



## Entrepreneurship And Sports: A Catalyst for Economic Development

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### ABSTRACT

This paper explores the dynamic interplay between entrepreneurship and sports as catalysts for national development. The review highlighted how entrepreneurial endeavors within the sports industry contribute significantly to economic growth, social cohesion, and cultural enrichment. The paper through literatures unveiled the multifaceted impacts of sports entrepreneurship on national progress. The paper also examines how sports provide a fertile ground for entrepreneurial opportunities, ranging from sports technology and equipment innovation to event management and sports tourism. The paper also acknowledges the challenges and considerations in harnessing the full potential of sports entrepreneurship for national development. It discusses issues such as access to resources, infrastructural development, and equitable distribution of benefits, emphasizing the need for strategic policies and collaborations between governments, private sector entities, and sporting organizations. In conclusion, this review paper highlights the undeniable synergy between entrepreneurship and sports in driving national development. It recommends the need for continued research, policy innovation, and collaborative efforts to maximize the transformative impact of sports entrepreneurship on economies and societies around the world.

**Keywords:** *Entrepreneurship, Sports, Opportunities, Challenges and Innovation*

### INTRODUCTION

The sports industry has evolved beyond its traditional boundaries, becoming a fertile ground for entrepreneurial endeavors. There are various entrepreneurial opportunities that have emerged within the realm of sports, showcasing how innovation and business acumen are reshaping the landscape and driving economic growth. The intersection of entrepreneurship and sports presents a compelling avenue for promoting national progress. 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.

Sports entrepreneurship, is understood as an emerging and constantly evolving area of business and management world, involving innovative social activities that are carried out in a sporting context for the creation of new markets and social inclusion. As stated by Day (2017), possession of the entrepreneurial knowledge and skills necessary to face the challenges, especially in the sports industry, seems to be a mandatory requirement for those who manage sports organizations. According to Nnamdi (2021), an entrepreneurial approach in sport could be used as a catalyst to mitigate the current situation of economic decline, and identify new opportunities that are of considerable importance in the value creation process.

Sports entrepreneurs are considered to be agents of change who operate in the sports sector, trying to increase productivity, improve their experience, and increase interest in products and services, generating the development of new markets (Vamplew, 2018). Specifically, according to the author, the essential components of sports entrepreneurship are: the sports product, the role that entrepreneurs and managers play in the product development phase, and the types of organizations created (Stoldt, Dittmore, and Branvold, 2018). Despite the unquestionable importance of entrepreneurship in the field of sport, there are only a few entrepreneurs who, despite having sports knowledge and skills, seek job opportunities in this field. This lack of entrepreneurial activity in the sports sector has shifted the focus of academics towards a line of research aimed at supporting the development of entrepreneurial skills in the younger generations, especially in university students and socially excluded youth (Segre and Sartori, 2016). Taking into account these different points of reflection on entrepreneurship and sport, the objective of this work is to review literature development on the subject in order to obtain an impression of the current state of research, its main lines, and their strengths and weaknesses, as well as to identify useful topics in order to project future lines of work in the field of sports and entrepreneurship.



### Conceptualization:

- **Entrepreneurship:** Refers to the process of identifying, creating, and pursuing new business opportunities, often involving innovation, risk-taking, and the organization of resources to achieve desired outcomes (Sartori, 2019). Entrepreneurship the process of creating something new with value by devoting the necessary time and effort, assuming financial and social risks and receiving the resulting rewards of monetary and personal satisfaction and independence. It is the willingness and ability of an individual to seek out investment opportunities in an environment and able to establish and run an enterprise successfully, based on identifiable opportunities (Valenzuela, Merigó, Johnston, Nicolas and Jaramillo, 2017).
- **Sports:** Encompasses a wide range of physical activities and competitions that involve skill, strategy, and athleticism, including individual and team sports, recreational and professional activities (Svensson, and Hambrick, 2018).
- **Sport entrepreneurship:** Is the creation and sustenance of business ventures by focusing on the significance of business activities in relation to sports. Sport entrepreneurship encourages new business ventures by taking advantage of globalization and an entrepreneurial way of life (Segre and Sartori, 2018). Sport entrepreneurship is associated with the application of entrepreneurial strategies to business ventures. The practice of sport entrepreneurship entails the use of social skills and market knowledge. Entrepreneurship in sports involves people in the sports context developing a mindset that encourages innovation (Aghazadeh, and Hooman, 2016).
- **Opportunities:** Denotes favorable circumstances or openings within the sports domain that entrepreneurs can capitalize on, such as emerging markets, technological advancements, changing consumer preferences, and gaps in existing services (Filo, Lock, and Karg, 2015).
- **Challenges:** Represents obstacles, barriers, or difficulties that entrepreneurs may encounter when attempting to establish and grow sports-related ventures, including funding constraints,

regulatory issues, competition, and market saturation (Pitts, Stotlar and 2019).

- **Innovation:** Involves the development and implementation of novel ideas, products, or processes that create value and address unmet needs within the sports industry, driving entrepreneurship and growth (Sartori, and Segre, 2019).
- **Sport marketing:** Is a resource that delves into the essential principles and strategies of marketing within the context of the sports industry. This provides a foundational understanding of how marketing concepts are applied to promote and enhance various aspects of sports, including teams, events, athletes, and organizations (Pellegrini, Rialti, Marzi and Caputo, 2020). It covers a wide range of topics, from branding and sponsorship to consumer behavior and digital marketing.

### **Roles of entrepreneurship in sports in economic development**

The relationship between sports entrepreneurship and economic growth is a topic of increasing interest and significance. Sports entrepreneurship involves the creation, development, and management of innovative ventures within the sports industry (Constantin, Stanescu and Stanescu, 2020). This sector not only contributes to job creation but also stimulates economic activity in various ways, thereby playing a role in fostering overall economic growth.

Here are some points to consider regarding the impact of sports entrepreneurship on economic growth as propounded by (Sartori, and Segre, 2016).

**Athlete Management and Representation:** Entrepreneurs in the sports industry are not limited to products and services. Athlete management and representation agencies offer comprehensive support to athletes, including contract negotiation, endorsements, and personal branding. This sector highlights the entrepreneurial role in shaping the careers of athletes.

**Athlete Entrepreneurship:** Focuses on athletes who leverage their personal brand, skills, and expertise to create and manage entrepreneurial ventures, such as sportswear lines, fitness training programmes, and sports academies.



**Job Creation:** Sports entrepreneurship generates employment opportunities across a spectrum of areas such as sports equipment manufacturing, event management, sports facilities, sports tourism, sports technology, and more. This directly contributes to reducing unemployment rates and improving the overall labor market.

**Sponsorship and Branding:** Involves the partnership between businesses and sports entities for mutual promotional benefits, creating avenues for entrepreneurial ventures in sports marketing, branding, and sponsorship activation.

**Fitness and Wellness:** The growing emphasis on health and wellness has given rise to innovative fitness and wellness startups. Entrepreneurs are developing fitness apps, personalized training programmes, wellness retreats, and sports-related wellness products to cater to health-conscious individuals and athletes.

**Innovation and Technology:** Entrepreneurial ventures within the sports industry often lead to technological advancements. Startups focusing on sports-related technology, such as wearable devices for athletes, analytics software, and virtual reality training tools, not only drive innovation but also attract investments and foster a culture of technological progress.

**Infrastructure Development:** The establishment of sports-related businesses often requires infrastructure development, such as sports facilities, training centers, and sports academies. This infrastructure development leads to increased construction activities, boosts the real estate sector, and generates revenue for local governments.

**Tourism and Local Businesses:** Successful sports events and sports-related ventures attract tourists and visitors, leading to increased demand for hospitality services, transportation, and local businesses. This influx of visitors contributes to revenue generation and economic growth for the host region.

**Consumer Spending:** Sports-related entrepreneurial activities, including sports merchandise, tickets, and event experiences, encourage consumer spending. This spending stimulates economic circulation, supports small businesses, and contributes to overall economic vitality.

**Media and Content Creation:** The rise of social media has enabled athletes to become content creators and influencers. They utilize platforms like YouTube, Instagram, and podcasts to share their experiences, insights, and lifestyle.

**Fashion and Lifestyle Brands:** Athletes often possess a keen sense of style and influence trends in fashion and lifestyle. This entrepreneurial avenue involves launching clothing lines, footwear collections, or lifestyle brands that resonate with fans and enthusiasts seeking to emulate their idols' lifestyles.

**Branding and Promotion:** Entrepreneurial ventures associated with sports can enhance a region's image and reputation, attracting attention and investment. Successful sports events and startups contribute to positive branding, which, in turn, can lead to increased tourism, foreign investment, and business opportunities.

**Promotion of regional development:** Entrepreneurship in sports promotes balance regional development, entrepreneurs in sports help to remove regional disparities through setting up of sports outfits in less developed and backward area, the growth of the sporting activities in these area lead to a large number of public benefit like road transport, health, education and entertainment.

### **Factors for competencies and success in entrepreneurship in sports**

Hammerschmidt, Eggers, Kraus, Jones and Filser, 2020), stated that the most critical and most important factors that can make an entrepreneur to become a successful entrepreneur in sports are:

1. **Willingness to take an action:** This is the first and most important factor for would be and current entrepreneurs in sports. Actions are something that leads entrepreneurs to success. Without them, they can't expect to be successful business owners.
2. **Knowledge:** Knowledge is a necessary requirement for success in sport entrepreneurship. Entrepreneurs in any field of endeavors are persons who must have superior knowledge about specific business. The knowledge will increase their business potential energy and in large part will contribute in the success of the company.



3. **Creativity:** This is the ability to improve on an existing idea. Creativity increases business potential energy that opens the door for business opportunities.
4. **Skills:** Different businesses require different skills to be successful. If an entrepreneur has knowledge, but you do not have necessary skills, the entrepreneur will find it difficult to succeed.
5. **Intelligence:** An entrepreneur must be intelligent to manage all possible situations and solve the hardest problems that will be constant in the business. The intelligence of the entrepreneur will additionally bring uniqueness to the business because it is something that cannot be copied from others.
6. **Patience:** Entrepreneurs must be patient and ready to continue even if they are running at a loss.
7. **Persistence:** Persistence is simply a refusal to give up from something, or ability to keep your actions against your personal feelings. Feelings and motivation do not produce results, but the action is something that will produce it.

### **Problems militating against sports entrepreneurship development**

According to (Huertas, González-Serrano, Jones, Llanos-Contrera, 2019), the following are some of the problems militating against sports entrepreneurship development:

- Lack of capital
  - Ignorance
  - Poor marketing structure
  - Lack of managerial expertise
  - Poor infrastructure
- I. **Lack of capital:** Sports entrepreneurship is hindered by lack of capital especially among small scale entrepreneurs. This is due to the fact that for a successful entrepreneurship in sport and sporting activities huge funds are required in terms of facilities and equipment required.



2. **Ignorance:** Entrepreneurship in sports is also greatly affected by high level of ignorance in sporting activities, technical knowhow and available business opportunities in sports.
3. **Poor marketing structure:** Many enthusiastic and potential business men have become frustrated out of sports business because of failure to get full recognition. Entrepreneurs in sports should adopt the marketing concepts as a philosophy of business in order to attain and sustain production at desired capacity level and protect the long run interest of profit making.
4. **Lack of managerial expertise:** Lack of managerial expertise is a major problem among sports business men and women because they do not have adequate sports management education. They manage sports business on the basis of trial and error.
5. **Poor infrastructure:** Infrastructural facilities are important for the carrying on and the operation of any sports business enterprise. Inadequate and lack of these sports facilities is a big problem to be contended with by sports businessmen.

### **Strategies of economic development in sports**

Sartori, and Segre (2017), highlight the following strategies for economic development in sports:

1. Government should make provisions for economic development in sports through the provision of adequate paying, productive employment opportunities for people especially for the very poor.
2. Sports men and women should be given a chance to develop and use their capacities so that they can benefit more through their own effort from the resources of the economy
3. There should be functional sports entrepreneurship education that would make people to be job creators rather than job seekers.
4. Government should review fiscal policy to reduce taxes and inflation. This will increase disposable income and consequently increases the investment capacity of people in sports.

In summary, sports entrepreneurship serves as a catalyst for economic growth by fostering job creation, promoting innovation, and stimulating consumer spending, attracting tourists, and contributing





to infrastructure development. As the sports industry continues to evolve and expand, its entrepreneurial aspects are poised to play an increasingly vital role in driving economic progress on both local and national scales.

## CONCLUSION

Entrepreneurial opportunities in sports continue to expand across diverse domains, ranging from technology-driven innovations to event management and content creation. The evolving nature of the sports industry, coupled with changing consumer preferences, creates a dynamic environment where entrepreneurs can contribute to the sector's growth while driving economic development on a national scale.

## RECOMMENDATIONS

1. There should be provision of sports, tourism and recreational centers at rural and urban areas by Government, individual and private bodies, this would improve sports entrepreneurship activities.
2. Government should make provisions for economic development in sports through the provision of adequate paying, productive employment opportunities for people especially for the very poor.
3. Sports men and women should be given a chance to develop and use their capacities so that they can benefit more through their own effort from the resources of the economy
4. There should be functional sports entrepreneurship education at all levels that would make people to be job creators rather than job seekers.

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