Specifické vlastnosti sportu a jejich vliv na podnikání v oblasti sportu Specific Features of Sport and their Influence on Entrepreneurship in Sport

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Abstrakt

V oblasti sportu jsme v současné době svědky rychlého nárůstu počtu inovací, které zdokonalují sportovní produkty, sportovní zážitky a související služby a které jsou bohatým zdrojem podnikatelských příležitostí nejen v profesionálním sportu, ale i ve veřejném a neziskovém sportovním sektoru. Příspěvek tudíž zkoumá souvislosti mezi specifickými vlastnostmi sportu, podnikáním v oblasti sportu a inovacemi. Navrhovaný koncepční rámec inovace podnikání ve sportu poskytuje badatelům základ, na němž lze rozvíjet další výzkum v této oblasti. Příspěvek také nabízí interpretaci kontextu, jak dochází k inovacím ve sportovním podnikání. Na základě typologie inovací a specifických vlastností sportu se příspěvek věnuje několika problémům týkajícím se inovací v podnikání ve sportu. Zdůrazňuje také potřebu vyjasnění pojmu specifických inovací ve sportu, což by sportovním manažerům mohlo pomoci při rozpoznání, podchycení a poskytnutí priority sportovním inovacím jako klíčové hnací síle podnikání a interního podnikání (intrapreneurship) ve sportu.

Abstract

In the field of sport, we are currently witnessing a rapid increase in the number of innovations which are enhancing sports products, sport experience and related services and which are a rich source of entrepreneurship opportunities not only in professional sport but also in the public and non-profit sport sector. Therefore in this paper the links between sport specific features, sport-based entrepreneurship and innovations are explored. The proposed conceptual framework of innovation – based entrepreneurship in sport provides researchers with the foundation upon which further research in this area can be developed. This paper also offers interpretation of the context of how innovations occur in sport entrepreneurship. On the basis of the typologies of innovation and sport specific features this paper addresses several issues regarding innovations in sport-based entrepreneurship. The papers also stresses the need for clarification of the concept of sport specific innovations which could help sports managers recognize, encourage and give priority to sports innovations as a key driver of entrepreneurship and intrapreneurship in sport.

Klíčová slova: specifické vlastnosti sportu, podnikání v oblasti sportu, typologie inovací.

Key words: sport specific features, sport-based entrepreneurship, typology of innovations.

INTRODUCTION

Sport-based entrepreneurship is to a great extent influenced by the specific features of sport as defined by Smith and Steward (2010) and supported by Chadwick (2011) who stated that the distinctive features of the sport have an implication on business in sport. Specific features of sport have a crucial impact on the way that sport entrepreneurship is understood and performed (Nová, 2014). Information and other new technologies play a vital role in innovation introduced in sport sectors and disciplines. The implementation of different types of innovation also increases the efficiency and cost effectiveness of sports organizations at different levels. However this is not accompanied by relevant theoretical research. Therefore the aim of this paper is to explore the

links between sport specific features, sport-based entrepreneurship and innovations and propose the concept of the entrepreneurship in sport based on innovations.

Literature review

Sport-based entrepreneurship in sport has been defined by Ratten (2011, 2012) who also stated that it is any innovative activity that has a sport objective. Entrepreneurs in sport operate in the public, non-profit and commercial sectors (Hoye, 2012). Therefore it cannot always pursue the "pure business like" approach and it is highly dependent on the context (Nová, 2014). The factors which influence the entrepreneurship in sport have been also studied and Azimzadeh, Ehsan, and Kordnaeij (2013) offered the conceptual model for SMSEs start. The link between innovations and entrepreneurship was firstly introduced by Schumpeter (1934), who identified innovation as an outcome of entrepreneurship. Moreover he offered the main types of entrepreneurial behaviour or innovation: the introduction of new goods and new method of production, opening a new market, conquering a new source of raw materials and reorganising an industry in a new way. The impact of innovations on entrepreneurship was further developed by the work of Drucker (1985), who considered innovation as the specific tool of entrepreneurs, the means by which they exploit change as an opportunity for a different business or service. Whereas in other sectors the impact of innovations on entrepreneurship's development is heavily researched, in sport a systematic exploration of the link between innovations and entrepreneurship is missing. In the literature we can find contributions which deal with the organizational context of innovation in sport. Newell and Swan (1995) presented a framework for understanding the diffusion of innovations in sport organizations, Caza (2000) explored the receptivity context of innovation in an amateur sport organization, Hoeber and Hoeber (2012) classified the determinants that contribute to the innovation process, in a community sport organization, Winand et al. (2013) developed an explorative typology of sports federations based on their attitudes and perceptions of determinants of innovation and their innovation capacity, Winand (2014) explored the different types of innovations implemented by sports federations. Many other authors have focused on a description of various types of innovations in different sports and sports organizations (Desbordes, 2001; Goff et al., 2002; Hughes et al., 2009). Sport and technological innovations are another well-developed research area. Blamer et.al (2012) gauged the impact of technological and technical innovation on Olympic performance. In many popular sports newspapers and journals various rankings of top innovations in sport from the past decades can be found describing sporting gear, apparel, merchandise innovations, sports stadium innovations, winter and summer Olympic innovations, training innovations, innovations in sports broadcasting etc.).

The Impact of Technology on Sport has been examined in details by Fuss et.al in 2007, providing a deeper insight into sports technology and its recent developments from the perspective of different disciplines, industrial practice, academia and athletes. The nature of athletic performance considering the relationship between sport, technology and the body was explored by Magdalinski (2009). A business perspective in an examination of sport and technology is offered by Pope et al. (2009).

From the literature review regarding innovations and entrepreneurship it is obvious that the research of innovations in sport is focused either on innovations introduced by sports organizations for the improvement of their processes or services or on technological innovations introduced for the improvement of performance in sport and its measurement.

Considering the scope of the types of innovations presented in the two most cited sources in terms of the classification of innovations – Oslo Manual (2005) and Doblin Ten types of innovation (1998, 2011), we can identify the gap in the classification of innovations in sport and subsequently the gap with regard to new opportunities for developing defensible innovations in many other areas related to entrepreneurship in sport such as finance, process, offering and delivery.

In sports literature we cannot find the conceptual framework for analysing the various types of innovations in the sports sector and therefore our aim is to encourage a systematic approach to assessing the possibility of innovation in sports and sports organizations.

METHODOLOGY

For developing the concept of innovation-based entrepreneurship in sport the 'Ten types of innovation' framework (Doblin Inc. IBF, 2011) was used. The influence of the specific features of sport on innovations in Finance, Process, Offering, and Delivery in sport was analysed. This enabled clarification and identification of the new opportunities and defensible innovations in "sport businesses" across different sectors. To identify the influence of the specific features of sport on innovations in sport the 'Ten types of innovation' framework (Doblin Inc. IBF, 2011) is to be introduced (see Table 1).

Table 1: 'Ten types of innovation' framework (Doblin Inc. IBF, 2011)

Type of Innovation	
Finance	Business model
	Networking
Process	Enabling Process/ Structure Innovations
	Core Process
Offering	Product
	Product System
	Service
Delivery	Channel
	Brand
	Consumer Experience

This framework provided us with the opportunity to explore how the specific features of sport and sports products impact the implementation of the different types of innovations and where the limits for innovative thinking are.

It also allowed us to evaluate the opportunities for not only the product or services innovation but also for many other types of innovation that go beyond sports products.

To complement the thoughts for setting the conceptual framework of sport entrepreneurship which is based on innovations, the specific features of sport entrepreneurship based on Nová (2014) was used (see Table 2).

Table 2: Influence of the specific features of sport on sport entrepreneurship

Specific features of sport	Influence on sport entrepreneurship
Smith & Steward (2010); Chadwick (2011)	
Irrational passion for sporting teams, competition or	Risk taking can be higher than in usual business
athletes; high degree of optimism and brand loyalty	
Different perception of the performance in sport;	High creativity in the development of the variety of
uncertainty of the outcome	economic, social and environmental indicators for
	evaluation of the institutional performance
Competitive balance, the principle of "collaborating	The need to accept and balance the principles of
to compete"	"accepting the competitor"
Limited organizational control over product - limits	Necessity of inventing the unique non-sport product
the scope to attain competitive advantage	,s competitive advantage
Variable quality of sport product, fans (customers)	Inclusion of the fans and consumers of sport ac-
are producers and consumers	tivities in the creation of the quality of the sport
	product
Symbiotic relationship with the media	Sports oriented innovations are bound to the media
	sector
Limited availability	The need to maintain the financially balanced and
	mixed (sporty and business-like) portfolio of the
	products

RESULTS

The analysis of innovations which can occur in sport was conducted within Doblin's framework. Attention has been paid to innovations that produce value and competitive advantage for sports organization and sports products and upon which viable business concepts can be developed. Limits as well as opportunities set by the specific features of sport were considered in each type of innovation.

Finance innovations in sport

Business Model - as a means of obtaining sustained revenue and profit. Although in sport risk taking can be higher than in usual business we still encounter in reality conventional business modes in sport (Limited Liability Company, Association - league, union, society, club, incorporated natural person, non-profit organizations etc.) and these dominant profit models often go unquestioned for decades. Moreover organizations that operate in the sports industry can, when it comes to their organizational structure, meet with a phenomenon that is called organizational isomorphism (DiMaggio & Powel, 1983). Thus this type of innovation in sport can be further explored and developed in order to fully exploit the business opportunities. Another specific feature is that sport is reliant on third party payments and this limits pricing policies and control over the product is limited but at the same time the interdependences of the stakeholders and the media represent new opportunities for new business models. The implementation of innovative business models can also assure wide participation in sport. Teaming in the local context - local players, employers, sport clubs, local governments, insurance companies - means sharing the expenses related to sport participation (local grants for supporting sport activities). Shared ownership of new ventures in sport means partnering in generating revenues and managing costs.

Networking - Joining forces with other companies for mutual benefit

The need to accept and balance the principles of "accepting the competitor", competitive balance, the principle of "collaborating to compete" are the specific features of sport which are naturally

supporting the existence of leagues and sports associations, merging different kinds of sports under umbrella organizations that are clustering their own strengths with the capabilities and assets of others. Symbiotic relationship with the media as an exclusive feature of sport represents a unique kind of networking. This networking is typical for elite sport and brings a billion dollar business for both – media and sports clubs or athletes. But the exploration and exploitation of networking as an innovation is overlooked in community sport and in sport clubs at the local level. Therefore a strategic approach should be applied towards the usage of different forms of networking including alliances, complementary partnering and coopetition. Sharing the expertise of coaching techniques and procedures among the professional clubs and local sports clubs is one example of this kind of innovation. Building Innovation Learning Networks at the sports associations' level is another one.

Process innovations in sport

EnablingProcess/Structure Innovations - Augmenting operations, often by leveraging others' capabilities or assets

The limited organizational control over the sport product limits the scope to attain competitive advantage and therefore the necessity of inventing the unique non-sport product's competitive advantage supports strongly the focus on structure innovations in sport. These should focus on creating environments that are productive towards performance which would attract the best talents to sports organizations.

In other words this means organizing the tangible, as well as intangible, assets of sports organizations in a way that would create added value in the form of supremely productive working environments so as to foster a level of performance that competitors cannot match. Innovative talent and incentives system, decentralized management based on knowledge management, appropriate organizational design and IT integration are the means by which sports organizations can achieve unique competitive advantages. The example which represents this type of innovation is effective sports records for improving performance and information sharing, simplifying administrative procedures, ticketing, and open access to information for various customers and fan groups. Hardware and software solutions and their implementations need internal investment and may be funded by government, media, partners, associations, but can be problematic for NGOs in sport.

Core Processes - Creating and adding value to offerings in unique, proprietary ways

To exploit the process innovations in sports organizations means that they can use their unique capabilities efficiently and adapt quickly to meet sport, social and economic goals. *Inclusion of the fans and consumers of sport activities in the creation of the quality of the sport product, different perception of performance in sport and uncertainty of the outcome* - these are the specific features of sport in favour of implementing the variety of process innovations such as standardization, localization, logistic systems, strategic design, process automation, on - demand production and usage of intellectual property. There is competition in sport among the clubs, but they use common systems (for reservations, ticket sales, providing catering services). Process innovations often form the core competency of the sport organization but sports are surrounded by a myriad of regulators who have significant influence on not only sport products but also the standards they must follow. 24-hour access around the globe for sport spectators / consumers using innovations in IT and the media, sharing sport results on line, sharing the experience of different sport communities around the globe (global fan clubs) all represent this type of innovation.

Offering innovations in sport

Innovations in offering - Product, Product System and Service should be judged together, considering the fact that in sport the offer for customers is not just the product but the sport experience, which is a much broader concept than the product in "pure business". Moreover customers in

sport are seeking cost-efficient sport involvement and activities of a high quality standard. Innovation in offering means innovating the product design, service design and discovering how the particular service can be delivered more effectively and efficiently.

Specific features of sport which heavily influence the scope of innovations in offering that can be implemented are *limited organizational control over the sport product, different perception of the performance in sport and high creativity in the development of the variety of economic, social and environmental indicators for evaluation of the institutional performance.*

To explore the innovation opportunities regarding the offering in sport the classification of products in the sport industry as defined by Nová (2014) can be used:

- participation in sport,
- elite sport, professional competitions,
- equipment and accessories for sport,
- promotional items and media outlets to promote sport,
- services of sports facilities,
- marketing research in sport,
- managerial services for sport and athletes.

With regard to the above-mentioned classification of the innovation landscape in sport, sport scientists are involved in projects related to the athletes' equipment, coaching and measurement technologies, training science and medical management (Drawer, 2008). These findings are now incorporated into new diagnostic, sport performance and coaching devices and programmes – especially for elite sport. Thus professional sport has enjoyed huge development due to significant technology innovation (performance in product innovation).

But when it comes to the organization of the elite and club sport and especially to the widening of participation in sport via new sport products these have not changed much. The limited approach towards product innovation in sport can be overcome by realizing that there is a variety of elements that make the sport product unique, such as event, ticketing, organization, facility, equipment, apparel.

Product Performance- developing distinguishing features and functionality

This type of innovation involves entirely new products, as well as updates and line extensions that add substantial value.

When it comes to the core elements of sport product their scope of innovation is limited to sport event experience's four components (Moulin et al., 2000):

- Game form (rules/ techniques)
- Players
- Equipment
- Venue

Although sport products show low evidence of change, innovations in these elements can produce new product categories in sport.

Product Performance innovations address the value, features and quality of a company's offering.

Product System and Services in sport

The innovative effort regarding the product system and services in sport should deal with and distinguish three levels of the sport product/service (Blakey, 2011):

- Fundamental benefit provided by the sport product/service-personal sport experience
- Expected sport product/service comprises the actual components received by the sport consumer
- Augmented sport product/service presents enhanced features to improve the basic offer

Complementary products and services create valuable connections between otherwise distinct and disparate offerings. Development of the programmes dedicated to improve customer service and creating a competitive advantage for sport organizations and fan e-cards (credit, personal information, attendance record, prepaid services, update via the Internet), pre- and post-sport event services for different target groups (customization) represent this type of innovation.

Delivery innovations in sport

Channel - Connecting offerings to customers

Channel innovations encompass all the ways sports organizations connect and provide offerings to customers and users. Individuals are seeking not only sport success but also sport experience and entertainment, many of them also for preventive purposes. The new generation has access to information and can compare the offer in sport with other alternatives and they choose excellence.

The specific features of sport namely *limited availability and the need to maintain the financially balanced and mixed (sport- and business-like) portfolio of the products* force sports organizations to provide affordable sport activities in the evenings and at weekends and to accommodate the different needs of families, seniors, etc.

E-business has touched the provision of sport profoundly and replaced the traditional channels of delivery in sport such as physical attendance at sport events. But considering the sport product as sport experience, innovations in physical environments (venues) are still important. When it comes to the spectator sport product, what is important is to find innovative multiple but complementary ways to bring sport products and services to customers.

Brand - Portraying the company and offerings to grow or leverage loyalty

Irrational passion for sporting teams, competition or athletes; high degree of optimism and brand loyalty are the specific features of sport which brought the generation of loyal fans athletes and employers also. They recognize, remember, and prefer particular sports brand to those of competitors or substitutes. Branding PR campaigns, offering sponsored /free services for fans and sport participants are characteristic of this type of innovation.

Customer Experience - Enabling users to engage in the creation of value, often through delightful interactions

Naturally in sport customers are engaged in innovation process. This is allowed by the specific features of sport such as variable quality of the sport product, fans (customers) are the producers and consumers and inclusion of the fans and consumers of sport activities in the creation of the quality of the sport product.

Both sides (sports organization and sport customers) are seeking meaningful connections and mutual benefits. This also allows the entrepreneur in sport to take a higher risk, which is another specific feature of sport – *Risk taking can be higher than in usual business*.

DISCUSSION

From the analytical part of the paper it is clear that, besides the specific features of sport and typologies of innovations for exploring fully the link between these two elements, consideration of the entrepreneurship context in sport is needed. Therefore we suggest also including into the concept the sport-based entrepreneurship categories defined by Ratten (2011). Thus we can distinguish in a systematic way the types of innovations which could occur and to be best exploited depending on the activities which are typical for Community-based, Social, Immigrant, Corporate, Institutional, International and Technological entrepreneurship in sport. Therefore these categories are included in the conceptual framework of entrepreneurship in sport based on innovations (Figure 1).

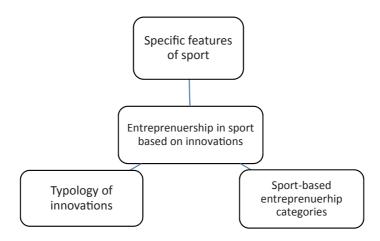


Figure 1: Conceptual framework of entrepreneurship in sport based on innovations

Scientific advances have been the driving force behind the development of professional sport for the last 50 years. Technology has improved sport, results, performance and the sport experience as such. Innovations in this area have a tremendous potential but in our paper we have focused not only on technological innovations in sport but via the analysis of innovations in sport in a broader sense, we have tried to explain the potential of different types of innovation in sport for the development of entrepreneurship and its sustainability in all sport sectors.

To access the extent of "true" entrepreneurship in sport classification of innovations should be used. Classification of innovations helps to clarify the core competencies or competitive advantages in "sport businesses" across different sectors. Following the classification of innovations will help entrepreneurs in sport not only understand better, but also exploit fully the specific features of sport on entrepreneurship.

At the same time entrepreneurs in the sport business should be aware of the fact that innovations of sport product are limited considering the nature and components of the sport product, namely the rules and techniques of the particular sport, players/ athletes, equipment and venue. Therefore we would recommend developing further the classification of innovations in relation to these components. This would enable the innovation of the core and innovations of the intangible items of the sport product to be distinguished. In professional sport in particular innovations focus on product extension as winning and losing is beyond managerial control. In sport organizations which operate in the public or non-profit sport sector the creation of the conditions for the development of intraprenuership (Gautam and Verma, 1997) is of the utmost importance.

CONCLUSION

Sport provides a variety of opportunities for constant innovation which is believed to be paramount to successful entrepreneurship since the era of Schumpeter (1947). Sports organizations are not well-positioned to innovate effectively. Professional sports have made a major investment in performance improvement but very little has changed in the other sectors (public, NGO). Diffusion of innovation is needed; we have to know how organizations and companies in sport are able to innovate effectively. Diagnostics such as innovation landscape may be the key to understanding where the true opportunities lie and which types of sport organization can be relied on for maximum effectiveness. Successful innovation strategies require that changes occur fast enough to stay ahead of the competition or keep the brand relevant. Sport organizations should invest in the culture and infrastructure for innovations. They must gain an insight into research and development in sport, contact the universities' transfer centres, gaining the ideas and develop

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competence in writing grant proposals and business plans, meet with venture capital firms to understand the evaluation of the ideas and talents and conduct basic research, including reading, attending seminars, conducting site visits and doing the basic leg work required to gain an insight into the opportunities to fuel the vision.

Practical implication of the paper

This paper demonstrates how innovations in sport should be systematically identified using well-known concepts for their classification. The systemized approach is underpinned by the proposed conceptual framework of sport entrepreneurship based on innovations. Thus the potential for the development of entrepreneurial activities in sport can be further explored. The major finding of this article is that a systematic approach to assessing innovation in sport provides opportunities for business development in all sports sectors, which is a unique area of study that deserves more attention. The proposed conceptual framework provides researchers with the foundation upon which further research in this area can be developed.

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