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## **MODELING OF THE EFFECT SPORT TOURISM ON DEVELOPMENT OF ENTREPRENEURSHIP IN ESFAHAN CITY**

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### **ABSTRACT**

The aim of this study is offering a structural model of creating entrepreneurship according to effective factors in Esfahan sport tourism. So, this study is an analytical study and modeling attempt and the analysis carried out is that of causal/correlative relationships. Our statistical population size is 250 and it consists of the managers and experts working for the youth and sports bureau, cultural heritage organization, and recreational activities bureau of Esfahan municipality. Using Cohen's sample size formula, 152 of these were selected through stratified random sampling. Data were collected through questionnaires of estimation of entrepreneurship (0.85) and questionnaires of estimation of factors which affect sport tourism (0.87). Data were analyzed using both descriptive and inferential statistical methods, implemented through SPSS/22 and LISREL/ 8.54. Our results indicate that there is a meaningful relationship between sport tourism and entrepreneurship. Also our proposed model turned out to be an acceptable representation of the actual situation (AGFI = 0.922, GFI = 0.911, RMSEA = 0.071). It was found that business opportunity and profitability were the most important among different aspects of entrepreneurship. Hence, it would be to the benefit of the city's economy that entrepreneurs are encouraged to become active in the field of sport tourism.

**Keywords:** *Entrepreneurship, Sport Tourism, Cultural Heritage, Sport Mangers, Esfahan City*

### **INTRODUCTION**

Today, entrepreneurship is considered in many countries as a game changer of the early 21st century world economy. It is regarded both as a main development strategy and a competitive advantage. Entrepreneurship and innovation is currently a focus of creative work for job creation and, productivity and economic development. In the changing world of business, innovation and entrepreneurship has affects sports as well. Sport is a growing business and "sport entrepreneurship" is growing with it too (Davodkhani *et al.*, 2011). Economic development trends in developed countries clearly shows the role of entrepreneurship and it is the view of the majority of Iranian experts and specialists that developing a culture of entrepreneurship can have a great role in creating jobs and boosting economic growth (Henri *et al.*, 2013). Entrepreneurship is both regarded as a platform for economic growth and a career sought by many highly educated and skilled upstarts (Yadollah, 2009). Because it comprises different aspects including economic, political and social aspects, entrepreneurship-based development requires strategic planning which should cover social infrastructures, R&D, quality of human resources, and quality of managerial bodies (Davodkhani *et al.*, 2011). Sports and recreational activities are part of the culture and focal point for attracting tourists and entrepreneurs' activity in these fields can generate revenue, harness inflation, create jobs and reduce unemployment (Henri, 2011).

Tourism combined with sports becomes sport tourism which benefits from the synergistic relationship between its components "tourism" and "sport"(Yadollah, 2009). Sport tourism is growing more rapidly than other types of tourism and tourism organizations increasingly utilize the potential of sports for attracting tourists (Tien and Lin, 2011). According to Raten (2011), sports organizations, due to their importance, should continually seek new fields of activity. Entrepreneurship in sport starts when a sport organization acts simultaneously to respond to an opportunity and create a value. Entities involved in sports include individuals, organizations, and communities (Raten, 2011).

It can be safely asserted that entrepreneurship economy is distinguished by characteristics such as: creation of beneficial jobs, increase in economic activity, transfer and utilization of new technologies,

## **Research Article**

improvement of economic indicators and proliferation of new patterns of economic activity. These characteristics make entrepreneurship-based development model an efficient growth model for developing economies; a model well suited to the conditions, requirement, and challenges faced by such economies (Mandalizadeh and Henri, 2010). Iran is an old country with a civilization record extending over millennia; it is replete with cultural, natural and historical tourist-attractions. In fact it is among the ten highest ranking countries in that respect (Nazari and Ehsani, 2010). The city of Esfahan is replete with ancient buildings and has great potential for attracting investment or innovation. Iran's share of international tourism, however, is quite small. To arrive at a satisfactory situation regarding both sport tourism and entrepreneurship, it is imperative that a new attitude is adopted by the authorities. Davood *et al.*, (2011) have studied the indicators of entrepreneur's attitude and its prevalence and arrived at the conclusion that the youth of tourism-friendly communities are more apt to develop into entrepreneurs. This is partly because they are more exposed to new ideas and opportunities brought in by the tourists and partly because a tourism-friendly environment includes better infrastructure for economic activity and more opportunities (Davodkhani *et al.*, 2011). Roche *et al.*, (2013) state that sport and tourism can mitigate the effect of factors which tend to adversely affect the economy and conclude that prevalence of entrepreneur's attitude towards sport can make it easier for a community to pass through economic crises (Roche *et al.*, 2013). Modifying the factors which affect sport tourism can result in the growth of sport entrepreneurship and in turn in the creation of jobs and sustainable economic growth (Hritz and Ross, 2010). Having a prospect of entrepreneurship in sport tourism can provide us with a vision of a better economic future. Esfahan is a very important industrial and historical city. This city has domestic, regional and international importance and has always been a major tourist destination. A balanced distribution of facilities used by the tourism industry and conforming the capacities to the seasonal fluctuation of demand has been a major concern of those active in the tourism industry of Esfahan. High unemployment rates are in sharp contrast to the city's potential for tourism and especially for sport tourism. Is there a long term strategy for development of sport tourism in the city? Are urban managers interested in such development? Our aim here is to offer a conceptual model for the development and proliferation of sport tourism based entrepreneurship in the city of Esfahan.

## **MATERIALS AND METHODS**

### **Methodology**

This is an applied study which can be classified as a field survey. Correlation analysis is used as the main analytical tool. The statistical population consists of all the specialists employed by sport organizations within the city of Esfahan as well as those working for Cultural Heritage Organization, Esfahan Municipality, and Esfahan Tourism Organization. This population has nearly 250 members, 152 of whom were selected as our statistical sample using stratified random sampling method (sample size was chosen in accordance with Cohen's sample size formula). Data were collected using questionnaires of personal information and questionnaires on the factors affecting sport tourism and entrepreneurship. These questionnaires were prepared based on extensive studying of domestic and foreign scientific articles and their validity (with respect to form and content) was verified by taking the opinion of experts. Validity of construct of these questionnaires was verified through implementing explorative factor analysis of revision 22 of SPSS. Iterative factor analysis was done by implementing Structural Equations Model using Liserl. Reliability of the questionnaires was calculated based on a preliminary sample and through re-implementing of the reliability test. Cronbach's  $\alpha$  coefficient for the two questionnaires was calculated as 84% and 96% respectively. Such values are indicative of high reliability of these questionnaires. Collected data were analyzed both descriptively and analytically.

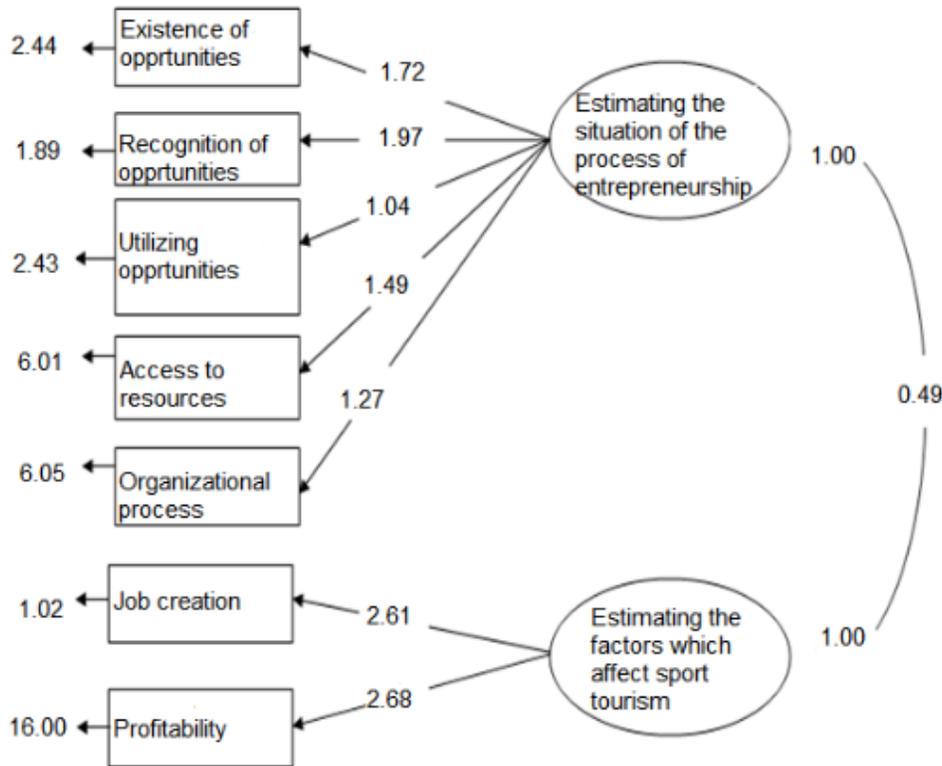
## **RESULTS AND DISCUSSION**

### **Results**

A descriptive analysis of the sample shows that 74% of the subjects in the sample are males and the rest are females. Bachelor level education was the most frequent, with more than 53% of the subjects being

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bachelor level university graduates. High school graduates, on the other hand, were the lowest proportion (3%) of the subjects. Before embarking on the inferential analysis, we set to make certain that our data followed normal distribution. We used Smirnov-Kolmogorov test and Levin test at  $p \leq 0.05$ . Results of these tests showed that our data followed normal distribution and had homogenous variance.



**Figure 1: T-value scores of the analysis of the effect of sport tourism on the development of entrepreneurship**

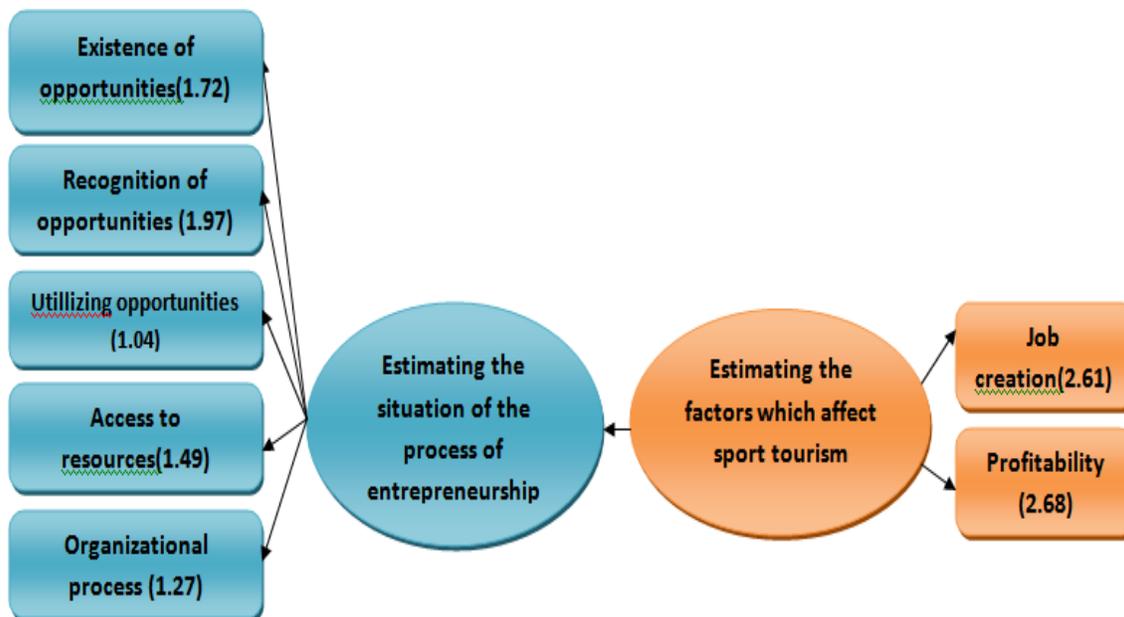
Figure 1 shows that the values of parameters and coefficients derived from the model are within acceptable range. It can be asserted that boosting sport tourism will have a positive effect on different aspects of entrepreneurship in the city of Esfahan.

**Table 1: Score of Goodness model**

Index	Value	Comment
Chi Square	21.48	Discrepancy between data and model is within tolerable limits
DF	9	Good; shouldn't be smaller than zero
P Value	0.06402	The value indicates a satisfactorily fitting model
Root Mean Square Error Of Approximation	0.071	Shouldn't exceed 0.080; The value indicates a satisfactorily fitting model
Goodness of Fit Index	0.911	Greater than 0.90 indicates a satisfactorily fitting model
Adjusted Goodness of Fit Index	0.922	Greater than 0.90 indicates a satisfactorily fitting model
Normal Fit Index	0.913	Greater than 0.90 indicates a satisfactorily fitting model
Reduced Chi Square	2.38	Between 2 and 3 is good

**Research Article**

The above results show that the reduced chi square index is 2.38, goodness of fit index is 0.91, and RMSEA index is 0.071. These are acceptable values and we can assert that the factors chosen really explain the variance and the model satisfactorily fits the situation. Chi square is highly dependent on sample size.



**Figure 2: Model proposed for the effect of sport tourism on the development of entrepreneurship**

A big sample size increases Chi square to levels which cannot be explained by an unfitting model. Ideally, chi square values should conform to a level of significance of 0.05 or greater and/or the reduced chi square should be between 2 and 3. The closer the residual mean regression value is to zero, the more fit the model will be; as a criterion, lower than 0.05 is considered as "acceptably fit". Comparative indexes namely normal fit index and goodness of fit index can take values between zero and one, and the nearer they are to one, the better the model fits the data, with 0.90 being considered as the lower limit for acceptable fitness. The same is true for adjusted goodness of fit index. Root mean square error of approximation index for an acceptably fit model shouldn't exceed 0.080, and it was 0.071 for our model. Chi square value outputted by Liserl is relatively high. While a smaller number would have indicated a better fit, it isn't outside the tolerable range. All in all, it can be asserted that the proposed model acceptably fits the situation and hence the claim that boost in sport tourism can boost entrepreneurship can be supported.

**Conclusion**

Results obtained for the model proposed for the effect of sport tourism on entrepreneurship in Esfahan indicate that, based on standard estimation procedures, the model acceptably fit the real situation. Lower chi square values indicate little discrepancy between the conceptual model and actual data. The value outputted by Liserl is relatively high. While a smaller number would have indicated a better fit, it isn't outside the tolerable range. The calculated root mean square error of approximation index is small enough. The smaller this index is, the better the model is expected to fit the actual situation. RMSEA for an acceptably fit model shouldn't exceed 0.080, and it was 0.071 for our model. We can conclude that the proposed model acceptably fits the situation and that sport tourism can open up opportunities for entrepreneurship. By analyzing different aspects of entrepreneurship, we can determine the priority of each aspect. It can be asserted that highest importance can be assigned to (in decreasing order) existence of opportunities, access to resources, recognition of opportunities, organization, and utilization. These results conform with the findings of a study by Mandalizadeh and Henri (2010), which deals with

### Research Article

recognition of opportunities and creating opportunities in different aspects of entrepreneurship and also the findings of a study by Tejari and Khodayari (2006), which is about the important opportunities sport tourism can offer to entrepreneurs. With regard to factors which motivate entrepreneurship in sport tourism, the highest importance can be assigned firstly to profitability and secondly to job creation, a conclusion which conforms to Henri (2011) who asserts that profit-making and job creation based on sport tourism have been disregarded in the past but will be gaining importance in the future. By considering the results of this study and having a closer look at the proposed model we can see that existence of opportunities and access to resources is very important for the success and profitability of entrepreneurship in sport tourism. This doesn't mean that other factors such as the ability to recognize opportunities, organize activities, or use capacities are unimportant; what we try to convey is that most experts are of the opinion that if opportunities arise in the city of Esfahan for entrepreneurship in sport tourism, then these opportunities can be detected and utilized through good organization and management of resources, and this will lead to creation of jobs and profitability. Now that we know that growth of sport tourism will provide important opportunities for entrepreneurship and entrepreneur activity, we should try to find ways to attract sport-tourists to Esfahan and fully and sustainably utilize the existing facilities and capacities in a way that a constant influx of sport tourists can be created and handled. If sport tourism is boosted and sustained in Esfahan, new opportunities will arise for entrepreneur activity. These opportunities may arise in different fields which are related to sport tourism, fields such as manufacturing, marketing, specialty jobs, etc. Entrepreneur activity creates jobs and boosts local economy and this in turn would encourage "would-be-entrepreneurs", and more entrepreneur activity would follow. For these reasons and considering the relationship between sport tourism and entrepreneurship, local authorities should support the expansion of sport tourism and should act to establish the foundation needed for attracting sport tourists and hence creating and maintaining jobs.

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