

Review

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ENTREPRENEURSHIP IN THE SPORTS INDUSTRY: SYSTEMATIZATION OF CURRENT THEORETICAL APPROACHES

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Abstract: Starting from the importance of entrepreneurship for the development of economy and business, the paper indicates its contribution in the sports industry. The evolution of entrepreneurship concept in sports is analysed chronologically from the context of sports products, sports organizations, and the sports industry in general. The aim of the paper was to provide insight into different approaches to entrepreneurship in sports, based on the application of in-depth literature review of relevant publications and scientific studies. The analysis of bibliographic sources has shown that sport entrepreneurship has been given increasing importance in research over the years, while entrepreneurs are recognized as an important driver of the development of sports organizations and products. The results presented in this paper contribute to better understanding of entrepreneurship in sport industry and provide significant scientific basis for future research of sport business and management.

Keywords: sport entrepreneurship, sport management, sport business, entrepreneurship

Introduction

Sports entrepreneurship is a field that is in its infancy and will be a significant factor in future research of sports business. The paper analyses the concept of sport entrepreneurship in theory and provides a systematization of relevant research findings, approaches and definitions. The evolution of entrepreneurship concept in sport is ex-

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plored from the perspective of sports products, sports organizations, and the sports business, emphasizing its role in providing innovations and creating values.

In addition, the importance of studying sports entrepreneurship stems from the obvious effects of its application in sports practice, given the positive effects on performance and economic results.

The aim of the paper was to provide insight into different approaches to entrepreneurship in sports, based on the application of in-depth literature review of significant publications and scientific studies. The paper presents relevant definitions of the concept, as well as studies that explain entrepreneurship from the context of innovation, finding new business opportunities, and value creation. In addition, the overall socio-economic importance of sports entrepreneurship was emphasized, through its contribution to employment, economic growth, sporting performance, and the creation of social values.

The definition of sport entrepreneurship

According to literature review of various studies and scientific publications dealing with the conceptualization of sport entrepreneurship, it can be concluded that the concept is still insufficiently explored resulting in the lack of consistent definition. However, several significant contributions should be noted. For example, Hammerschmidt et al. (2022) define sport entrepreneurship as a “unique construct through which sport organizations and sport entrepreneurs create value”. In earlier studies the authors indicated that sport entrepreneurship is the process by which individuals, acting in a sports surrounding, find opportunities without resources currently controlled (Hammerschmidt et al., 2020) or the process that transforms sport through innovation and creativity. According to Ratten (2010) the term relates to sport organizations that perform innovatively in business settings. In interpretation of the term sport entrepreneurship, it is useful to define the concept of sports business, which represents the profit-seeking or surplus-seeking production of sporting services or goods (Westerbeek, 2013). Furthermore, sports-related organizations are defined as business enterprises that contribute to the economy and develop relations with different stakeholders (Cilleti, 2012). The definitions point to the obvious importance of innovation and the necessity of finding business opportunities that entrepreneurship brings.

In a comparative analysis, sport entrepreneurship differs from other types of entrepreneurship regarding the emotional dimension of sports (Ratten, 2018), that affect the process of innovation and opportunity seeking in business.

Furthermore, entrepreneurs in sport are defined as “persons who act as change agents in the supply of sports products, who attempt to increase the output of the industry,

improve the consumer experience, or raise interest in sports products by such means as developing new markets and creating new products” (Vamplew, 2018).

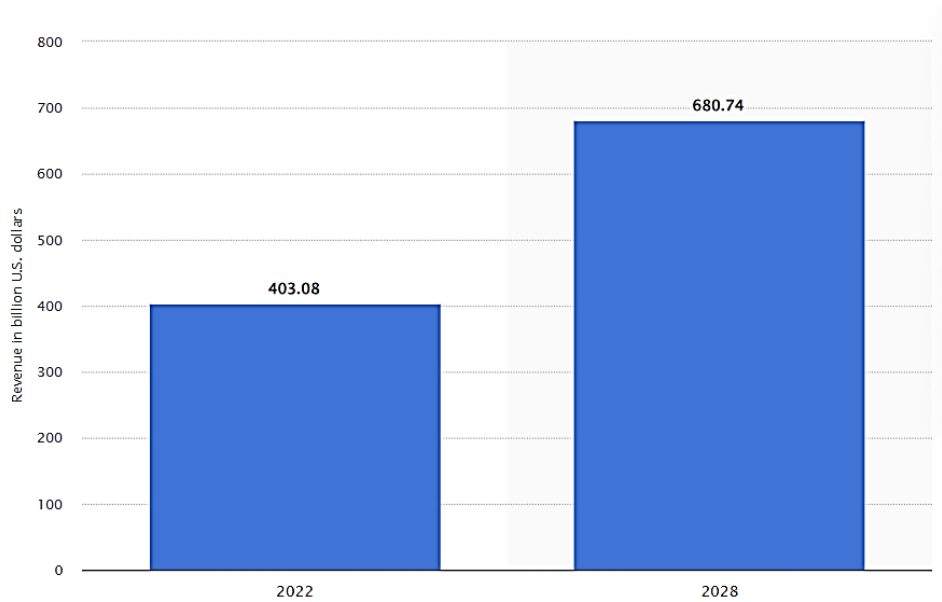
In addition to the above-mentioned determinants of sports entrepreneurship, recent publications increasingly emphasize the broader importance of this concept, which manifests in socio-economic development through contributing to employment, a competitive market environment, and the achievement of social goals.

Some authors consider that sport entrepreneurship is a segment of sports organization management (Ball, 2005), and its importance is increasingly being noted in the context of a changing environment and the need for innovative, creative solutions. On the other hand, some authors even describe sport as an entrepreneurial process, emphasizing the innovation and change as key elements (Ratten, 2011) .

Theoretical approaches to entrepreneurship in sport

The development of sport entrepreneurship is taking place in parallel with the development of sports business and industry. During 2022, the sports industry generated revenue of over 403 billion U.S. dollars as presented in figure with a projection for 2028 of around 680 billion U.S. dollars.

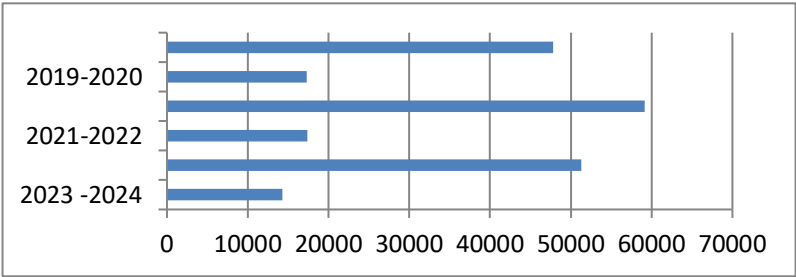
Figure 1: Sports industry revenue on global level (in billion U.S. dollars)



Source: Statista, <https://www.statista.com/statistics/370560/worldwide-sports-market-revenue/>, 15/10/2024

The concept of sport entrepreneurship is attracting significant attention of researchers, as evidenced by the increasing number of publications in scientific databases dealing with this topic. According to official data from Google Scholar, this platform includes approximately 682,000 publications in which sports entrepreneurship is highlighted as a keyword. Looking from 2018 to date, the largest number of publications dealing with sports entrepreneurship in Google Scholar was published during 2020 – 2021 (around 59.100), as illustrated in figure 2.

Figure 2: The number of publications on sport entrepreneurship from 2018 – 2024

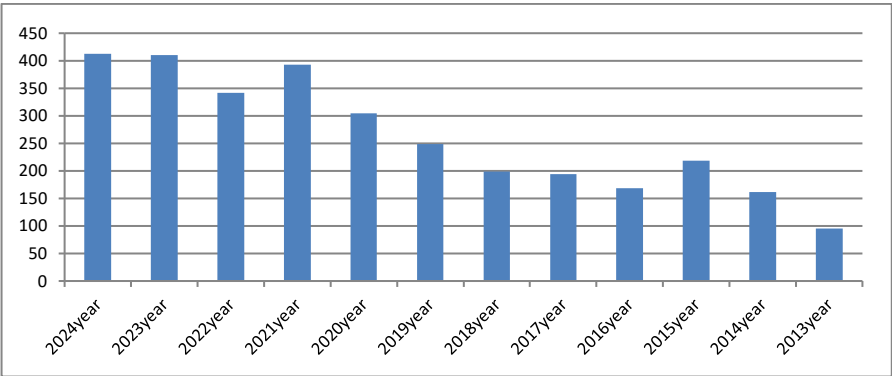


Source: Google Scholar, 25/11/2024

Note: Adaptation based on official data from Google Scholar

The ScienceDirect database has also demonstrated a significant growth in the number of publications on sports entrepreneurship over the past few years (figure 3).

Figure 3: Number of publications dealing with sport entrepreneurship in Science Direct



Source: Science Direct,<https://www.sciencedirect.com/>, 17.11.2024.

Adaptation based on official data from Google Scholar

In addition, considerable number of publications related to the concept is also evidenced in the following databases Semantic Scholar (around 468.000), Zandy (132.735), Paperity (356.268).

However, in some databases, explorations on the topic of sports entrepreneurship are still at a modest level. For example ERIC database (ERIC, 2024) includes only about 42 publications on the subject .

The beginning of the scientific research of entrepreneurship in sport is closely related to the works of Hardy (1986) who was among the first authors who recognised that entrepreneurs and managers have a significant role in producing and developing sport products. His scientific contribution to the development of sport entrepreneurship can be viewed from three contexts:

- sport product,
- the role of entrepreneurs, and
- the types of organisations created by entrepreneurs.

In studying sports entrepreneurship, Hardy used Schumpeter's scientific starting points, as well as his famous views on innovation and the so-called "creative destruction" that re-defines production, distribution, and business in general. A Schumpeter (1934) has classified innovations into five types:

- launch of new products,
- application of new methods,
- opening of a new market,
- acquiring of new sources of supply,
- new industry structure.

According to literature review, the concept of sport entrepreneurship in scientific studies was associated with terms such as economic growth, new opportunities, creativity, innovations and change.

In a study conducted by Peredo and Chrisman (2006) it was indicated that sport entrepreneurship has a significant role in identifying new opportunities for development and value creation. Ratten (2011) pointed out the interrelation between entrepreneurship and sport with regard to innovation, change management and risk taking activities.

In a research dealing with entrepreneurial orientation in Spanish sport organisations, Núñez-Pomar et al. (2016) have emphasised the implications of sport entrepreneurship on economic growth and firm competitiveness. Furthermore, a study (Hammerschmidt et al., 2020) that has explored entrepreneurial orientation on a sample of 22 soccer clubs in Germany indicated its positive impact on financial and sporting performance. Similar findings were confirmed by Escamilla-Fajardo et al. (2020) who consider that innovation and entrepreneurship represent the means of improving and maximizing the performance of sport organizations. In addition, Rahmaty et al. (2022) conducted a study that explored sport entrepreneurship on the example of football clubs demonstrating its positive implications for economic problem solving.

Another scientific perspective was presented by Peterson and Schenker (2018) who managed to connect sport entrepreneurship with social entrepreneurship and the capacity of creating social values. In addition, the findings of a study (Peterson&Schenker, 2018) conducted in Sweden have demonstrated the contribution of sports entrepreneurship in creating forms of sport activities for children and young people, related to socio-political goals. In a recent research, Hammerschmidt et al. (2023) have identified entrepreneurship as a key driver of change, innovation and employment in the sports industry.

The exploration of sport entrepreneurship in some studies included practical dimension of the concept, pointing out the cases of successful entrepreneurs such as German sport agent Michael Becker, Nike founder and CEO Phil Knight (Santomier, 2002)., pioneer in professional baseball and the founder of Spalding sporting goods company Albert Spalding (Porter&Vamplew, 2018), the founder of Reebok Paul Fireman etc. The important role of entrepreneurs in sport business and industry in general was also recognised by (Andreff&Szymanski, 2006) who demonstrated the example of European soccer which was transformed in the beginning of the 21st century with the emergence of a generation of successful entrepreneurs.

Sport innovation and entrepreneurship

In a study dealing with sport entrepreneurship conceptualization, Hammerschmidt et al. (2022) have indicated that innovation process in sport organization is taking place on the same principles as in the business context.

The term innovation is often defined as an activity that transforms creative ideas into new products, services, or systems, launched in the market and introduced into practical use (Roy, 2024) or a process that transforms opportunity into new ideas that can be put into practice (Tidd&Bessant, 2020). An innovation is considered as an idea, practice, or object that is perceived as new by an individual or other unit of adoption.

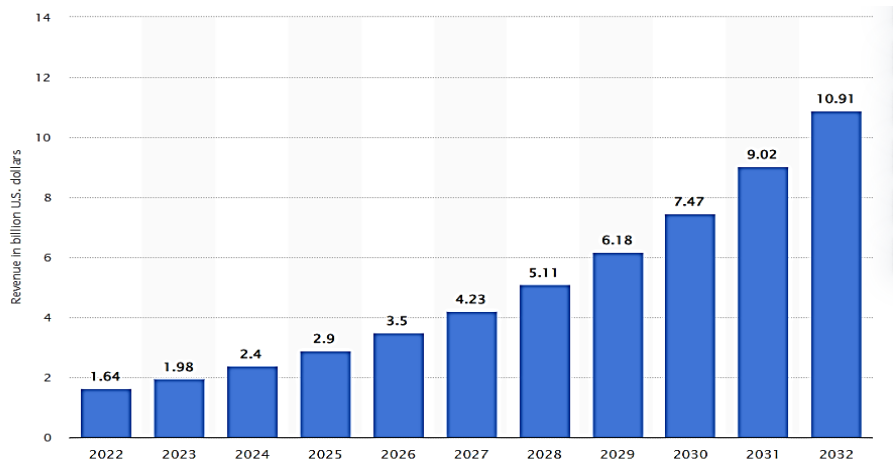
When exploring the innovation in sport, Tjørndal (2018) indicated that innovation process is based on new ideas, change and renewal affecting the way of sports play and organization. In a different study Tjørndal (2016) has demonstrated the positive impact of sports innovations on athletic performance. According to Potts&Ratten (2016) innovations in sport are related to “new technologies, equipment and clothing, new strategies and training, new consumer products and services, new media and formats, and the development of new sports”. Moreover, a significant contribution was made in a study conducted by Lefebvre et al. (2023) who managed to confirm that transparency significantly and positively affects sports innovation. This research was carried out on a sample of 150 regional sport federations in Belgium. In addition, the findings presented in a study (Hoeber, 2015) conducted in Canada

that involved swim clubs and soccer clubs emphasized the importance of knowledge in implementing innovations. A somewhat different perspective was presented in a study carried out by Svensson&Cohen (2020) who indicated the relations between sport innovations, social change, social entrepreneurship and new technologies.

Nowadays sport entrepreneurship is facing new opportunities in digital environment resulting in developing new business models based on artificial intelligence, digital platforms and big data. Ratten&Jones (2020) have also recognised that digital transformation presents new opportunity for sport organization in applying entrepreneurship to create value.

Considering the new opportunities that are provided by digitalization, current literature sources use a broader definition of entrepreneurship that is not only based on starting a new business but includes any situation in which a risk-taker identifies and takes advantage of an opportunity to create something new that has value, and that will last (Jovanovic et al.,2024). Significant studies on entrepreneurship and digital innovation have shown that digital technology provides diverse opportunities to companies at different stages of their evolution and, accordingly, digital entrepreneurship has progressed into an increasingly important re-search area and a current topic with scientific and practical implications (Ghezzi&Cavallo, 2020). According to Uruchurtu et al. (2018) sport entrepreneurship in digital environment offers the following opportunities: blurring of long-standing boundaries, improved automation processes and online skill/labor platform matching tasks. One example of the application of innovation in sports is the case of eSports, which represents a unique combination of gaming and sports. According to official statistic reports it is estimated that the size of the global eSports market will reach a value of over 10 billion U.S. dollars by 2032 (Statista, 2024).

Figure 4: eSports market size from 2022 to 2032 (billion U.S. dollars)



Source:Statista, <https://www.statista.com/topics/3121/esports-market/>, 25/11/2024

Conclusion

This paper was conceived based on the growing importance of the concept of sports entrepreneurship, which is increasingly attracting the interest of researchers and practitioners in sports management. An in-depth bibliographic analysis provided insight into current approaches to sports entrepreneurship, indicating that the important determinants of this concept are: innovation, change management, finding new business opportunities, and the ability to accept risk. The results presented in this paper also point to the importance of sports entrepreneurship in terms of positive impacts on financial and sports performance, as well as the inextricable link with innovation in sports that brings new products, new markets, technology and business models. However, it should be emphasized that studies of the concept of sports entrepreneurship are still on a modest basis, and there is a need for future research that will provide a more objective conceptualization and empirical indicators of its application in sports practice.

Author Contributions

Conceptualization, G.Đ. and P.Č.; **Resources**, T.E.B. and P.Č.; **Methodology**, G.Đ.; **Investigation**, G.Đ. and T.E.B.; **Data curation**, P.Č.; **Formal Analysis**, T.E.B., P.Č.; **Writing – original draft**, G.Đ.; **Writing – review & editing**, P.Č.

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