

PEDTR 2019

18th International Scientific Conference “Problems of Enterprise Development: Theory and Practice”

ENTREPRENEURSHIP IN THE SPORTS INDUSTRY: ROLE IN THE COUNTRY'S ECONOMY

I. V. Nikolaeva (a)*, Y. V. Shikhovtsov (b), P. P. Nikolaev (c), A. V. Levchenko (d)

*Corresponding author

(a) Samara State University of Economics, 443090, Soviet Army Str., 141, Samara, Russia, niv2017@bk.ru

(b) Samara State University of Economics, 443090, Soviet Army Str., 141, Samara, Russia, shikhovtsovy@bk.ru

(c) Samara State University of Economics, 443090, Soviet Army Str., 141, Samara, Russia,
nikolaevpetr45@gmail.com

(d) Samara State Social and Pedagogical University, 443099, M. Gorky Str., 65/67, Samara, Russia,
lavsport_67@mail.ru

Abstract

The relevance of this study is dictated by insufficient theoretical elaboration and practical necessity of involving entrepreneurs' investments in the sports industry. This will allow not only preserving, but also improving the technical and innovative potential in the practice of organizing and conducting sports events, in the construction of sports facilities and the improvement of adjacent territories. In addition, the modern sports industry will provide an opportunity to provide employment for a significant number of people in various sports sectors. Currently, sport is the first step towards the development of entrepreneurial activity in many industries. Sport brings a significant part of the profit to the federal, regional and local budgets due to taxes and dividends of enterprises. Infrastructure construction and construction of sports facilities, comprehensive training of athletes, organization and conduct of competitions, ensuring the safety of events, spectacular cultural program, etc. require, on the one hand, significant financial investments, on the other hand, bring significant economic profit. This scientific article provides an overview of current research in the field of sports Economics. Sport is a great interest to economists, due to the rapidly developing the political and socio-economic significance of this sector, also in view of the emergence of numerous conflicts in the sports industry related to imperfect markets, property rights, institutional design, and other issues, of primary interest to economic science. In the article illustrates the possibilities of economic analysis of development the unsolved problems concerning this area are formulated in the sports industry.

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Keywords: Business, sports, economy, entrepreneurship, the development of the country sports industry.



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1. Introduction

The relevance of the sports lifestyle is increasing at a progressive rate. The popularity of sports and physical culture in modern society is constantly growing. Today, sport is not just a line of work or a way of life, but an entire industry aimed not only at the development of social and interpersonal processes in society, but also a fairly promising area for investment. The popularization of sport in recent decades and the special attention paid to its development by the state, brings the sport and its location to a new level. At the same time, sport is becoming increasingly dependent on the country's economic development. Sports and healthy lifestyles are increasingly entering various areas of human activity. They help to form relations between the state and the population of the country. Entrepreneurship in sports has now become a branch of the economy, a fertile ground for investment and business (Razuvaeva & Madaminova, 2017).

2. Problem Statement

The modern sports industry is one of the main areas of business activity, providing employment for a significant number of people in various sports industries. Moreover, sports bring a significant part of the profit to the Federal, regional and local budgets due to taxes and dividends of enterprises (Mansurova & Mansurov, 2015). Take, for example, the Olympic games, Championships, and other mass sports events. Each of them is a colossal financial funnel that subordinates billions of dollars to its influence: for infrastructure construction and rebuilding of sports facilities, for comprehensive training of athletes and for holding competitions, for ensuring the safety of events and for a spectacular cultural program. This contributes to a more active participation in solving social problems of the population by public authorities.

Until recently, sport was part of the leisure sector. Modern sports complexes perform not only recreational functions, but also are a factor in preserving and improving the technical and innovative approach to organizing and conducting sports events, building sports facilities and improving the surrounding area. In other words, sport is the first step to the development of entrepreneurial activity in some industries (Solntsev, 2013).

In the most economically developed countries of the world, sports events are almost entirely based on the commercial component, bringing an impressive increase in the budget. In such countries, sport is a full-fledged, independent and thriving sector of the economy. The modern sports industry is closely connected with business activities.

Russia is on the way to becoming a sports industry as a separate branch of economic development. A huge number of ways are being developed to develop this area. In Soviet times, sporting events have always been a massive and spectacular events. The destruction of the existing state system led to the lumpenization of this structural division. This was due to the fact that the collapse of the USSR affected the departure of most athletes and coaches abroad, to more favorable countries. Many sports facilities and organizations were closed and dismantled. A significant impetus to changes in the sports field was the lack of their own athletes who could perform well at the Olympic games.

3. Research Questions

The study addressed a number of issues:

- Identification of the main directions of business activity in the sports industry;
- Determining the role of state support in the development of sports business as an independent sector of the economy.

4. Purpose of the Study

The purpose of the study is to determine the role of entrepreneurship and business in the field of physical culture and sports for the economic development of the country. To consider entrepreneurship in sports as an economic component, aimed not only at the development of social and interpersonal processes in society, but also as a fairly promising direction for investment and business. Identify the processes of the mutual influence of sport and the economy in modern conditions of social development.

5. Research Methods

To achieve the goal and solve the problems of the study, the method of theoretical analysis and generalization of data from special literature on the problem of business development in the modern sports industry was used. In total, about 60 literary sources of domestic and foreign authors were studied. The main ones are listed in the list of references. Insufficient theoretical elaboration of the problem of this study revealed.

6. Findings

The development of telecommunications, the low international sports authority of our country, and the progressive role of the state's participation in the development of sports have borne fruit. The beginning of the XXI century is associated with significant changes in the development of the Russian sports industry. The state became more and more interested in this sphere and state programs aimed at improving sports began to appear. Sports and physical culture are becoming one of the main directions of development of the state's social policy, as evidenced by the strategy for the development of physical culture and sports in the Russian Federation for the period up to 2020 (Order of the Government of the Russian Federation of 07.08.2009 No.1101-p about approval "Strategies for the development of physical education and sports in the Russian Federation for the period until 2020").

The adoption of the strategy made it possible to develop a set of measures aimed at promoting a healthy lifestyle, sports and physical culture of the population. Modern sport has become commercial with a significant share of political overtones (Ivanov & Nurmasheva, 2015).

Sports entrepreneurship in modern society is manifested in various spheres of human activity (Hemme, Morais, Bowers, & Todd, 2017). On the one hand, this is the professional activity of coaches, managers, and athletes, and on the other hand, this is a whole business section that acts as a significant economic resource that affects the level and rate of growth of economic development. The work of professional clubs, sports agencies, media, etc. is a tool for expanding the sports business industry. For other interested parties, sport provides an opportunity to promote their products, for example, to sponsors or advertisers.

However, the above does not allow us to fully interpret sport as an economic sector without describing its sources of income. The main sources are the sale of tickets for sports events (Olympic and Paralympic games, Championships, competitions), sponsorship of participants and organizers of competitions, sale of broadcasting rights, sale of sports paraphernalia, Souvenirs and sporting goods. Also, state support has affected the significance of Russian sport. Sports entrepreneurship has become a better and more attractive niche for investors, shareholders, and others.

Successful development of the sports business does not go without coordinating the interests of the government. The state-partner mechanism for implementing this direction makes it possible to effectively use the opportunities of the sports and socio-economic environment (Razuvaeva & Madaminova, 2017).

Sports organizations strive to achieve first-class sports results and attract investment flows for the development of sports. Businessmen in this area defend their interests in order to get the most profit. Thus, each subject interested in the development of sports pursues its own goals.

But it is not only the close interaction of these divisions that contributes to the development of sports business as an independent sector of the economy. An important role is played by the creation of projects that entail an increase in financial resources. Taking into account the political, social and economic orientation of sports, the state promotes favorable activities of entrepreneurs in the sports industry.

The fashion for maintaining a healthy lifestyle of the audience, the desire of people to new sports achievements makes this industry more attractive for creating a niche for small entrepreneurs. Failures, mistakes and defeats are quickly forgotten, and victories, medals and sports records remain in people's memory for a long time. This fact contributes to the stable promotion of sports products among fans and athletes, and hence the constant demand for them.

However, there are not only positive emotions in sports. Improper behavior of athletes, fans (fights, hooliganism), racism and other negative events in sports life can negatively affect the economic component. Examples of such situations may be the termination of sponsorship contracts with athletes and sports organizations due to a decrease in consumer interest or infringement of the sponsor's authority and image.

7. Conclusion

The development of the sports industry stimulates not only the positive interest of the population in sports events, but also the development of the country's economy. This is especially noticeable if the country is the host of the Olympic games or, for example, the world Cup. In this situation, the production sector of the country's economy is undergoing significant changes – production volumes are growing, which means that additional labor resources are required. This creates new jobs. The greatest growth in income is observed in such areas as providing services to the population, trade, and construction. In addition, in order to meet international standards, the host country is actively developing the infrastructure of sports facilities and surrounding areas. Changes will affect many areas: transport, housing, services, roads, etc. (Altukhov & Ageev, 2014). Such changes, especially when sporting events end in a way that is favorable to the host country, have a significant impact on the economic development of the country as a whole. Small and medium-sized businesses are particularly important for the development of the economic component of the sports industry (Lambert, 2019). By sponsoring small sports events and projects, small and medium-sized businesses have a positive impact on the economic development of individual regions of the country, which

also has a positive impact on the development of the economy of the whole country. Thus, the development of the sports industry will have a positive impact on the development of the country's economy, subject to appropriate state support.

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