted the importance of such a service, as in African countries where they had operated, 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 footballer as well as for European clubs that need international players to remain competitive, while they cannot afford to pay for famous and expensive footballers. Choice of Africa for internationalization was influenced by prior extensive scouting experiences in the region of one of the founders (Mr Saranlinna) as well as possibility to communicate in English in target markets, which were mostly British colonies at some point of time. The interviewees further stressed that even though they scouted few players from Francophone African countries like Cameroon and Senegal, international operations for their firm was relatively easier in English speaking African countries compared to Francophone ones.

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, and in many cases, involves multiple tiers of actors being involved including footballers’ parents and local tribal chiefs (in some cases) as well due to financial incentive 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, where potential clubs are involved in headhunting process right from the start. As, a result, some financial limitations are addressed as if interested European football club sees the talent via videos, it is willing to offer some fees in advance and during the process. Close and continuous collaboration with stakeholders including customers (in this case European football clubs) has been referred in past studies as a major factor for the success of CRM initiatives (Robinson *et al.*, 2012; Samu and Wymer, 2013).

A key point, which Mr Perälä highlighted during discussions, related to the importance of both short term and long-term influences of legitimacy for success in headhunting business. He stressed that word-of-mouth based on prior successful matchmaking between the footballer and European clubs, as well as winning the trust of parents and relevant social actors earned them required legitimacy to succeed. Also, 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 Salomon, 2016). According to interviewees, both “sociopolitical and “cognitive” legitimacies both appeared to be important for the case firm. Sociopolitical legitimacy appeared to play a bigger role in dealing with African footballers, their parents, and other relevant stakeholders. Sociopolitical legitimacy has been referred to as 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 African context due to collective culture and importance of network for a business to succeed (e.g. Amine and Staub, 2009; Hönke and Thauer, 2014). Like any other firm operating internationally, the case firm also complied with local regulations to further strengthen sociopolitical legitimacy. However, the respondents referred to changes and ambiguity in regulations concerning operations of foreign professional service firms like 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. 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, p. 648). From a customer’s point of view, cognitive legitimation means that people are knowledgeable users of the 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, p. 63). The case firm developed in-depth knowledge of requirements as well as resource limitations of focus football clubs, along with developing a repute with them regarding the quality of its offered services. Moreover, it developed a routine where they were continually updating them about headhunting process. This approach reduced many uncertainties associated with this process and 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 times major football clubs, in particular, have outcompeted Topspot with promising the candidates with luxurious salaries and professional football players’ lifestyle. 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 succeed 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 social and environmental problems society face, firms are ever more compelled to adopt CRM practices to both advance their agenda and create greater value to society. However, while we know sufficiently about CRM as a supportive practice as part of firms’ marketing and CSR activities, we do not have sufficient information on CRM as a business model and central business strategy. This dearth of knowledge on CRM centric firm strategy, especially during the internationalization process is the *raison-d’être* of this study.

The purpose of the current study was to analyze the CRM-driven internationalization of a professional service microfirm to Africa operating in the less researched context of professional footballers headhunting. Keeping in view, the uniqueness of context of operations as well as internationalization, our study offers implications for both academic and managerial audience. 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, dynamics of the service sector and especially the headhunting area, microfirms can also internationalize successfully to relatively uncertain and hard to operate countries like Africa.

Moreover, our study reveals another essential implication related to use of CRM 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 awareness globally regarding various sustainability and social responsibility issues, it is logical to expect that increasing number of firms (especially micro- and small-enterprises) will use this strategy as an overall business model. Hence, such context-specific theorizing is needed for extant literature. Our case study further revealed that case firm's operations in Africa regarding headhunting do not precisely conform to any of categories of operations modes (e.g. exporting, licensing, franchising, joint ventures, acquisitions, etc.) identified by previous literature. This also requires further context and industry-specific operation mode research and theorizing as due to changing nature of globalization, and new opportunities in different sectors, generic international operation mode categories may not be valid especially in case of microfirms operating in service sector 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 EMs 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.

Our paper does have limitations as well. First, it is based on a single case study of a microfirm, where we use the context of internationalization to address CRM and legitimacy for headhunting firms. Due to this limitation, generalization based on study findings is rather difficult. Still, our 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 as well as using large sample sizes. Such studies would help to develop theoretical as well as practical understanding of internationalization of such firms, who may not conform to traditional notions and mode of operations described in IB literature. Future studies can also explore football talent scouting in other developing regions famous for football passion, e.g. Latin America and compare their findings with our 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 researched area.

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Corresponding author

Shlomo Tarba can be contacted at: tarba2003@gmail.com

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