



AKADÉMIAI KIADÓ



International Review of  
Applied Sciences and  
Engineering

DOI:  
[10.1556/1848.2024.00821](https://doi.org/10.1556/1848.2024.00821)  
© 2024 The Author(s)

ORIGINAL RESEARCH  
PAPER



# Business strategy of for-profit-oriented sports enterprises in Hungary

Éva Bácsné Bába<sup>1\*</sup> , György Norbert Szabados<sup>1</sup> ,  
Szabolcs Gergely Orbán<sup>2</sup> , Zoltán Bács<sup>3</sup> , Renátó Balogh<sup>1</sup> and  
Sándor Kovács<sup>4</sup>

<sup>1</sup> Faculty of Economics and Business, Institute of Sports Economics and Management, University of Debrecen, Debrecen, Hungary

<sup>2</sup> HBVM-RFK, Debrecen, Hungary

<sup>3</sup> Faculty of Economics and Business, Institute of Accounting and Finance, University of Debrecen, Debrecen, Hungary

<sup>4</sup> Faculty of Economics and Business, Coordination Center for Research in Social Sciences, University of Debrecen, Debrecen, Hungary

Received: February 14, 2024 • Accepted: March 23, 2024

## ABSTRACT

Many sports organisations operate as non-profits, but the emphasis and role of for-profits in this sector cannot be avoided. Today, sports activities are connected to the business sector and generate profit, hence, sports sector is a decisive part of the economy. Sport profile companies differ in their organisational strategy formulation approach. The main focus was to learn more about their strategy approach and market behaviour. 350 sports business organisations were involved in a survey of 3,248 companies, and the Chi-square test, variance analysis, and principal component analysis were applied to the sample. Results showed that 75.7% of the responding sports companies had no written strategic plan. The availability of written strategies seemed to depend on the organisation's scale. The market-following behaviour was confirmed in the case of smaller sports enterprises. Fitness service providers appeared to follow a market-leading behaviour. Growth, investment, and development naturally emerged as essential factors for companies with higher sales revenue and operating sports facilities, and they were relatively less important in sports goods production and trade. Most of the results showed that in the sports business sector, large-scale organisations focus on strategic-related issues more than other players in the industry.

## KEYWORDS

sports enterprises, business strategy, market position, sports activities, Hungary

## JEL CLASSIFICATION

L21, L26, L83

## 1. INTRODUCTION

Sports have become a part of the daily lives of a significant proportion of people. Slowly, almost every person is involved to some degree. Two kinds of sports activities can be distinguished: leisure time by everyday people and performance sports by athletes. The latter has become professional and created a separate industry. Individual sports have become an essential form of entertainment, a distinct way of spending free time, a profession in one area, and its media-capable version has become a spectacle.

The establishment of sports companies in leisure sports was that in recent decades, there have been spectacular changes in developed market economies - after the change of regime in Hungary - resulting in a solvent demand for leisure sports. Although some sports can be run individually, there are many activities that can be organised, with special tools and accessories,

\*Corresponding author.  
E-mail: [bacsne.baba.eva@econ.unideb.hu](mailto:bacsne.baba.eva@econ.unideb.hu)



which have brought the organised facilities to life. Sports facilities require sports infrastructure, such as gyms, swimming pools, sports halls, sports fields, stadiums and “arenas”. Sport is one of the target areas for investment, construction technology installation, and the operation and maintenance of sports facilities, and its security infrastructure is also highly job-creating [1]. In the case of business-based service providers, consumer orientation and the highest possible level of consumer demand are emphasised. The prevailing approach, which is one of the potential and important tools for the competitive advantage of service providers, is quality and consumer orientation, and creating ownership and consumer value is crucial in the sports industry.

The appearance of business in sports can also be examined as a functional dimension, considering some typical trends and examples. A significant development was that the strategic goals of the most successful business sports and their companies were becoming increasingly global. The globalisation of the entertainment industry was even greatly supported by the massive development of the communication and information technology revolution, especially television. The related industries were constantly growing in all respects. Sports-related businesses created job opportunities that require specialised knowledge and a business foundation.

Sports-related business strategy has become an area of interest for more and more companies worldwide, as these companies also need to know and schedule the economic processes that generate the most profit while exploiting the highest efficiencies. Nowadays, strategy elements do not often come together or even extinguish each other, and the sports organisation does not even have a clear strategy. Even if there is a strategy, it has only a few leading privileges. It does not permeate total business goals, or it is unknown to most members of the company and is thus only occasionally followed by business policy. The strategy is environment-dependent, so it considers the organisation’s immediate external environment (regulators, labour market, competitors, suppliers, customers) and the elements of the general environment (political, economic, social, technical, environmental and legal) that indirectly affect it. Therefore, the management of the company must always determine the strategy and set the directions and examples in the implementation. Still, the management, as a significant part of a company, does not often have enough knowledge or experience to develop the required strategy. The recent study discussed the development of an appropriate strategy for sports enterprises and the theoretical support to make this strategy.

As far as the authors were aware, this was the first research that dealt with the business strategy problem of sports companies apart from football clubs and investigated their market situation and strategic behaviour types. The article was divided into six sections. Section 2 provided a literature review on enterprise strategies, strategic management practices and the definitions of market roles. Section 3 introduced the sports organisations and their corporate strategies and contained some hypothesis development. The methodology was described in Section 4 with respect to data

collection and applied methods. Results were presented in Section 5, while Section 6 discussed the results. Finally, Section 7 summarised the content of the article and offered some conclusions and further prospects.

## 2. LITERATURE REVIEW

Entrepreneurship is a human activity that aims to satisfy consumer profit needs [2]. From this point of view, a sports company is, therefore, a company that wants to meet the needs of consumers in the field of sports while making a profit. The quality of service should be increasingly analysed according to customer needs and considered in business strategies [3]. Companies must always maintain an innovative environment to produce better goods and provide quality services [4]. However, customer needs also change from time to time, and organisations always have to accommodate these changing demands by preparing better organisational requirements. András [5] stated that, according to his interpretation, sports companies are enterprises that want to satisfy consumer needs by operating in sports, and their main goal is to maximise profit. To do this, it is necessary to develop the most optimal organisational strategy within a company, which can be achieved with appropriate analysis, the definition of strategic goals based on it, and the implementation steps. According to Becsky-Nagy et al. [6], cash flows of professional sports investments depend on the success of the teams, but financing sports has economic and social benefits. As a result, the sports industry is rather complex, with many different aspects, and any business support and advice may be more challenging compared to other sectors [7].

Enterprise strategy should be developed by the acceptance of political and social authorities [8] and should also determine its association with society [9]. Therefore, it can be regarded as a social or bridging strategy [10, 11], aiming to accomplish the company’s non-financial targets [12]. Enterprise strategy was described as being capable of accomplishing non-financial goals, meeting societal and stakeholder demands [13] and incorporating values and norms in the firm’s strategic planning process. According to Digman [14], strategic planning concerns all levels (enterprise, corporate, business, functional and operational) and makes all the economic and non-economic benefits clear for the stakeholders and society.

In recent management procedures, strategic management plays a crucial part. It is strongly advised to have a well-considered and defined strategy for the venture to boost business performance [15]. On the other hand, many scientific pieces of research detailed the main types of strategies for enterprise environment [16], such as macro-, immediate and internal environment [16]. Zhikhareva and Saveleva [17] described the selection of optimal strategic elements in the planning, Karpenko et al. [18] emphasised the stages of strategy formation, while the topology of enterprise strategies was introduced by Barnard [19] and was connected to the number of levels and the development of the host country.



Thompson and Strickland [21] proposed the primary strategy formation stages as defining ground rules, setting the major aims and targets, and describing the strategic development and the way of the execution. Nevertheless, a special emphasis was placed on the fact that strategic planning is entirely influenced by the internal and external factors of the company, and one must always take the industrial and market position of the given company into consideration. Enterprises must be able to act immediately to sudden changes in the external environment and to adapt to these changes rapidly. Besides the formation of the mission goals and the selection of the appropriate strategic elements, the enterprises should also gradually monitor and evaluate the entire strategic development process, which consists of the following stages [18]:

- a) analysis of the outside and inside factors of the business operation
- b) development of a set of business goals
- c) evaluation of several other development possibilities
- d) selection and application of the strategy
- e) modification of the strategy

Consequently, strategic management explicitly investigates the connection between the operating context of large and well-established companies and their market environment. However, small enterprises must also know the available business direction and opportunities. Based on the growing importance of small business firms and ventures and their influence on innovation and business development, strategic planning and development for these companies have been at the centre of more research attention in the past few years. Small businesses are self-owned companies without innovative strategies and should be differentiated from entrepreneurial ventures based on their operating practices and primary goals. On the other hand, entrepreneurial ventures can be identified by their innovative strategic management plans, and their primary goals are profit realization and growth. Business development and improvement, as well as innovation, are fundamental differences between the two company types [15]. Moreover, small businesses were believed to contribute significantly to the local and regional economy through economic regeneration and growth, creating more jobs and increasing wealth [7, 20].

Businesses' market roles can be categorised into four strategies: market leader, market challenger, market follower and participant in the specialized market. A market leader strategy is the strategy of the company with the largest market share, aiming to maintain or increase its existing market share. A market challenger is not a market leader company that aggressively seeks to increase its market share by challenging the market leader in one or more areas. The strategy of a market follower is only to maintain a specific market position. The participants in the specialized market are specialised for a smaller market segment by targeting a particular consumer group and selling a special product or service to them. Market leaders usually have a strategy even if the company itself does not have a specially written

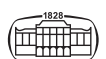
strategy. Apart from this, it is more important that the key people in the top positions of the business have a good understanding of the direction (development and only sometimes growth) and the resources of the company. It requires, first and foremost, knowledge of the potential capabilities of their own business, the identification and consideration of similar characteristics of competitors, and the continuous understanding, influencing and satisfying of the needs of their customer segment.

To sum it up, sports organisations have a great ability to generate profits and are related closely to the business sector. Therefore, a special sport-related business strategy should be developed as these sport-profile companies seem to be different from other organisations. However, the identified four market roles pertain even to these sport-profile companies. Previous findings were related mainly to the business strategy of internationally acknowledged football clubs. Still, the other segment of the sports sector, from fitness centres to esports tournament organisers and facility managers, needs to be studied adequately, which provided the research gap to the current study.

### 3. HYPOTHESIS FORMATION

Reviewing the international examples, it can be stated that a sports enterprise is a business company, but it cannot be established in all forms of business in Hungary. Sports enterprises should be limited liability or joint stock companies (or operate by the rules of the Companies Act, provided that sports activities in the field of sports for the disabled and leisure sports can be organised within a public benefit company). Today, sports activities are becoming more and more closely connected with the business sector, and their ability to generate profits has been proven so that sports can become a rapidly developing and pulling part of the economy [22]. Hungarian sports companies are looking for opportunities for successful operation, both in the choice of the corporate form and in the development of the organisational strategy, and this research aimed to show a direction to the latter.

Therefore, only those businesses that offered sports activities as their primary activity were examined. Within sports activities, the companies were classified into five subgroups according to their actual activity: operating competitive sports teams and facilities, providing fitness services, producing or trading sports equipment and offering other sports activities (including sports event organisations, manufacturers of sports equipment or those who provided services related to leisure sports activities or were involved in sports tourism). It was known from a previous survey of the sports sector as a whole that the vast majority of sports enterprises are characterised by small staff and typically low sales revenue [22, 23]. Only among the enterprises operating teams competing in the first divisions of the national championships were those placed in the medium enterprise category based on the number of employees, sales revenue



and balance sheet total [23]. This characteristic of size can predict the relationship of enterprises to corporate strategy. Based on this, in the present study, companies of larger size and more significant sales revenue were expected to have a written business strategy and to strive to be the market leaders. However, market-following behaviour was assumed in the case of the smaller sports enterprises that belonged to the SME sector (H1). It was also a significant goal to reveal which sports activity was paired with which strategy. As hypothesised, businesses that operated teams competing in professional spectator sports and those that provided fitness services were supposed to behave as market leaders; sports facility operators and leisure service providers were expected to be market followers. In contrast, sports equipment manufacturers and traders, as well as those dealing with sports tourism and sports event organisations, were believed to challenge the market (H2).

## 4. METHODOLOGY

### 4.1. Data collection

The data was gathered between 2019 and 2020 in a questionnaire survey of profit-oriented companies that indicated sports as their primary activity by telephone inquiry by a professional market research company. They managed to collect data from every country in Hungary. A total of 350 heads of sports companies answered our questions among the population of around 2,832 sports companies [23]. Based on the previously mentioned numbers, the sample contained 12.4% of the population and, therefore, can be considered as representative of the entire population. The detailed organisational characteristics of the responding companies, such as the number of employees and the size of sales revenue, were reported in the following cross-table (Table 1):

Based on Table 1, the sample consisted of mainly sports enterprises (almost half of the companies) employing less than 25 people (mostly 1–2 people) and with a turnover of less than 50 million HUF. There was a strong association

Table 1. Association between sales revenue and employee number (% of companies)

Sales revenue	<2 heads	3–10 heads	11–25 heads	26–50 heads	Total %
<10 Million HUF	54%	21%	12%	13%	48%
11–50 Million HUF	43%	33%	12%	12%	27%
51–250 Million HUF	13%	61%	13%	13%	17%
>250 Million HUF	0	0	52%	48%	8%
Total %	39%	31%	13%	17%	100%

Note: HUF = Hungarian Forint (local currency in Hungary).

Source: Authors' own calculation.

between the size of the company concerning sales revenue and the number of employees. In the case of 51–250 Million HUF sales revenue, the proportion of those employing 3–10 people was 61%. The companies with the highest sales revenue (over 250 Million HUF) always had more than 11 employees, and almost half employed 26–50 persons.

### 4.2. Applied methods

Chi-square ( $\chi^2$ ) test, Analysis of Variance (ANOVA) and Principal Component Analysis (PCA) were used in the study. The  $\chi^2$  test was applied to examine the association between two categorised factors forming a so-called cross-table. Data were grouped according to the categories of the given factors into the rows and columns of the cross-table, and the difference, for example, in the row-wise proportions, were analysed according to row factor. The test was mainly used to examine the relationship between the size (concerning sales revenue or employment number categories, respectively) and the market situation (the previously mentioned four categories) or the existence of a written strategic plan (Yes or No). With the help of the ANOVA, it could be examined by *F*-statistics whether the quantitative development of a given factor differed in the groups formed by, for example, sales revenue. In the analysis, the null hypothesis was that the means were equal in the studied groups. A 5% significance level was employed in the ANOVA analysis. Therefore, if the significance value was below 5%, the null hypothesis of no difference should be rejected. Hence, a significant difference can be detected between the groups concerning the given factor. The strategic questions (14 items) were analysed by PCA to find the common structure that underlined the data and group the items by assigning the most correlated items to a single Principal Component (PC). The established PCs were then further analysed using an ANOVA based on the main factors such as activity, size and market position. Data analysis was performed by IBM SPSS 25 statistical software [24].

## 5. RESULTS

The existence of a strategic plan can be a characteristic of a larger company in terms of sales revenue/employee numbers. The existence of a strategic plan can be a characteristic of a larger company in terms of sales revenue/employee numbers. Within the lower sales categories (<10 Million HUF and 11–50 Million HUF), the ratio of enterprises with a strategic plan was 22% and 9%, respectively. Within the 51–250 Million HUF sales category, this ratio changes to 26%, while there was clearly a significantly higher proportion of companies (48%) within the largest sales category (over 250 Million HUF) that had a written strategy ( $\chi^2$  test value = 16.7; *P* = 0.001). Considering the number of employees, the same trends emerged as seen in the case of the sales categories. A higher proportion of companies employing more people had a written strategy (48% of those employing 26–50 people had one).



Those companies that employed 25 persons or fewer had a written strategy only in 16–24% of the cases ( $\chi^2$  test value = 22.6;  $P < 0.001$ ). Based on the above-mentioned facts, it can be concluded that the larger the business was, the more likely it was to find a written strategy. The sports enterprises assessed their market position at the local level.

It was found that the majority of the firms (38%) were market followers, 28–25% were market leaders and participants in the specialized market., respectively, while only 9% of the companies challenged the market (Fig. 1). As seen in Fig. 1, a clear relationship can be observed between the domestic market position and size concerning sales revenue ( $\chi^2$  test value = 36.1;  $P < 0.001$ ).

The highest proportion of market leaders (65%) can be found within the largest companies concerning sales category (over 250 Million HUF), and the ratio of participants in the specialized market and market followers were also the lowest (9.4% and 26%, respectively). Interestingly, none of these relatively larger companies have challenged the market. The market-challenging behaviour occurred in 8–13% of the cases among the companies with relatively lower sales revenues. These organisations can be more characterised by participants in the specialized market (13–35%) and follower (33–38%) behaviour. It can be noticed that the relatively smaller organisations tended to be participants in the specialized market and market followers with a higher percentage. Hence, under 10 Million HUF sales revenue, the proportion of participants in the specialized market was 35%, and the ratio of market followers was 38%. Market-challenging behaviour occurred more in the 51–250 million HUF sales category (13%), and market following was most characteristic of companies with 11–50 Million HUF sales revenue (43%).

There was a clear trend between the organisation’s domestic market position and its size according to the number of employees based on the Chi<sup>2</sup> test ( $\chi^2$  test value = 38.5;  $P < 0.001$ ) (Fig. 2).

The highest proportion of market leaders (42%) can be found among the largest companies with 26–50 employees, while the proportion of participants in the specialized market (14%) was the smallest compared to other employee number categories. The behaviour of the participants in the specialized market was more typical for smaller organisations (28–30%). It can also be concluded that the larger the sports company was, the higher the proportion was to be a market leader.

Figure 3 shows the association between the type of sports activities and the market situation. Regarding the primary activity, those who provided fitness services tended to be market leaders (39%), and those who operated competitive sports teams tended to follow the market (39%). In sports facility operation (38%) and equipment manufacturing and trading (46%), the proportion of participants in the specialized market was relatively higher. Market challenger

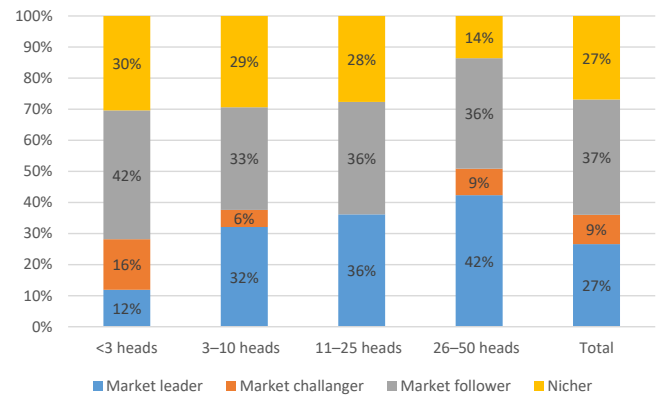


Fig. 2. Assessment of the domestic market situation of the examined sports enterprises according to their number of employees  
Source: Authors’ own calculation

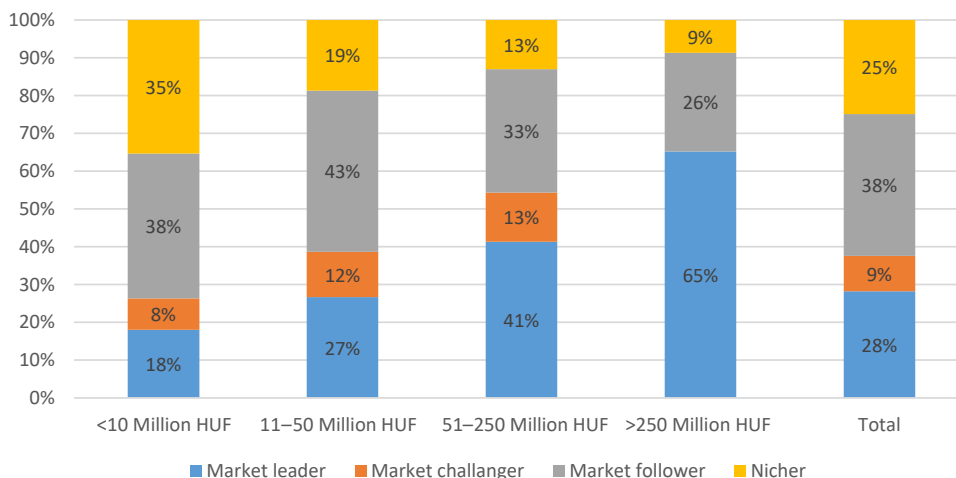
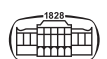


Fig. 1. Assessment of the domestic market situation of the investigated sports enterprises according to their sales revenue  
Note: HUF = Hungarian Forint (local currency in Hungary)  
Source: Authors’ own calculation



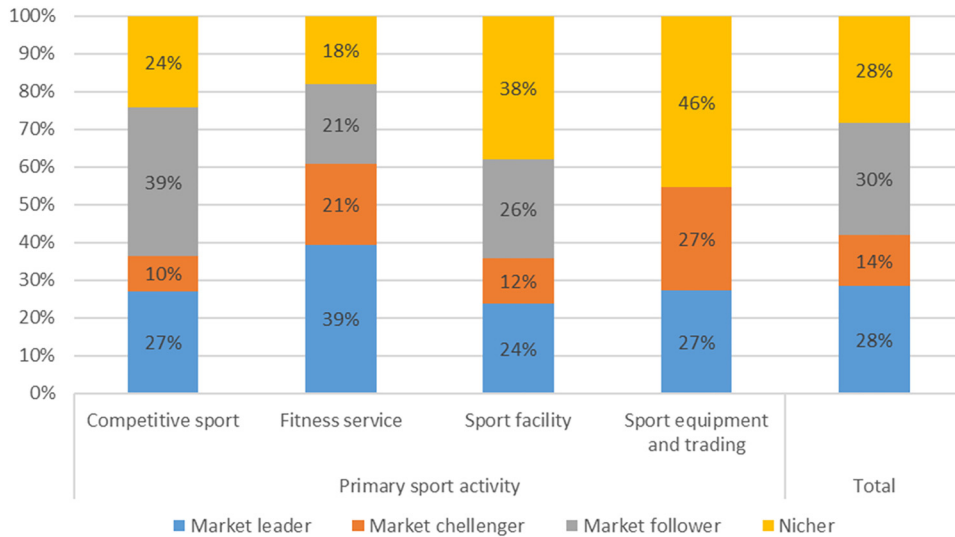


Fig. 3. Association between the domestic market position and the primary sports activity  
Source: Authors' own calculation

companies were mostly among sporting goods manufacturers and distributors (27%).

The subcategories of other sports activities were examined separately (Fig. 4). Sports organisations offering multiple sports activities (also providing combined sports services) (43%) and sports organisations dealing with tourism (50%) were the main market leaders. In comparison, sports equipment manufacturers (23%) and leisure sports service companies (18%) were the most minor market leaders.

Organisations with this latter activity mostly followed the market (46%), similar to sports events organising companies

(44%). The largest proportion of participants in the specialized market (31 and 33%, respectively) can be found among companies with combined and leisure activities.

The PCs created for strategic questions can be seen in Table 2. PCA analysis has clearly found the underlying common structure and the grouping of the strategic elements.

During the PCA analysis (Table 2), the value of the Kaiser-Meyer-Oldkin index became very high (0.791), indicating good sampling adequacy and 61% of the variance was preserved during the information reduction. From the original 14 items, the following four components could be

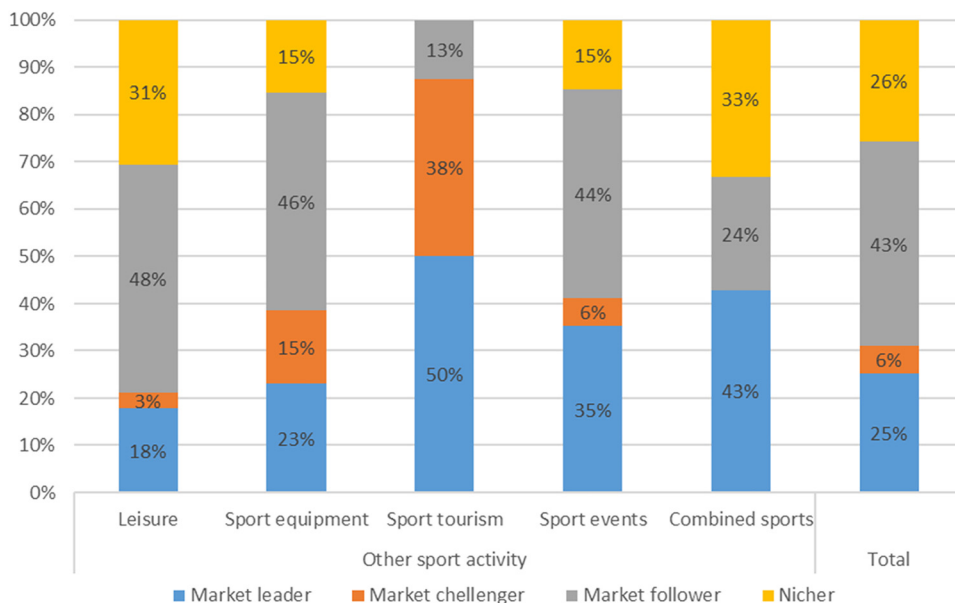


Fig. 4. Association between the domestic market situation and the other sports activity  
Source: Authors' own calculation



Table 2. Principle component analysis of the strategic elements of the examined sports enterprises

Strategic element	Principle components			
	Growth	Investment + development	Innovation	Current product development
Increasing consumer satisfaction	0.730			
Creating and maintaining stable management	0.724			
Increasing profit	0.608			
Entry to the international market	0.568			
Development of fixed assets (machines, equipment), investment		0.753		
Real estate investment, development		0.709		
Development of info-communicational devices		0.692		
Realization of tender funds		0.626		
Development of HR activity		0.559		
Enhancing product/service supply			0.753	
Realization of innovation, development of new products, services			0.728	
Increasing market share			0.552	
Maintaining the current product/service supply				0.867
Efforts to improve the quality of the product/service				0.592

Source: Authors' own calculation.

formed: growth, investment/development, innovation, and current product development. The differences in the values of the established PCs were further investigated by an ANOVA analysis in the groups according to other sports activity, primary activity, market position and size (sales revenue and employment, respectively).

When examining the primary activity of sports enterprises, a significant difference was found in the value of the last three PCs based on the ANOVA (Table 3). However, it should be noted that fitness service providers consider growth relatively more important (entering the international market, increasing profits, broadening the customer base).

Investment and development were important for companies operating sports facilities and were relatively less important in sports goods production and trade. On the other hand, there was a greater emphasis on innovation for sports goods manufacturing and trading companies compared to different types of companies. The development of existing products was rated relatively more important for those who run fitness and competitive sports teams and was

less important for sports equipment manufacturers and facility operators.

In the case of sports enterprises with other sports activities, there was a significant difference based on the ANOVA in the values of the first three main components. However, it should be noted that the sports tourism and sports service providers considered the development of their existing products and services to be relatively more important. Investment/development and product development were essential for companies operating in sports tourism and were relatively less important for companies involved in producing sports goods and organizing sports events. For sports goods companies (together with sports tourism), however, growth (profit, customer base, international expansion) was the most significant focus compared to other companies. Innovation was particularly important in companies dealing with sports events and companies of the combined type, which dealt with several activities simultaneously (Table 4). Considering sales revenue, the ANOVA showed a significant difference for all factors (Table 5).

Table 3. Variance analysis of the strategic components of the sports enterprises according to primary sports activity

The main field of activity	Growth	Investment + development	Innovation	Current product development
Competitive sport	-0.010	0.065	-0.296	<b>0.179</b>
Fitness service	<b>0.330</b>	-0.118	<b>0.211</b>	<b>0.240</b>
Sports facility	0.181	<b>0.366</b>	<b>0.213</b>	-0.132
Sports goods manufacturing or trade	0.044	-0.449	<b>0.231</b>	-0.168
Mean value	0.107	0.077	-0.029	0.081
F-statistics (P-value)	0.972 (0.408)	2.749 (0.045)	3.559 (0.016)	2.739 (0.045)

Source: Authors' own calculation.

The significant differences based on ANOVA are highlighted (in bold).



Growth (international expansion, customer base, profit increase) was extremely important for companies with higher sales revenue. Only companies with a turnover of more than 250 million HUF typically indicate investment and development as especially important. Product development was relatively more important in the 51–150 Million HUF sales category than in the other sales categories.

According to Table 6, a significant difference based on the number of employees occurred only in terms of investment development, according to which, in the case of larger companies (with more than 26 employees), investment development was of particular importance. At the

same time, for smaller enterprises, it did not play such an important role.

Examining the data according to market position (Table 7), all PCs differed significantly.

The results were mainly due to the difference between the strategies of the market leader and the participant in the specialized market. The market leaders clearly rated all strategic principles as more important than the participants in the specialized market. It was also worth highlighting that investment and development were important for the market followers, while innovation was important for the market challengers compared to participants in the specialized market.

Table 4. Variance analysis of the strategic components of the sports enterprises according to other sports activity

Other sports activities	Growth	Investment + development	Innovation	Current product development
Leisure	-0.322	0.044	-0.128	-0.110
Sports equipment	<b>0.602</b>	-0.465	0.177	-0.038
Sports tourism	<b>0.814</b>	<b>0.533</b>	0.058	<b>0.344</b>
Sports events	0.253	-0.592	<b>0.250</b>	-0.045
Combined sports	-0.086	0.263	<b>0.336</b>	-0.011
Mean value	-0.087	-0.058	0.017	-0.065
F-statistics (P-value)	6.042 (P < 0.01)	4.695 (P = 0.01)	1.710 (P = 0.089)	0.293 (P = 0.882)

Source: Authors' own calculation.

The significant differences based on ANOVA are highlighted (in bold).

Table 5. Variance analysis of the strategic components of the sports enterprises by sales revenue

Sales revenue	Growth	Investment + development	Innovation	Current product development
below 10 Million HUF	-0.303	-0.102	-0.282	-0.024
11–50 Million HUF	0.022	-0.062	<b>0.310</b>	-0.321
51–250 Million HUF	<b>0.420</b>	-0.172	<b>0.444</b>	<b>0.293</b>
over 250 Million HUF	<b>0.465</b>	<b>0.557</b>	0.183	-0.009
Mean	-0.031	-0.048	0.038	-0.051
F-statistics (P-value)	8.843 (P < 0.01)	3.371 (P = 0.019)	10.535 (P < 0.01)	3.215 (P = 0.023)

Note: HUF = Hungarian Forint (local currency in Hungary).

Source: Authors' own calculation.

The significant differences based on ANOVA are highlighted (in bold).

Table 6. Variance analysis of the strategic components of the sports enterprises according to the number of employees

Number of employees	Growth	Investment + development	Innovation	Current product development
<3 heads	-0.097	-0.111	0.018	-0.125
3–10 heads	0.087	-0.160	0.073	0.026
11–25 heads	-0.154	<b>0.179</b>	-0.031	0.155
26–50 heads	0.183	<b>0.408</b>	-0.151	0.114
F-statistics (P-value)	1.737 (P = 0.159)	5.473 (P < 0.01)	0.669 (P = 0.572)	1.365 (P = 0.253)

Source: Authors' own calculation.

The significant differences based on ANOVA are highlighted (in bold).

Table 7. Analysis of variance of the strategic components of the sports enterprises according to market position

Market situation (local)	Growth	Investment	Innovation	Current product development
Market leader	<b>0.332</b>	<b>0.160</b>	<b>0.314</b>	<b>0.189</b>
Market challenger	0.091	-0.382	<b>0.412</b>	0.032
Market follower	0.035	<b>0.128</b>	-0.087	0.087
Participant in the specialized market	-0.409	-0.201	-0.335	-0.318
F-statistics (P-value)	9.435 (P < 0.01)	4.501 (P < 0.01)	9.409 (P < 0.01)	4.770 (P < 0.01)

Source: Authors' own calculation.

The significant differences based on ANOVA are highlighted (in bold).



## 6. DISCUSSION

Over the last two decades, several studies have focused on the business strategy of primarily internationally acknowledged sports clubs operating in the field of football. The reason is that the application of business methods and market competition most characterises these organisations. Today, however, many segments of the sports sector are catching up with these clubs in business operations, from fitness centres to esports tournament organisers and facility managers. These organisations are also profit-driven, consumer- and quality-oriented, for which strategic planning is essential. In the sports sector, strategy development is clearly focused on identifying and exploiting the source of competitive advantage. Researchers have linked the source of competitive advantage for sports businesses and organisations to an element of the value chain, such as knowledge and brand management [25, 26], product and business model, leadership, innovation and environmental orientation [27]. Researchers have also typified the strategies pursued by European football clubs based on double value creation, i.e. achieving economic and sporting success, which is the speciality of professional sport. Based on the sub- and co-dependence of these two aspects, the Success-circle strategy [28], Transfer-strategy, Commercial-strategy, Synergy-strategy, and L'art pour l'art strategies were distinguished [29]. According to András and Havran [5], the economic crisis, the extreme wages, and higher transfer prices made football clubs change their business strategies. When analysing the strategy formation of English football clubs, researchers have also pointed out the close relationship between value creation and financialisation [30]. Şener and Karapolatgil [31] analysed 50 clubs from 10 countries and identified three strategic groups for football clubs: industry leaders, runners-up and weak clubs based on their brand equity. Analysing the strategies showed that industry leaders followed an offensive strategy, second-ranked clubs followed a distinctive image strategy, and weak clubs followed a defensive strategy. Several studies have addressed customer value creation as a determinant of sports clubs' strategy [32–36], customer satisfaction [37–42] and the quality of active and passive sports services [43–46]. It can be observed from the international literature related to the sports sector that strategy-making and business operations were closely related. Moreover, the results of the current research were in line with González-Serrano et al. [47], who have analysed the competitiveness of small businesses in the Spanish fitness industry during the COVID crisis and determined that innovation-related strategic planning and development were key factors in sustaining competitiveness. Pellegrini et al. [48] emphasised the shift of strategic focus towards market orientation and product development of the firm, which was also addressed in the present study.

## 7. CONCLUSION

So, to sum it up, sports enterprises with larger sizes and sales revenue tended to have a written business strategy, and these enterprises also strived to be the market leaders. As

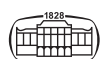
hypothesised, the market-following behaviour was confirmed in the case of smaller sports enterprises. It was explored which sports activity can be paired with which strategy. Sports tourism businesses and fitness service providers showed market-leading behaviour, companies operating teams competing in spectator sports were mostly market followers, sports facility operators, sports equipment manufacturers and retailers, and those who dealt with organising sports events and leisure service providers were mainly market followers or participant in the specialized market. Hence, assumptions were confirmed only in the case of the market-leading behaviour of fitness service providers. It was also revealed that growth, investment and development, innovation and product development were the most decisive factors in strategy development for sports organisations. Fitness service providers considered growth relatively more important (entering the international market, increasing profits, broadening the customer base). Investment and development were important for companies operating sports facilities and were relatively less important in sports goods production and trade. On the other hand, the importance of innovation for sports goods manufacturing and trading companies was highlighted. Fitness providers and competitive sports team operators should focus more on the development of existing products, but these should be less important to sports equipment manufacturers and facility operators. Growth (international expansion, customer base, profit increase) naturally emerged as a particularly important factor for companies with higher sales revenue. Related to this, these sports enterprises considered investment development particularly important, while it was less critical for the smaller ones.

The current research also had some limitations. First of all, the sample size could be increased, and the respondents could only be from Hungary. The sample was gathered during the COVID-19 pandemic, which could have an influence on the responses. Therefore, results should be interpreted with caution. Future directions of this research could be the replication with a much larger sample that consists of small and medium businesses. A post-pandemic study can also be conducted as a future prospect, and the results can be compared over time.

*Funding:* This publication was supported by the project “Investigating the role of sport and physical activity for a healthy and safe society in the individual and social sustainability of work ability and quality of work and life (multidisciplinary research umbrella program)”.

*Author contributions:* BBÉ and SZGYN conceived the study and were responsible for the design and development of the data analysis. OSZG and BZ were responsible for data collection and data interpretation. KS was responsible for the formal analysis, software and visualization. BBÉ and SZGYN wrote the first draft of the article. BR and BZ, KS, OSZG, SZGYN were responsible for writing (review and editing).

*Disclosure statement:* The authors declare that they have no known competing financial interests or personal



relationships that could have appeared to influence the work reported in this paper.

*Data availability:* Data will be made available on request.

## REFERENCES

- [1] B. Zsótér, "Financial planning in connection with accommodation development in a sport centre," *Questus Multidiscip. Res. J.*, vol. 4, no. 11, pp. 172–7. [https://real.mtak.hu/52991/1/Zsoter\\_Quaestus\\_2017\\_u.pdf](https://real.mtak.hu/52991/1/Zsoter_Quaestus_2017_u.pdf).
- [2] A. Chikán, *Vállalatgazdaságtan*. Budapest: AULA, 2023. ISBN 9789634546269.
- [3] S. D. Lestari, F. M. Leon, S. Widyastuti, N. A. Brabo, and A. H. P. K. Putra, "Antecedents and consequences of innovation and business strategy on performance and competitive advantage of SMEs," *J. Asian Finance Econ. Bus.*, vol. 7, no. 6, pp. 365–78, Jun. 2020. <https://doi.org/10.13106/jafeb.2020.vol7.no6.365>.
- [4] K. Anwar and G. H. Qadir, "A study of the relationship between work engagement and job satisfaction in private companies in Kurdistan," *Int. J. Adv. Eng. Manag. Sci.*, vol. 3, no. 12, pp. 1102–10, 2017. <https://doi.org/10.24001/ijaems.3.12.3>.
- [5] K. András and Z. Havran, "New business strategies of football clubs," *Appl. Stud. Agribus. Commer.*, vol. 9, nos 1–2, pp. 67–73, Sep. 2015. <https://doi.org/10.19041/apstract/2015/1-2/13>.
- [6] P. Becsky-Nagy, T. Dékán, R. Szőke, and Z. Bács, "The relevance of sports financing," *Appl. Stud. Agribus. Commer.*, vol. 9, nos 1–2, pp. 19–22, Sep. 2015. <https://doi.org/10.19041/apstract/2015/1-2/4>.
- [7] K. Bill and C. Rhoden, "Business support in sport: strategy or serendipity?," *J. Small Bus. Enterp. Dev.*, vol. 18, no. 4, pp. 821–32, Oct. 2011. <https://doi.org/10.1108/14626001111179820>.
- [8] R. Evered, D. E. Schendel, and C. W. Hofer, "Strategic management: a new view of business policy and planning," *Adm. Sci. Q.*, vol. 25, no. 3, p. 536, Sep. 1980. <https://doi.org/10.2307/2392273>.
- [9] R. E. Freeman, *Strategic Management*. Cambridge University Press, 2010. <https://doi.org/10.1017/cbo9781139192675>.
- [10] T. A. Hemphill, "Enterprise strategy and corporate environmental alliance," *Business Forum*, vol. 21, nos 1-2, p. 8+. [Online] <https://link.gale.com/apps/doc/A18622525/AONE?u=anon~e10ac8bb&sid=googleScholar&xid=b783d7a5>.
- [11] M. B. Meznar and D. Nigh, "Buffer or bridge? Environmental and organizational determinants of public affairs activities in American firms," *Acad. Manage. J.*, vol. 38, no. 4, pp. 975–96, Aug. 1995. <https://doi.org/10.5465/256617>.
- [12] B. Steyn, "CEO expectations in terms of PR roles," *Communicare: J. Commun. Stud. Africa*, vol. 19, no. 1, pp. 20–43, Oct. 2022. <https://doi.org/10.36615/jcsa.v19i1.1837>.
- [13] B. Steyn and L. Niemann, "Enterprise strategy," *J. Commun. Manag.*, vol. 14, no. 2, pp. 106–26, May 2010. <https://doi.org/10.1108/13632541011034574>.
- [14] L. A. Digman, *Strategic Management*, 2nd ed. Homewood: BPI/ Irwin, 1990. ISBN 978256066739.
- [15] G. Beaver, "Strategy and management in the smaller enterprise," *Strateg. Change*, vol. 11, no. 4, pp. 175–81, Jun. 2002. <https://doi.org/10.1002/jsc.591>.
- [16] O. S. Vihanskiy and A. I. Naumov, *Management: A Textbook*, 4th ed. Moscow: Economist, 2006.
- [17] V. V. Zhikhareva and T. N. Saveleva, "Formation of the enterprise development strategy under uncertainty," *Econ. Soc.*, vol. 9, pp. 423–7, 2017. [Online] [https://economyandsociety.in.ua/journals/9\\_ukr/73.pdf](https://economyandsociety.in.ua/journals/9_ukr/73.pdf).
- [18] Y. Karpenko, I. Kuznetsova, A. Chykurkova, M. Matveyeva, O. Hridin, and K. Nakonechna, "Formation of the enterprise strategy based on the industry life cycle," *Indep. J. Manag. Prod.*, vol. 12, no. 3, pp. s262–80, May 2021. <https://doi.org/10.14807/ijmp.v12i3.1537>.
- [19] H. Barnard, "Host countries' level of development and internationalization from emerging markets: a typology of firm strategies," *J. Int. Manag.*, vol. 27, no. 3, Sep. 2021, Art no. 100828. <https://doi.org/10.1016/j.intman.2021.100828>.
- [20] B. Zsótér, S. Illés, and P. Simonyi, "Model of local economic development in Hungarian countryside," *Eur. Countrys.*, vol. 12, no. 1, pp. 85–98, 2020. <https://doi.org/10.2478/euco-2020-0005>.
- [21] A. A. Thompson and A. J. Strickland, "Strategic management: concepts and cases (8th ed) international student edition USA: Irwin," *J. Aust. New Zealand Acad. Manag.*, vol. 1, no. 1, pp. 59–60, Jan. 1995. <https://doi.org/10.1017/s1833367200006465>.
- [22] É. Bácsné Bába, "Sportszervezetek működési kereteinek változása," *Közép-eur. közl.*, vol. VIII, no. 1, pp. 151–62, 2015. <https://ojs.bibl.u-szeged.hu/index.php/vikekkek/article/view/12271>. Accessed January 25, 2024.
- [23] É. Bácsné Bába, V. Fenyves, G. Szabados, K. Dajnoki, A. Müller, and Z. Bács, "A sportágazat nemzetgazdasági jelentőségének vizsgálata beszámoló adatok alapján 2014-2016-os időszakban," *Jelenkori Társad. Gazd. Foly.*, vol. 13, nos 3–4, pp. 93–103, Jun. 2018. <https://doi.org/10.14232/jtgf.2018.3-4.93-103>.
- [24] IBM Corp., *IBM SPSS Statistics for Windows*, Version 25.0. Armonk, NY: IBM Corp, 2017.
- [25] V. Ratten, "Accelerators as knowledge providers," *Sport Startups: New Advances in Entrepreneurship*, pp. 45–58, Oct. 2020. <https://doi.org/10.1108/978-1-78973-081-420201004>.
- [26] E. Khairy, "Creative marketing as an approach for acquiring competitive advantage for sports clubs," *Int. J. Sports Sci. Arts*, vol. 009, no. 009, pp. 20–51, Feb. 2019. <https://doi.org/10.21608/eijssa.2019.72903>.
- [27] Y. Hou and X. Dong, "Construction of competitive advantage and competitive strategy model of sports enterprises based on multi-case study and in-depth learning," *Secur. Commun. Netw.*, vol. 2022, pp. 1–11, Jul. 2022. <https://doi.org/10.1155/2022/4998467>.
- [28] S. Szymanski, "The market for soccer players in England after Bosman: winners and losers," *Football Econ. Policy*, pp. 27–51, 2010. [https://doi.org/10.1057/9780230274266\\_2](https://doi.org/10.1057/9780230274266_2).
- [29] G. Szabados, "A labdarúgóklubok stratégiái," in *A Játék Hatalma: Futbal-Pénz-Politika*, T. Krausz, and M. Mitrovits, Eds., Budapest: L'Hartmann Kiadó, 2008, pp. 58–76.
- [30] T. Grundy, "Strategy and financial management in the football industry," *Strateg. Change*, vol. 13, no. 8, pp. 405–22, Dec. 2004. <https://doi.org/10.1002/jsc.696>.
- [31] İ. Şener and A. A. Karapolatgil, "Rules of the game: strategy in football industry," *Proced. - Soc. Behav. Sci.*, vol. 207, pp. 10–9, Oct. 2015. <https://doi.org/10.1016/j.sbspro.2015.10.143>.
- [32] M. Yoshida, J. D. James, and J. J. Cronin, "Value creation: assessing the relationships between quality, consumption value



- and behavioural intentions at sporting events,” *Int. J. Sports Mark. Spons.*, vol. 14, no. 2, pp. 51–73, Jan. 2013. <https://doi.org/10.1108/ijms-14-02-2013-b005>.
- [33] S. Uhrich, “Exploring customer-to-customer value co-creation platforms and practices in team sports,” *Eur. Sport Manag. Q.*, vol. 14, no. 1, pp. 25–49, Jan. 2014. <https://doi.org/10.1080/16184742.2013.865248>.
- [34] H. Woratschek, C. Horbel, and B. Popp, “The sport value framework – a new fundamental logic for analyses in sport management,” *Eur. Sport Manag. Q.*, vol. 14, no. 1, pp. 6–24, Jan. 2014. <https://doi.org/10.1080/16184742.2013.865776>.
- [35] C. Horbel, B. Popp, H. Woratschek, and B. Wilson, “How context shapes value co-creation: spectator experience of sport events,” *Serv. Ind. J.*, vol. 36, nos 11–12, pp. 510–31, Sep. 2016. <https://doi.org/10.1080/02642069.2016.1255730>.
- [36] D. Kolyperas, G. Maglaras, and L. Sparks, “Sport fans’ roles in value co-creation,” *Eur. Sport Manag. Q.*, vol. 19, no. 2, pp. 201–20, Aug. 2018. <https://doi.org/10.1080/16184742.2018.1505925>.
- [37] R. Hoye, A. C. T. Smith, M. Nicholson, and B. Stewart, “Sport marketing,” *Sport Manag.*, pp. 250–83, Jan. 2018. <https://doi.org/10.4324/9781351202190-11>.
- [38] D. C. Funk and J. D. James, “Consumer loyalty: the meaning of attachment in the development of sport team allegiance,” *J. Sport Manag.*, vol. 20, no. 2, pp. 189–217, Apr. 2006. <https://doi.org/10.1123/jsm.20.2.189>.
- [39] G. H. Kang and S. H. Park, “The relationship among services qualities, customer satisfaction, customer trust, customer loyalty, and repurchase intention of a sport center,” *J. Sport Leis. Stud.*, vol. 50, pp. 583–95, Dec. 2012. <https://doi.org/10.51979/kssls.2012.12.50.583>.
- [40] J. S. Kang and D. H. Chung, “The effect of sports center’s moment of truth on perceived value and loyalty,” *J. Sport Leis. Stud.*, vol. 52, pp. 175–84, May 2013. <https://doi.org/10.51979/kssls.2013.05.52.175>.
- [41] I. Fillis and C. Mackay, “Moving beyond fan typologies: the impact of social integration on team loyalty in football,” *J. Mark. Manag.*, vol. 30, nos 3–4, pp. 334–63, Jul. 2013. <https://doi.org/10.1080/0267257x.2013.813575>.
- [42] W.-Y. Jang and J.-K. Kim, “The relationship among relationship marketing, customer trust, customer loyalty and repurchase intention focused on fitness center,” *Korean J. Sports Sci.*, vol. 26, no. 6, pp. 783–800, Dec. 2017. <https://doi.org/10.35159/kjss.2017.12.26.6.783>.
- [43] E. Tsitskari, D. Tsiotras, and G. Tsiotras, “Measuring service quality in sport services,” *Total Qual. Manag. Bus. Excell.*, vol. 17, no. 5, pp. 623–31, Jun. 2006. <https://doi.org/10.1080/14783360600588190>.
- [44] S. Yildiz and A. Kara, “A re-examination and extension of measuring perceived service quality in Physical Activity and Sports Centres (PSC): QSport-14 scale,” *Int. J. Sports Mark. Spons.*, vol. 13, no. 3, pp. 26–45, Apr. 2012. <https://doi.org/10.1108/ijms-13-03-2012-b004>.
- [45] S. Y. Lee, “Service quality of sports centers and customer loyalty,” *Asia Pac. J. Mark. Logist.*, vol. 29, no. 4, pp. 870–9, Sep. 2017. <https://doi.org/10.1108/apjml-10-2016-0191>.
- [46] S. K. M. Ibrahim, A. E. D. A. Gharbawi, and E. A. Salam, “The effect of the quality of services for sports facilities on the intention to use: applying to sports facilities in the arab academy for science, technology and Maritime transport—Egypt—Alexandria,” *OALib*, vol. 07, no. 11, pp. 1–19, 2020. <https://doi.org/10.4236/oalib.1106887>.
- [47] M. H. González-Serrano, M. Alonso Dos Santos, J. Sendra-Garcia, and F. Calabuig, “Sports entrepreneurship during COVID-19: technology as an ally to maintain the competitiveness of small businesses,” *Technol. Forecast. Soc. Change*, vol. 187, p. 122256.
- [48] M. M. Pellegrini, R. Rialti, G. Marzi, and A. Caputo, “Sport entrepreneurship: a synthesis of existing literature and future perspectives,” *Int. Entrep. Manag. J.*, vol. 16, no. 3, pp. 795–826, Feb. 2020. <https://doi.org/10.1007/s11365-020-00650-5>.

