



Sports Business Opportunities in Entrepreneurship: A Study

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ABSTRACT

The purpose of this study is to organise the present and rising topic of “Business Sports Entrepreneurship”. The relationship between sport and entrepreneurship is an emerging but constantly evolving research field, especially in recent years. This is an extremely important topic considering its positive impact on public health, social inclusion, economic development, and the promotion of intercultural exchange. This study has carried out a comprehensive and systematic review of literature on entrepreneurship and sport as tools for implementing social change.

Key words: Entrepreneurship, Sports, Business, Skills, Traits, Environment.

Introduction

The relationship between sport and entrepreneurship is an emerging but constantly evolving research field, especially in recent years. Entrepreneurship is a process aimed at social transformation, economic growth, the supply of services and new products through the stimulation of creativity, and the production of innovative ideas. Entrepreneurship is a career of interest given how it helps to overcome economic crises, potentiating the development of a strong economy and new job opportunities. This is a growing area of interest among academics and researchers from different disciplines, becoming a source of discovery and the exploration of opportunities. Entrepreneurship is generally referred to as being a key part of the process of fostering innovation in local and regional development. When entrepreneurship is promoted, it combats unemployment, poverty and facilitates development of resources that have previously been underutilized. Entrepreneurship is encouraged by all levels of governments, policy makers and practitioners through ‘hard’ and ‘soft’ assistance. Hard assistance to sports entrepreneurs is financially related and includes grants, housing assistance and bank loans. Soft assistance to sports entrepreneurs is usually non-financial aid and can include training, education and technical support.

The benefits of entrepreneurship which is not limited to creating job opportunities, increasing competition and boosting productivity, creating new business opportunities and increase in the gross domestic product of a country are becoming universally accepted but it is more difficult to ascertain how governments should intervene in assisting entrepreneurs with regional development activities. Sport is a dynamic and unique industry that is inherently entrepreneurship in numerous fronts. Sports provide a lucrative and continually growing market place worthy of immense investment, providing not only economic impact, but also entertainment for millions globally. The potentials in this industry is yet to fully utilized in India, leading to total dependence on the advanced economy of the world. The known path towards setting the stage for global competitiveness is development of entrepreneurship opportunities in educational sectors. Sports-related organizations are business enterprises, contributing to the economy and forging connections with multiple stakeholders, including employees, government, consumers, competitors, and the community. Sport industry acknowledges “the dynamic nature of the industry” comprised of “a game form, services, and goods”

Entrepreneurship

Entrepreneurship is a career of interest given how it helps to overcome economic crises, potentiating the development of a strong economy and new job opportunities. The entrepreneur is defined as someone who has the ability and desire to establish, administer and succeed in a start-up venture along with risk entitled to it, to make profits. The best example of entrepreneurship is the starting of a new business venture. The entrepreneurs are often known as a source of new ideas or innovators, and bring new ideas in the market by replacing old with a new invention. The activity of setting up a

business or businesses, taking on financial risks in the hope of profit."The new business opportunities have encouraged entrepreneurship on a grand scale"

Business Entrepreneurship Characteristics

Not all entrepreneurs are successful; there are definite characteristics that make entrepreneurship successful. A few of them are mentioned below:

- **Ability to take a risk-** Starting any new venture involves a considerable amount of failure risk. Therefore, an entrepreneur needs to be courageous and able to evaluate and take risks, which is an essential part of being an entrepreneur.
- **Innovation-** It should be highly innovative to generate new ideas, start a company and earn profits out of it. Change can be the launching of a new product that is new to the market or a process that does the same thing but in a more efficient and economical way.
- **Visionary and Leadership quality-** To be successful, the entrepreneur should have a clear vision of his new venture. However, to turn the idea into reality, a lot of resources and employees are required. Here, leadership quality is paramount because leaders impart and guide their employees towards the right path of success.
- **Open-Minded-** In a business, every circumstance can be an opportunity and used for the benefit of a company. For example, Paytm recognised the gravity of demonetization and acknowledged the need for online transactions would be more, so it utilised the situation and expanded massively during this time.
- **Flexible-** An entrepreneur should be flexible and open to change according to the situation. To be on the top, a businessperson should be equipped to embrace change in a product and service, as and when needed.
- **Know your Product-** A company owner should know the product offerings and also be aware of the latest trend in the market. It is essential to know if the available product or service meets the demands of the current market, or whether it is time to tweak it a little. Being able to be accountable and then alter as needed is a vital part of entrepreneurship.

The Value of Business Entrepreneurship

- **Creation of Employment-** Entrepreneurship generates employment. It provides an entry-level job, required for gaining experience and training for unskilled workers.
- **Innovation-** It is the hub of innovation that provides new product ventures, market, technology and quality of goods, etc., and increase the standard of living of people.
- **Impact on Society and Community Development-** A society becomes greater if the employment base is large and diversified. It brings about changes in society and promotes facilities like higher expenditure on education, better sanitation, fewer slums, a higher level of homeownership. Therefore, entrepreneurship assists the organisation towards a more stable and high quality of community life.
- **Increase Standard of Living-** Entrepreneurship helps to improve the standard of living of a person by increasing the income. The standard of living means, increase in the consumption of various goods and services by a household for a particular period.
- **Supports research and development-** New products and services need to be researched and tested before launching in the market. Therefore, an entrepreneur also dispenses finance for research and development with research institutions and universities. This promotes research, general construction, and development in the economy.

Sport for business entrepreneurship

There are a number of different usages of the term 'Sport entrepreneurship'. Sport entrepreneurship could be used to characterize an innovative approach by an organization or individual in the sports context. Another usage is of applying business strategies to change the way people and sports-related ventures operate. Sports organizations can be more entrepreneurial by increasing attention to business activities such as marketing, advertising, publicity, sponsorships and branding. . Sports organizations have a vast array of social, community, educational, economic and research activities. Sports entrepreneurs possess several leadership characteristics including the credibility, and ability to generate commitment or enthusiasm for a business venture. Sports entrepreneurship is an area of business concern as it impacts the sport sector and public policy related to sport.

Sports entrepreneurs differ from business entrepreneurs in terms of their objective and mission. The mission for sports entrepreneurs is sport-related and is central to the economic, physical and educational area of physical exercise. A sports entrepreneur's ability to attract financial and non-financial resources in the marketplace is an indicator of the ventures long-term viability. Sports entrepreneurs look for ways to ensure their business ventures have access to resources by creating value for their organization. Sports organizations face different objectives and are required to develop programmes to satisfy various stakeholders. Stakeholders can include athletes, government, ticket holders, members, sponsors, donors and employees. Many sports organizations face difficulty in balancing financial and non-financial objectives. Sports entrepreneurs operate in a changing climate as there is an ageing population in many developed countries, which provides market opportunities and has changed the way organizations conduct and market their

businesses. The increased interest and time spent on leisure activities by many people worldwide have provided number of opportunities to sports organisations. The conceptualization of sport entrepreneurship needs to take into account the changing global environment and the unique characteristics of sports organizations that make them different to other types of organizations. Entrepreneurs work towards pursuing an opportunity and committing the resources towards achieving its business objectives. Entrepreneurship by organizations or individuals assumes that a systematic search has been carried out that leads to the recognition of an opportunity. However, often many sports related opportunities are ad-hoc and are the result of new information and ideas coming to fruition. These accidental discoveries of opportunities recognise that sometimes an entrepreneur is receptive but not formally engaged in a systematic search. These opportunities are a result of people being alert to discoveries and being ready to act on information received.

The entrepreneurial alertness as the “propensity to notice and be sensitive to information about objects, incidents, and patterns of behaviour in the environment; with special sensitivity to maker and user problems, unmet needs and interests, and novel combination of resources”. Sports entrepreneurs identify opportunities based on their background and experience. Sometimes the amount and type of information a sports entrepreneur possesses will enable them to make a decision about an opportunity.

Sport entrepreneurship theory

Sport is inherently entrepreneurial, though few formal connections exist in academic literature. Sports Entrepreneurship: Theory and Practice fills that void, featuring chapters by notable scholars whose contributions cover both the conceptual and case examples highlighting sports entrepreneurship from a global perspective. A review of the sport entrepreneurship literature reveals an ambiguity in the terms used. Although different authors demonstrate consensus regarding the unique features in sport entrepreneurship, there are differences in the terminology used. While this is generally not unusual in behavioural sciences and newly emerging research areas, recognizing a common terminology is necessary for scientific progress. Sport markets have specific characteristics that must be considered when defining sport entrepreneurship. These differentiate it from other entrepreneurship disciplines, including a win maximizing mission statement rather than profit-seeking, the social nature, and the uncertainty of outcome as an important feature for the sport product. Entrepreneurs and their equivalents are defined, compared and measured in terms of their contribution to value creation. Overall, the value creation in sport is unique, both economically and socially. Value creation with sport entrepreneurship can be multifaceted and includes monetary goals, the desire to win, or creating social value.

Scope of sports entrepreneurship in India

Sports entrepreneurship is not all play – it is serious business. The size of the Indian sports industry in 2020 is estimated at Rs 5,894 crores, according to GroupM ESP Sporting Nation Report 2021. Given the widespread recognition and increased acceptance of sports as a career option following India's recent performance in the global sporting arena, the growth potential is set to accelerate further.

Over the last decade, India has demonstrated its potential as a host to some prestigious global sporting events. The prominent ones include the 2010 Commonwealth Games to hosting international and multinational competitions like and the Hockey World Cup in 2018, Kabaddi World for men and women 2016, Under-17 FIFA World Cup 2017, 2 Thomas and Uber Cup Badminton in 2013, ICC Champions Trophy 2013 and the ICC World Cup 2011 as co-hosts). However, these events are only the tip of India's potential as a world-class sports host. To create an ecosystem to optimise the entrepreneurial opportunities offered by the sports sector, the sporting curriculum needs to be a part of our education system.

Challenges and opportunities

Talented sportspersons emerge and flourish only in the playground. However, the sheer geographic expanse of our country makes last-mile connectivity and talent recognition a colossal challenge. And therefore, no single institution can nurture the potential of our sportspersons and cater to their varied demands. The Public-private partnership model is the best way forward to address this problem. On the one hand, the government can create a sports-friendly environment by developing a pro-sports framework. On the other hand, private sector entrepreneurs can revitalise these programmes to address the different requirements of varied sports with greater precision.

For instance, sports infrastructure is an attractive opportunity in the entire sporting business. While governments construct the stadiums, the maintenance of these properties can be outsourced to private sector companies. The latter brings the expertise, human capital and latest technologies for the job. Such an approach can incentivise multiple stakeholders to come together, catalyse change and drive a revolution in India's sporting sector.

Entrepreneurial Skills in Business Sports

The term ‘entrepreneur’ has a variety of traits and characteristics depending on the situation or context. However, researchers in entrepreneurship have difficulty in narrowly defining these traits and characteristics. There are different types of sport entrepreneurs with a variety of traits and characteristics that influence their personality in building new venture capital. In most entrepreneurial business venture settings, the focus is on the individual. Important individual skills needed for entrepreneurship may include written and oral presentation capabilities and interpersonal communication. Entrepreneurs possess different traits including the ability to imagine and foresee future occurrences. Many entrepreneurs are highly individualistic and independent that characterizes their behaviour. Many sport entrepreneurs have a self-belief that can help explain their thinking and behaviour.

Entrepreneurs usually have a strong vision and spirit that leads them to be driven in their commitment to successful outcomes. Self-belief or self-efficacy is an individual's personal competence that helps them convert perceived failures into learning experiences. Self-efficacy occurs when a person overcomes obstacles through perseverance and performance accomplishments.

It is important in sport entrepreneurs as it capitalizes on a person's belief that they can control the events occurring and motivate others with their behaviour. Entrepreneurship is a behavioural characteristic of an organisation or an individual. A societal as well as an economic perspective on entrepreneurship is important in considering its complexities. Motive is a socio-economic orientation of sport entrepreneurship as it includes both a person's behaviour and the monetary expectations from a business venture. As sports entrepreneurs have different personalities their optimism and strategic foresight will enable them to take opportunities to fruition. Each sports entrepreneur's knowledge creates a repository of information that enables them to recognize certain opportunities. Schweizer, Entrepreneurial knowledge as "knowledge related to special interests, fascinations, and sense of fun; and knowledge accumulated from work experience". An entrepreneur's social network also acts as a source of opportunities.

Making a living through sports business

Like any business, generating income is a constant preoccupation for sport administrators. However, unlike businesses in other industries, the need to generate income is NOT primarily motivated by a desire for profit but rather a greater desire to improve sporting performance. Greater income allows clubs/teams to attract better coaches and players, improve sporting facilities and/or purchase better equipment to improve results.

Sports differ greatly in their ability to generate income despite there being little difference in the level of passion of the consumer for their preferred sport product. The main factors that determine how well a sport can generate income include:

- The entertainment value of the sport
- The extent of national and international participation
- The cultural status attached to the sport
- The prominence of the sport in the school sport system

The first of these factors, entertainment value, is the main determinant of income generation. All sports are pursued passionately by their own participants but some sports have a mass appeal and are avidly followed by people who do not participate at all. This gives the sport an extra dimension that attracts the media and results in a level of consumption (as spectators) that is far greater than the actual number of participants.

Sports generate a small business income.

There are also small businesses in the sport industry to be considered. Such businesses include privately owned sports facilities that employ multiple employees and micro businesses that provide a small income to owner/operators who work on a part-time basis to provide service to the sport industry.

In general, small businesses in the sport industry earn income through:

- facility usage fees
- equipment hire
- coaching and other athlete development services
- event management services
- management of travel tours
- other consultancy fees e.g. sponsorship finding

Entrepreneurial Opportunities in Business Sports

Various Profitable Sports business ideas are Photography, A retail store, Sports writing, Sports club, gym, live sports radio, PR agency, competition organizers, Sports coaching class, and Personal Trainer. Entrepreneurship focus programmes are capable of helping students with crucial skills that offer opportunities to navigate this career uncertainty. These skills may include problem solving, team work, empathy, as well as learning to accept failure as part of growth process. Entrepreneurship education at the three levels of education system could be a panacea to the ills of today's society, as it helps produce self-reliant youths as future leaders; people who would use their energy and knowledge to create jobs and be employers of labour, instead of job seekers. It therefore helps to create wealth and reduce poverty and unemployment rates among the nations teeming school leavers. By inference, entrepreneurship education assists students to develop positive attitude and innovative skills for self-reliance rather than depend on government for employment. Physical education and sports has wide areas that can sufficiently create employment. In more specific terms physical education and sports is a natural entrepreneur features of innovation, creativity and production of services. The following are possible entrepreneurial opportunities

that could be initiated and promoted through physical education and sports programme in secondary and tertiary institutions. Some of these areas have been carefully taken into consideration in the present secondary school curriculum.

- Design and production of sports wears
- Construction of sports equipment including those for persons with disabilities
- Construction of pitches
- Designing keep fit programme
- Designing and construction of indoor recreational games/ activities
- Design and construction of instructional materials
- Computer games/creating internet site for sport
- Dancing skills / calisthenics 9. Combat sports for self defence
- Indoor games – chess, scrabble dart and draught.
- All sports and officiating skills
- Gym management
- Event management/outdoor education
- Sports marketing and advertising
- Establishment of sports clubs and recreational parks
- Water treatment four popular skills amongst those identified

(1) Production and construction of instructional materials Materials needed are: plastine, plywood, cardboard, clay. Note: if these materials are not available then improvise with local resources.

(2) Indoor games

(a) Scrabble, (b) Chess, (c) Dart (d) Draught Material Needed: Ply-board, cardboard, bottle cork colour pencils or markers

(3) Establishment of health club

(a) HIV/AIDS club (b) Drug free club (c) Debate and talk shows

(4) Calisthenics and choreography

(a) Learning and find out what calisthenics is all about (b) Learning various locomotive movement and rhythm (c) Learning of basic skills in contemporary and African dances

Issues in the Sport Business Entrepreneurship

One of the main reasons why managers and administrators of sport organisations need specific training is to deal with major issues that are peculiar to the industry.

These issues include:

- Sports Doping and the adverse publicity it causes
- The management of risks, particularly injury or death, associated with sport participation
- Child protection e.g. sexual misconduct of coaches and officials involving children
- Hooliganism in some sports and some countries of the world
- Limited ability to generate income from the consumer
- Earning income from poker machines and lotteries
- The sudden withdrawal of funding from sponsors and/or government
- Pressure on teams and individual athletes to perform
- Sport politics within organisations and between levels of sport

- A lack of volunteers, a necessary factor in sport delivery
- Financial viability of the sport club or professional team

This is not to say that all of these issues are present in all organisations in the industry but sport administrators must be having the knowledge and the skill to deal with these issues.

Conclusion

Business Sport entrepreneurship involves creating commercial success from related activities that not only benefit sportspersons but mainstreams sports as a discipline in everyday life. Given its incredible value and growth, sports can sustain an ecosystem of industries. These include manufacturing opportunities for producing sporting equipment & nutrition and providing infrastructure services that are indispensable to the sporting environment. Opportunities also include providing support services such as training institutes for nurturing talent, marketing agencies to support athletes, building apps for fans engagement, scientific coaching infrastructure, etc. Innovation is at the heart of the sports entrepreneurial process - with new opportunities come new challenges that give rise to new solutions. Simply put, the world of sports offers a plethora of entrepreneurial opportunities.

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