Identification barriers to entry in the sport tourism industry: A challenge for local sports entrepreneurs

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Received: 16 February 2023; Accepted 21 June 2023; Published 12 July 2023
Ed 2023, 8(2): 230-238

ABSTRACT

The Indonesian sports industry is required by law to contribute to the country's gross domestic product (GDP) by becoming an upstream-to-downstream industry, which refers to the total value added to sports products annually and is a component of GDP. The objectives of this study were to find the factors that become barriers to entry (and also exit) from the sports industry. The study used a qualitative method. Using the purposive method, the data were collected from 10 people including the village head, entrepreneurs, and Cisaat Village Community through FGD’s (Forum Group Discussion) and semi-structured interviews were gathered. To analyze the data using thematic analysis. Cisaat Village was chosen as an analysis material to find barriers to entry factors, especially for sport tourism. The findings of this study are that the capital factor, the lack of knowledge and experience, human resources, are the most barrier to entry in sport tourism industry.

Keywords: Barriers to entry; sports industry; sports education tourism; sport tourism

INTRODUCTION

The sports industry, particularly in relation to Indonesia, has become a significant source of income impacting international trade (Hadian et al., 2020). In various regions of Indonesia, including Cisaat Village in Subang Regency, Bandung, West Java, there is evident support for the development of sports tourism attractions. The integration of nature into the development of sport tourism destinations is highly likely to play a crucial role (Férérol, 2017), as successful integration of sports and tourism can lead to the establishment of sport tourism destinations (Safdel et al., 2014). Sport and tourism are two key factors that contribute to the marketing and long-term economic growth of tourism locations (Roche et al., 2013).
tourism industry, aligned with the 17 Sustainable Development Goals (SDGs), can significantly contribute to achieving these goals (Jones et al., 2017; Rhamma & Setiawan, 2022). Therefore, understanding how sport tourism can support the SDGs and considering relevant factors in the planning process is essential for promoting sustainable development.

Sport tourism offers unique advantages, such as opportunities for engagement and participation in physical activity and high development potential in various locations (Getz & Page, 2016; Ratkowski & Ratkowska, 2018). When carefully promoted, sport tourism can substantially contribute to achieving multiple SDGs (World Tourism Organization, 2019). Sports tourism, as defined by Neirotti, encompasses travelling away from one’s primary residence to engage in sports activities, observe sports at different levels, or visit sports attractions (Leal Londoño et al., 2021). It is a social, economic, and cultural phenomenon that arises from the intricate relationship between activity, people, and place, as described by (Weed & Bull, 2012). Managing and operating large-scale events is just one aspect of sports tourism; it also involves providing tailored sports and tourism-related services and experiences to sports tourists (Mollah et al., 2021). The collaboration between the sports industry and the tourism sector is expected to enhance living standards, create opportunities, and stimulate the development of new sports-related products and services. Therefore, analysing the opportunities present in Cisaat Village, Subang, is essential.

The planning of resources, including money and labor, to launch a new business is the innovation process. The process of managing labour capital and launching a new business is called entrepreneurship (Juliana et al., 2021). Sport entrepreneurship is defined as creating, running, and managing a new enterprise in the sports industry (Hammerschmidt et al., 2022; Sharma & Madan, 2013). Creating new firms, overcoming obstacles, and growing such enterprises in the face of business risks are all aspects of entrepreneurship (Fong et al., 2020). It can be viewed as a characteristic of sports entrepreneurship with the development of innovations in the sphere of sports and the growth of enterprises connected to goods and services (Ratten, 2019). Sports entrepreneurship is the act of creating new enterprises and inventing within the sporting industry. This industry has swiftly expanded from the production of sporting goods and services (Ratten & Jones, 2020). The business world is changing as sports entrepreneurship emerges as a burgeoning industry (González-Serrano et al., 2020). Sports entrepreneurship as “the mindset of people or organizations actively engaged in the pursuit of new opportunities in the sports-context” (Hemme et al., 2017). This linking of entrepreneurship and sport management research is a promising field for research and practice as entrepreneurial activity is found with great density in the sector of sport (Steinbrink et al., 2020). Sporting goods and sports services are divided into two categories in sports entrepreneurship (Vamplew, 2018). The field of sporting goods is related to the sporting goods and sports equipment industries, and sports services are tied to the field of sports and include services like producing games, opportunities, arranging events, and creating enjoyable opportunities (Zhang et al., 2018).

Moreover, a few of the entry-level challenges confronted by business owners (Islami et al., 2019). However, it should be remembered that barriers to entry are things or circumstances in the market that can prevent/prevent potential competitors from joining the market and becoming competitors (Chaturvedi & Karri, 2022). The literature research highlighted a number of typical impediments, including those related to the environment, politics, and a lack of expertise and experience (Katundu & Gabagambi, 2016). The climate creates a barrier for sports business owners while trying to operate their enterprises. The corporate environment has an impact on environmental barriers like land, buildings, infrastructure, and raw resources (Sitaridis & Kitsios, 2017). The political barrier to launching a new business, as highlighted by (Ali & Bhasin, 2019). Bhasin cites the policy and regulation of political decisions created by the government as a challenge for entrepreneurs to start and run new enterprises (Ali & Bhasin, 2019). The absence of business expertise and experience is a further significant barrier. That the primary barrier for sports entrepreneurs is a lack of education and expertise in entrepreneurship supports this (Raghuvanshi et al., 2017).

The travel business has experienced rapid growth in the modern era. Before COVID-19, travel and tourism had become one of the most important sectors in the world economy, accounting for 10 percent of global GDP (Ntalakos et al., 2022). One of the reasons is because curiosity of what’s going on in the world has started the great expansion of tourism. This is also similar to the growth of sports, because sports will
encourage people to travel, both locally and internationally. Another similarity is seasonality, i.e. travel agents can handle the tourism season with careful consideration in changing the sports season (Higham & Hinch, 2002). Levesque and Wake (2021) claim that a lack of understanding of time management is to responsibility for certain businesses' incapacity to deal with seasons. Tourism and sports, both are attempting to loosen the bonds of the season in the process. The conclusion of the athletic season is one component of professional sports growth. In this article, the seasonal variations in sport are examined, along with any consequences for the travel sector. Mason in Barandela et al. (2020) analyzed the relationships between self-congruity, functional congruity, satisfaction, sport event involvement, and behavioral intentions of triathlon sport travellers, while other studied stay duration for a sport event. Raya (2012) analyzed the factors determining the length of stay of participants at the destination for the event, International Triathlon Challenge Barcelona–Maresme, which is influenced with satisfaction about the destination, being a foreign participant, and the participant’s expenditure. This topic, which has been discussed in great detail in travel writing, has many fascinating similarities to the growth of contemporary sport. Both have lately been made available for public input. Both are attempting to loosen the bonds of this season in the process. 

As a result, new business owners face a struggle with time management (Levesque & Wake, 2021). Similarly, for new business owners, maintaining consumer loyalty is crucial. Loyal clients are the greatest issue encountered by sports entrepreneurs because they can either help a business succeed or fail (Khadka & Maharjan, 2017). Even though the sports tourism market is growing, Cisaat Village has not yet realized its potential in terms of geography and climate. In addition, so far no research has been conducted to increase the potential of a sports tourism village through barriers to market entry and challenges faced by sports entrepreneurs in Cisaat Village, Subang. These efforts are expected to provide further research directions for the development of sports entrepreneurship and useful information as a policy framework for establishing sports tourism villages. The purpose of this study was to identify the difficulties and problems that sports entrepreneurs in Cisaat Village deal with. This discovery was anticipated to be valuable as information taken into account when local government policies addressing sports entrepreneurship in Cisaat Village are being developed. In order to support local entrepreneurs, local governments might also analyze and alter the current policy frameworks. Next, this study added to the body of knowledge in the field of sports entrepreneurship. The results of this study will help sports business owners understand the difficulties and potential obstacles they may face when trying to enter a new market. In VUVA World (volatility, uncertainty, complexity, and ambiguity), it is confirmed that interest in the study of sports tourism and sustainability concepts has been growing in the last four years and there is a generally low concentration of authors and journals (Jiménez-García et al., 2020) and a literature review can be found in Maennig (2017), a meta-analysis can be found in (Li & Jago, 2013). Tourism development should have given positive impact on the surrounding community (Widyansisih et al., 2020) and in future it should be barrier free for tourism (Seyfi & Hall, 2020). However, no previous studies in barriers to entry for sport tourism development in rural area in Indonesia.

METHOD

Research answers the problem of inhibiting factors in entering the sports tourism industry. Utilizing a qualitative approach with a case study design. This investigation through focus group talks, this study sought to uncover the difficulties and problems that sports entrepreneurs in Cisaat Village encountered (FGD). By using the purposive sampling strategy, secondary data sources from semi-structured interviews were gathered. The community and village leaders in Cisaat Village make up the study’s population. The data were collected by conducting semi-structured interviews, which were analyzed by using the Miles and Huberman model. The research was conducted with respect to a) Informed consent, b) Beneficence, c) Confidentiality d) Privacy.
RESULTS AND DISCUSSION

In this study, semi-structured interviews were used in Focus Group Discussions (FGD) with stakeholders to identify obstacles faced in developing the potential of sports tourism villages in Cisaat Village. Based on the results of data analysis, the following is a sequence of barriers to entry in the development of sports tourism villages in Figure 1.

![Figure 1. Entry Barriers for Sports Tourism Villages](image)

<table>
<thead>
<tr>
<th>Themes</th>
<th>Sub themes</th>
<th>Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital Factors</td>
<td>Lack of capital</td>
<td>10</td>
</tr>
<tr>
<td></td>
<td>Lack of loan premium</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Maintenance costs</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Lack of staff</td>
<td></td>
</tr>
<tr>
<td>Employee Factors</td>
<td>Recruit employees</td>
<td>9</td>
</tr>
<tr>
<td></td>
<td>Staff professional</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Staff qualification</td>
<td></td>
</tr>
<tr>
<td>Time Management</td>
<td>Lack of knowledge time management</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Lack of time discipline</td>
<td>7</td>
</tr>
<tr>
<td></td>
<td>Time management strategies</td>
<td></td>
</tr>
<tr>
<td>Consumer Factors</td>
<td>Costumer loyalty</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Costumer attraction</td>
<td>8</td>
</tr>
<tr>
<td></td>
<td>Market promotion</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Lack of new venues</td>
<td></td>
</tr>
<tr>
<td>Environmental Factors</td>
<td>Infrastructure support</td>
<td>6</td>
</tr>
<tr>
<td></td>
<td>Low profits</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Lack of government support</td>
<td></td>
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<tr>
<td>Political Factors</td>
<td>Government tax</td>
<td>6</td>
</tr>
<tr>
<td></td>
<td>Regulation</td>
<td></td>
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<tr>
<td>Business Knowledge</td>
<td>Lack of knowledge</td>
<td>9</td>
</tr>
<tr>
<td></td>
<td>Lack of experience</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Lack of marketing knowledge</td>
<td></td>
</tr>
</tbody>
</table>

This research is to identify the barriers to entry faced by sports entrepreneurs to develop the potential of sports tourism villages. From the results of data analysis, one of the obstacles faced by sports entrepreneurs is the capital factor. As emphasized by Khamimah (2021) that the capital factor is very important to start a new business and a challenge for new entrepreneurs. The initial cost or capital is very important to set up and develop a business. In addition, revealed that financial factors are one of the main barriers to starting
entrepreneurship (Tambunan, 2022). Thus, the capital factor can be identified as the main challenge for sports entrepreneurs.

Furthermore, the next obstacle is the lack of knowledge and experience. The results of data analysis can identify obstacles for sports entrepreneurs, namely difficulties in running a business due to a lack of basic knowledge in doing business. In line with the findings of research Raghuvanshi et al. (2017) as confirmed that basic business knowledge is very important for new entrepreneurs to run their businesses. Thus, the factor of lack of knowledge and experience in business can be a problem for developing the potential of sports tourism villages.

Based on the results of the study, another major obstacle is human resources, in this case it is recruitment. In particular, in starting and running a business, recruitment becomes a major obstacle in the way. Analysis of the data reveals that there are difficulties in developing the potential of sports tourism villages if the human resources they have are incompetent. That it is important for employers to work efficiently and with discipline and that recruiting capable and reliable employees is a big challenge (Wiroko, 2017). The recruitment of trusted employees shows that the recruitment of loyal employees is a challenge for both local and foreign employers. Thus, the employee factor can be identified as another challenge for sports entrepreneurs in developing the potential of sports tourism villages in Cisaat Village. From the results of the study, the entry barrier in developing the potential of a sports tourism village is to attract loyal customers. This is due to a lack of knowledge related to marketing and lack of knowledge about how to attract customers. As stated by Naini et al. (2022), it is emphasised that attracting new customers is a challenge for new entrepreneurs, and loyal customers are the basis for the development of an organisation. Therefore, attracting customers becomes an obstacle for sports businesses.

According to the results of this study, there is a lack of time management when starting and maintaining a business. This time management knowledge is an obstacle to developing the potential of sports tourism villages, such as planning activities, maintaining and managing daily activities according to the schedule. The findings of this study are in line with Urfillah and Muflikhati’s (2017) finding that knowledge about time management and ignorance of time management are obstacles for entrepreneurs. Therefore, knowledge of time management is the main challenge faced in developing the potential of sports tourism villages. In addition, the results of this study found that sports entrepreneurs perceive politics as an obstacle in running their business. Each policy directly affects efforts to develop the potential of sports tourism villages. This is supported by the results of the Global Entrepreneurship Network study in 2019 that entrepreneurs face certain challenges due to regulatory policies, taxes, and permits in starting a business (Jaladati & Chitsaz, 2021). In addition, the lack of government support in developing the sports tourism village business. Thus, the development of sports tourism villages is hampered because of the obstacles faced through the existence of policies.

Furthermore, the research findings identify that the next obstacle is the environment. In line with that the shortage of raw materials; machines, buildings, and infrastructures are obstacles and challenges for new sports business (Perwita & Saptana, 2020). The market environment is a common factor in identifying barriers to developing tourism village potential for sports entrepreneurs. This shows that one of the barriers to entry faced is a competitive market environment.

CONCLUSION

The conclusion of this study confirms that the barriers to entry faced by sports entrepreneurs in developing sports tourism villages include capital constraints, a lack of knowledge and experience, recruitment challenges, difficulties in attracting loyal customers, poor time management, political barriers, and environmental obstacles. However, further research should take into account additional elements that may impact these constraints in different contexts. The study acknowledges certain limitations, such as the limited awareness of sports tourism communities within the community and the time constraints faced during the investigation.

For future research, it is recommended to focus on increasing community awareness of sports tourism communities through effective strategies such as campaigns, workshops, or educational programmes.
Longitudinal studies can provide valuable insights into the long-term effects and sustainability of sports tourism villages. Additionally, exploring socio-cultural factors that influence the development of these villages and investigating collaborative initiatives between sports entrepreneurs, local communities, government agencies, and tourism organisations can contribute to overcoming barriers and promoting sustainable growth. Further research should also examine the role of technology and innovation, assess the economic impact of sports tourism villages, study sustainability practices, conduct comparative studies across different villages, and identify best practices and success factors. Taking action through social media promotion, website development, and organising training programmes to enhance management resources and business knowledge can empower sports entrepreneurs and contribute to the realisation of the potential of sports tourism villages.

ACKNOWLEDGEMENTS
This endeavour would not have been possible without financial assistance from the Jakarta State University, the Village Head and the Cisaat Village community, and the Jakarta Provincial Management of the Indonesian Triathlon Federation. Your useful information was really helpful to us during the research's completion.

CONFLICT OF INTEREST
We have no conflicts of interest to disclose. All authors declare that they have no conflicts of interest.

REFERENCES


