Extending sport-based entrepreneurship theory through phenomenological inquiry

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\textbf{ABSTRACT}

This paper adopts a process perspective on sport entrepreneurship in the fitness industry, utilizing phenomenological inquiry into the entrepreneurial lives of eleven fitness entrepreneurs. The purpose of this paper is to reveal how fitness entrepreneurs strategize and pursue competitive advantage in a non-traditional industry. Our findings show that while fitness entrepreneurs share many similarities with non-sport entrepreneurs, fitness entrepreneurs are affected by a variety of factors attributable to working in a non-conventional industry. The present study contributes to the emerging theoretical discussions surrounding the concept of sport entrepreneurship and highlights the value of process perspectives when examining entrepreneurial activities. No empirical studies thus far exist that seek to illuminate the exact nature of individual sport entrepreneurship. This study is a first step in developing testable hypotheses and to contrast sport entrepreneurship to non-sport entrepreneurship. Additionally, our research provides fitness entrepreneurs in the industry with information on what they may face when pursuing their own business objectives. Finally, sport management and entrepreneurship curricula can be enhanced based on information gathered in this study.

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1. Introduction

Sport-based entrepreneurship has emerged in recent years as a promising conceptual joint venture between entrepreneurship and sport management research. Generally understood as “the mindset of people or organizations actively engaged in the pursuit of new opportunities in the sports-context” (Ratten, 2012b, p. 66), sport entrepreneurship combines considerations for the economic, socio-political, and entrepreneurial facets of the sport industry. Ratten (2011b), for example, suggested seven sport-based entrepreneurship categories: community-based, corporate, immigrant, institutional, international, social, and technological. However, while theoretical connections between the two research disciplines appear promising, empirical work is “at an initial stage” (Ratten, 2012b, p. 76). Furthermore, the “sport” side of sport-based entrepreneurship has itself been conceptualized in a limited manner, focusing predominantly on entrepreneurial activities of internationally operating sport organizations and administrators at the helm of sport...
teams (e.g., Legg & Gough, 2012). Because of the paucity of work in this area, various questions remain: Who exactly are sport entrepreneurs? How do they engage in entrepreneurial activities? Are sport entrepreneurs similar to or different from non-sport entrepreneurs?

The purpose of this paper is therefore threefold. First, it extends the presently available conceptual reflections on the nexus of sport and entrepreneurship through an empirical examination of the lived entrepreneurial experience of personal trainers and fitness facility owners. Specifically, this study investigates how fitness entrepreneurs such as personal trainers and small gym owners remain successful in an industry characterized by an almost infinite supply of alternatives for consumers, extreme low entry barriers, and almost non-existent regulation.

Second, this paper extends the sportive aspect of sport-based entrepreneurship to include self-employed individuals who enact their entrepreneurial roles as innovators, venture creators, and social facilitators, albeit not as members of larger organizations. As such, we heed Ratten’s (2012a) call for additional studies that examine sport entrepreneurship in different sport sectors and economies.

Third, acknowledging Ball’s (2005) assertion that “the key to understanding entrepreneurship is to understand the entrepreneur” (p. 5), this paper extends sport-based entrepreneurship theory by shifting the analytical lens toward an appreciation of the dynamic and unique character of sport-based entrepreneurial activities (Ratten, 2012a) and the distinct nature of the sport industry (Chalip, 2006; Smith & Stewart, 2010).

The remainder of the paper is structured as follows. First, we describe entrepreneurial activity in the fitness industry. In the methods section, we outline how a constructivist approach guided by practice theory and phenomenological inquiry can enhance our understanding of sport entrepreneurship. In the results section, we highlight four salient themes or categories that dominated the participants’ narratives. Finally, we conclude by discussing our findings and by highlighting potential areas of future research.

2. The fitness industry

“Fitness industry” is a monolithic term used to describe a sector in the sport industry that comprises such disparate businesses as chain health clubs, supplement companies, personal trainers, clothing and shoe manufacturers, MMA gyms, CrossFit gyms, niche gyms, magazine and internet media, and equipment manufacturers. It also includes fitness expos like the Arnold Sports Festival in Columbus, Ohio, which in 2015 drew over 175,000 visitors from across the globe to watch more than 18,000 participants compete in 50 sports and events (Kurtzmann, 2015). This study focuses on the most readily recognized aspect of the fitness industry—the process of training, which occurs both in large chain gyms and, increasingly, in smaller niche gyms owned and operated by a single individuals.

Between 1997 and 2011, revenue of fitness and recreational sport centers increased from around $10 billion to over $21 billion (IHRSA, 2012; United States Census Bureau, 2007), and the industry today provides employment to almost 600,000 Americans (IBISWorld, 2014). In 2014, almost 55 million individuals were members of fitness and health clubs and the industry is expected to top $30 billion in revenue by 2019 (IBISWorld, 2014). Sport management scholars have increasingly been paying attention to the managerial challenges found in the fitness industry, particularly as they pertain to running large chain gyms (e.g., Covell & Walker, 2013; Huset-McGuire, Trail, & Anderson, 2003; MacIntosh & Doherty, 2005, 2007; MacIntosh & Walker, 2012; Maguire, 2001; Papadimitriou & Karteliotis, 2000). However, to date, there have been no attempts to analyze this sector of the sport industry through the lens of sport-based entrepreneurship, despite the fact that entrepreneurial activities and small businesses constitute the main drivers of growth and value creation in this particular portion of the sport industry; in 2013, the five largest (measured by revenue) health club companies combined operated less than 5% of the over 34,000 clubs in the US (Club Industry, 2013).

The result is a highly fragmented industry in which small gyms and entrepreneurs have been able to successfully capture a significant share of the market and to resist the consolidation efforts of larger chains. As Ball (2005) observed, entrepreneurship can be “a driver of change, innovation, and employment” (p. 5) in this industry, and small businesses allow many to follow their personal and professional dreams (Martin & Palakshappa, 2003).

Personal trainers, gym owners, and fitness staff also mediate member experiences of the health and fitness service firms they represent. For instance, previous literature demonstrates that, as aesthetic laborers, personal trainers personify their employer’s brand through their actions, their look, and their comportment (Harvey, Vachhani, & Williams, 2014). Trainers and fitness staff also provide a link between gym goers and the fitness industry (De Lyon & Cushion, 2013; Maguire, 2001), and front desk staff, personal trainers, and membership service employees all affect the climate at fitness centers, which subsequently impacts the overall experience for members (Brown & Fry, 2011).

In sum, fitness entrepreneurs exemplify many of the distinct features attributed to the sport industry in general and sport entrepreneurs in particular. Thus, further research that examines the finer details of how these individuals assume and enact their roles as entrepreneurs is not only warranted but also well suited to advance current conceptual discussions in the burgeoning field of sport-based entrepreneurship research.
3. Methodology

3.1. A process perspective on entrepreneurship

This paper adopts a process perspective on entrepreneurship, focusing in particular on the ambiguous nature of entrepreneurial activities in an environment characterized by non-linear relationships. Specifically, we follow Johannisson’s (2011) call for applications of practice theory to entrepreneurship that strives to capture the construction of reality from the entrepreneur’s point of view. To this end, this research intentionally abandons distinctly functionalist perspectives on entrepreneurship that have traditionally dominated discussions about what constitutes authentic entrepreneurs (Grant & Perren, 2002), for we agree with other scholars’ contentions that such definitions may not be suited to properly describe the multifaceted character of the entrepreneurship phenomenon (e.g., Howorth, Tempest, & Coupland, 2005; Stevenson & Harmeling, 1990).

Schumpeter (1934, 1942), for example, cast entrepreneurs as innovators that challenge existing market orders and capitalize on the resultant disequilibrium. Conversely, Kirzner (1973) described entrepreneurs as individuals who discover opportunities and incrementally change their competitive environment through small-scale differentiation from competitors. Knight (1921) emphasized the risk-bearing properties of entrepreneurship and stressed ostensibly unique character traits that all entrepreneurs share. Finally, Shane and Venkataraman (2000) described entrepreneurship as a broad set of activities that result in the introduction of novel goods and services. Although these definitions are not meant to be mutually exclusive, even combinations of them predominantly rely on neat categorizations that can clearly be observed, understood, and catalogued. Furthermore, despite the increased and continued interest in entrepreneurial contributions to economic growth and management theory, there exists no unanimous understanding of what constitutes an authentic entrepreneur (Morrison, 1998). Instead, while academic discourse acknowledges the importance of entrepreneurial action, the plethora of available definitions makes it difficult to ascertain what the term entrepreneur actually means (Lowe & Marriott, 2006).

In order to address these gaps in the literature, the present paper employs a phenomenological approach. Phenomenology is concerned with identifying “the inherent and unchanging in the meaning of the issue under study” (Chan, Fung, & Chien, 2013, p. 1). In other words, it focuses on the study or description of phenomena and situations and, most crucially, the way people interpret them (Creswell, 2012). To let meaning emerge freely from the participants’ accounts, the researcher has to become clear about their own role throughout the data collection and interpretation. Principally, the researcher is “the instrument for analysis across all phases of a qualitative research project” (Tufford & Newman, 2012, p. 81). As a result, the researcher’s personal experiences and preconceptions can have a powerful impact on participant interactions and subsequent analysis of interview data.

To mitigate these potentially harmful effects and to enhance their findings’ validity, scholars have proposed that researchers ‘bracket’ or suspend their beliefs, values, and knowledge, at least for the duration of the research project (Brymer & Schweitzer, 2013; Carpenter, 2007; Husserl, 1931; Pettit, 1969; Ray, 1994). However, bracketing is not entirely unproblematic. For one, no unanimously accepted method to achieve proper bracketing appears to exist (Gearing, 2004; Giorgi, 2011). Furthermore, the question remains whether bracketing, as a tool of the phenomenological reduction of lived experiences (Caelli, 2000), is entirely possible or even desirable. Indeed, many phenomenologists reject the notion of bracketing (e.g., Heidegger, 2008; LeVasseur, 2003). Moreover, as Fischer (2009) pointed out: “Perspective can never be ruled out. We can perceive only from perspectives” (p. 584). As such, the challenge is not to assume that all prior knowledge can be disband, but to develop a greater awareness of previous beliefs and how emerging findings challenge and transform these preconceptions. It is through this kind of hermeneutic occupation with the dynamic nature of the researcher-participant relationship that new findings emerge, existing knowledge is transformed, and novel interpretations of familiar concepts and contexts can be developed.

Following this line of argument, the present research approaches the issue of bracketing as something more than simply “a setting aside that one maintains until the completion of data analysis and before one reflects on the implications of one’s findings” (Fischer, 2009, p. 584). Instead, we framed the issue of bracketing as a matter of reflexivity and self-awareness (e.g., Mauthner & Doucet, 2003). Specifically, during the interviews we avoided asking leading questions or providing judgment of participants’ accounts. Furthermore, we challenged ourselves not to impose theoretically driven expectations of and interests in what entrepreneurship or entrepreneuring might look like onto participants’ stories. Participants were free to explore their own past according to their own pace and along whatever path they chose. No anecdote, however seemingly tangential at the moment, was considered ‘off-topic’ and whenever we prompted participants to elaborate on a particular topic we did so by framing the request in the participants’ words rather than risk involuntarily framing the account in a manner not intended by the interviewee. In other words, we let our interviews be guided by the participants’ cues instead of enforcing a preconceived schedule or pattern (e.g., Ray, 1994).

Approaching not only the interviews but all aspects of participant interaction in this manner allowed us to move beyond the restrictions often associated with quantitative approaches to understanding phenomena and to interpret events and experiences against the backdrop of participant-centric contextual and temporal influences (Lincoln & Guba, 1994). The associated bottom-up discovery process cumulated in descriptively powerful interpretations that derived their credibility through iteratively rich description and their repetitive occurrence across particular contexts (Cope, 2005).
While phenomenological inquiry within the field of entrepreneurship is increasingly being recognized as a valuable means to explore experiences of individuals in relatively unknown subject areas (Cope, 2005), it still remains a rarity, an unfortunate circumstance when one considers that entrepreneurship research is so strongly predicated on the ways humans think, make decisions, and enact their particular business realities (Seymour, 2006). Furthermore, “phenomenology has been championed as useful for sport researchers over the past few years for its methodological rigor and explanatory potential” (Bowers & Green, 2013, p. 425). Given the dearth of empirical inquiry into the world of sport-based entrepreneurship, the authors posit that a phenomenological approach is best suited to establish the foundational pillars of systematic understanding grounded in the experiences of the research participants, with no immediate interest in causal relationships but with the goal to better understand the nature of the phenomenon itself (Hirschmann, 1986).

3.2. Data collection

Purposeful sampling was used to select participants of this study by seeking out individuals that represent cases rich in information (Patton, 2001). Furthermore, we used snowball sampling (Patton, 2001), benefitting from personal contacts in the industry and from being pointed toward other promising participants by those interviewed early in the process. This latter sampling method proved to be particularly beneficial, for it facilitated contact with additional individuals possessing key insight into the construct under study (Holloway, 1999).

Following the lead of Cope (2001), participants were “not chosen to be representative of the huge diversity of individuals who can be termed entrepreneurial” (p. 175). Rather, we were interested in identifying individuals with unique and interesting stories and the aggregate narrative these stories would provide. Naturally, cases were selected based on a certain degree of typicality. Ultimately, however, the emphasis was on those cases that would provide the richest opportunities for deep immersion and exploration of the entrepreneurial experience in all its contextual facets. For instance, we favored participants with several years – usually decades – of experience, diverse backgrounds, and familiarity with a wide variety of clients. Furthermore, we selected participants who deliberately eschewed working for large chain gyms.

The final sample consisted of eleven individuals between 27 and 73 years of age; nine were male and two were female. While we were initially wary of the skewed gender distribution, results showed that gender did not play a role in our respondents’ accounts. The participants had all worked at least six years in the fitness industry, with one working 42 years before retiring shortly after the conclusion of this study. Only two individuals identified solely as gym owners without personally offering any coaching or personal training. The other nine participants were trainers, six of whom also owned their facilities. Participants were given random pseudonyms by the researchers that reflected their gender but would otherwise protect their privacy Table 1.

We conducted one unstructured, open-ended interview, lasting between 45 and 90 min, with each participant. Participants were informed that the focus of the present study was on their entrepreneurial experience in the fitness industry and we then prompted them to begin recounting their early beginning as small business owners. What followed were natural discussions that loosely followed the participants’ histories in the field. The participants were given the freedom to explore their pasts and presents and focus on whatever accounts they regarded as important. Naturally, the conversations tended to revolve around critical issues, challenges, and significant anecdotes, which allowed for the uninhibited exploration of the participants’ entrepreneurial experiences.

Interviews were either conducted at the participant’s place of work or at a locale of their choosing. Two interviews were conducted at a public coffee shop the interviewees selected. All interviews were digitally recorded. Prior to the interview, the researchers explained to the participants the motivation behind the present study, which often prompted a role reversal in that the interviewers answered questions about their background, past experience in the field, and research interests. These open exchanges aided in establishing trust between interviewers and interviewees and helped develop a common understanding of what both parties were to expect from the interview and the subsequent process. Several of the interviews ended in open conversations unrelated to the research topic and with participants offering their help for future projects.

Table 1
Participants.

<table>
<thead>
<tr>
<th>Name</th>
<th>Age</th>
<th>Years of experience</th>
<th>Gym owner</th>
<th>Trainer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tara</td>
<td>50</td>
<td>21</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Priscilla</td>
<td>39</td>
<td>15</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Jerome</td>
<td>31</td>
<td>13</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Barclay</td>
<td>37</td>
<td>10</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Dante</td>
<td>36</td>
<td>18</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Timothy</td>
<td>46</td>
<td>20</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Maddox</td>
<td>43</td>
<td>19</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Keenan</td>
<td>65</td>
<td>43</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Marcus</td>
<td>73</td>
<td>42</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Simon</td>
<td>27</td>
<td>6</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Sebastian</td>
<td>51</td>
<td>25</td>
<td>X</td>
<td>X</td>
</tr>
</tbody>
</table>

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3.3. Data analysis

Recorded interviews were transcribed using digital word processing software (MAXQDA). The transcripts were then reviewed by the researchers for accuracy and to include contextual information, such as the tone of voice, or body language, in the text. Specifically, we followed Tesch’s (1990, p. 142–149) eight-step coding procedure for analyzing “significant statements, the generation of meaning units, and the development of what Moustakas (1994) called an essence description” (Creswell, 2013, p. 196).

First, in order to get a sense of the general entrepreneurial experiences of the participants and to obtain background information, two of the researchers involved in this study read all eleven transcripts “as one would read a novel” (Hsieh & Shannon, 2005, p. 1279). While we did not code any of our data during this first stage, each of us made extensive notes on ideas that came to mind reading the interviews. Second, selecting one participant account at a time, data were read more closely. We first highlighted words that captured key sentiments and then added notes and thoughts in the margins. During this stage, we focused on the underlying question of “what is this about” instead of verbatim content of the information. Third, after reading half of the transcripts, we made a list of topics discussed by the participants. We then clustered topics and arranged them into columns according to their salience and relevance (Creswell, 2013). Fourth, we returned to the data, abbreviated topics as codes, and wrote them next to their corresponding sections in the transcripts. We used this preliminary coding scheme as a general framework while simultaneously letting new topics and codes emerge where appropriate. Fifth, we found the most descriptive wording for our general topics and converted them into broader categories. Related topics and categories were grouped together and relations between categories and sub-categories were mapped roughly on a big sheet of paper. Sixth, categories were given final abbreviated names and alphabetized. Based on these final categories and codes, we performed complete coding sessions of all interview transcripts. Seventh, we performed a preliminary analysis of our interview data based on the categories and codes identified in each participant account, focusing, in particular, on similarities and differences between accounts, unique and unexpected experiences, and overall fit of the coding scheme. Finally, we coded all data sets, at times recoding or merging sub-categories.

It should be noted that while most themes consistently appeared across narratives, some experiences were exclusive to only one or a few of the participants. We did not discriminate against “minority themes,” but assigned equal weight to all accounts, thus allowing for greater “likelihood of a more complete representation of the experience through the inclusion of all elements identified from data in the participant interviews” (Bann, 2009, p. 67).

In order to remain mindful of our assumptions throughout the data collection and interpretation process, we conducted member-checking, which, along with keeping exhaustive documentation of the research process, researchers’ reflexive engagements with their own experiences, thick and rich description, as well as data triangulation, is regarded as an essential means to enhance credibility and trustworthiness (Carlson, 2010). Specifically, participants were given the opportunity to review their contributions by providing them with what Creswell (2012) has called “polished” (p. 91), already interpreted accounts of their interviews. At the conclusion of each interview, we asked participants if they would like to partake in member-checking and whether they would like to receive transcripts via email or if they preferred to have a hard copy delivered to them. Participants were then asked to clarify and elaborate on their statements if they so desired. To avoid member-checking traps (Carlson, 2010), we provided participants with interpreted summaries of their accounts, as well as with detailed instructions explaining what kind of feedback we expected from them.

As noted by Goldblatt, Karnieli-Miller, and Neumann (2011), participation in member-checking is often low for a variety of reasons. Therefore, member checking should be understood as but one step to achieving trustworthiness. Participants returned their notes to the researcher via email or, in one case, used the opportunity for an additional meeting to discuss their feedback in person. They were asked to provide feedback within three weeks. Finally, as noted above, transcripts were coded and analyzed independently by two of the researchers to increase inter-rater reliability (Barbour, 2001).

4. Results

We identified four themes that describe the essence of fitness entrepreneurship: process character of entrepreneurship; strategic learning; controlled dependency; and fitness as a form of social entrepreneurship. The themes are presented according to their prominence in the participants’ accounts. All participants described entrepreneurship as a process and learning experience. Nine of the participants referred to issues of controlled dependency, whereas seven discussed the social side of fitness entrepreneurship.

4.1. Process character of entrepreneurship

Participants identified adaptations they had to make in their thought processes and/or actions in order to be successful entrepreneurs. Often, they assumed a number of unanticipated roles beyond the creation of core services and products. These findings indicate that the participants’ experiences as sport entrepreneurs are anything but static, and support the assertion that scholars should view the concept of entrepreneurship as “entrepreneuring” instead, for it represents creative human action and endeavors (Bjerke & Rämö, 2011, p. 17). Barclay explained:

I do a little bit of everything here. I have some plumbing projects going on. Sometimes I’ll have to tear apart a treadmill and fix it. Filling up the soap dispensers, mopping the floor, answering the phone, it’s a true mom and pop establishment.

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I’ve gotten better at delegating things. One of my intentions with the delegation is so I can spend more time connecting with members, talking with the members and figuring out what they like, what they don’t like, what I can do to improve their experience. I’d rather be doing things like that, which I enjoy, than filling soap dispensers. Hey, if it needs to be done, I’m the one that’s here, I do it.

Several respondents described feelings of frustration and stagnation in their former occupations. For example, after earning his personal trainer certification and teaching at a large corporate gym, Dante realized he was miserable and decided to start his own business. Similarly, Priscilla conveyed that she and her partner started their own facility because they wanted to train clients in a new manner.

For others, becoming a part of the fitness industry constituted a profound career change due to the relatively unsteady incomes and unconventional hours. Jerome shed light on this difficult transition, saying that “coming from an IT background, I worked a nine to five, with a salary, spent half the time on the internet goofing off and nobody cared. When you are coaching or training people you only get paid when you are working and your schedule is all over the place.” Participants also had to adjust to unexpected risks and uncertainties. Priscilla shed light on this aspect of her and her partner’s experience in moving from only personal training to owning their own facility and training their own members:

Transitioning from that to here, it was totally different. I mean, all of a sudden you have all kinds of overhead we didn’t have over there. Which we knew coming into things. Mind you we had saved some money along the way so we didn’t have to borrow money to get equipment and so forth. So we put our own capital into it and I don’t think that’s something a lot of people think about. We just didn’t want to have a lot debt hanging over our head. And then, you know, we’ve got payroll now, and we pay payroll taxes. That gets really expensive and I’m not sure that’s the best way to go but again, we can control the quality of stuff and our trainers don’t have to worry about paying all these kind of taxes, that, you know, was an issue for them before.

Similarly, Timothy described his decision to become a fitness entrepreneur as a “leap of faith,” and explained that an “overwhelming drive” helped him push “through a lot of the hard times at the very beginning.”

Finally, with little experience or education in business-related fields, the fitness entrepreneurs in our study also had to develop an understanding of what it takes to keep their business afloat. As Maddox said, “There is money management because of the way an LLC, a contracted business, works. It’s all taking money upfront, then you’re paying on the back end. So it’s managing cash flow, and it’s getting really good at managing cash flow.”

Figuring out how to juggle multiple roles and responsibilities takes time and often self-reflection. The entrepreneurs in this study had to learn how to delegate responsibilities, relinquish some control of the firm, and to abstain from micromanaging team members. The ability to delegate distracting responsibilities in turn appears to be dependent on different resources.

4.2. Strategic learning

Respondents exhibited behaviors that we identified as strategic learning activities. Although related to the previous accounts of role expansion, the notion of strategic learning differs in that it refers to modifications in business strategies. Participants indicated that they had to alter their approaches quite frequently, often relying on internal reflection and continuous learning in order to create and sustain a competitive advantage.

Priscilla, for example, recounted how she and her business partner had to adapt when what they had thought would be their most profitable service turned out to be ineffective:

Initially, we had a strategic plan because we thought that our classes, especially the cardio strong class, would be full every single time offered. That was not the case at all. And that was our biggest profit margin, so for that not to work, we had to switch it and make our semi-private training the most profitable aspect of our business.

In another interview, Barclay discussed a major strategic alteration he made while running his gym:

When I first took over, one of my big lessons was that I can’t be all things to all people. I wanted to come in here, I was coming from a place of lack and fear of losing any perspective members. I wanted to be the gym for everyone. It took me a while, but I finally figured out that that’s a big mistake. Having a niche equals power and leverage. When I finally realized that, I began to cultivate a powerlifting culture, a strongman culture, an Olympic lifting culture. I started designing this place more of as an athletic performance facility. I felt this gym was naturally headed toward that niche. That’s where the momentum was, so I jumped on board with that and accelerated that transition.

Having a sound understanding of what constitutes the defining features and competitive advantage of his facility also guided Barclay through tough economic times and helped him make difficult business decisions. He said, “I finally realized that I’m not in the price competition game. I can’t compete on price. It’s like a mom and pop burger joint trying to compete with McDonald’s on price. It doesn’t make sense.” Barclay’s response epitomized the valuable lessons entrepreneurs learn only after they have started their entrepreneurial journey.

Interestingly, the increasing differentiation of gyms and the trend towards catering to particular consumer segments prompted some of the respondents, such as Dante, to differentiate by trying to not be overly exclusive. He said:
The main focus is about getting a style of fitness that will just be all-encompassing. The main reason I put all of it together instead of just having it Crossfit or another style of fitness is because I didn't want to pigeonhole myself and not be able to move out of that realm if I wanted to potentially expand, and this is what, what we've been working on lately. Originally, whenever I started the shop, I had been playing football for years. I played in the NFL and I finished my career in the AFL, Arena Football League, and I had always wanted to do something with people. And my community here is what I had in mind the entire time, but I didn't realize how rich and amazing they would be, you know, at this point. I mean, they're all just so awesome.

In other words, whereas many gyms and personal training businesses specialize in the provision of their core services, Dante and other respondents described what could be interpreted as bucking the trend and distinguishing their business by intangible service dimensions, such as embedding the business in its proximate community, rather than the surface level service itself.

Additionally, many trainers and gym owners altered their exercise settings to induce interactions among customers. For instance, Priscilla mentioned:

There is some social interaction that happens with people training in a small group and they seem to work better and bond with each other. So we found it really effective. I would never go back to training one-on-one again, if I could help it. What they get out of it, again, it's this camaraderie, and I think people work a little harder because they see someone else doing something that's a little more advanced than what they are doing . . . It becomes a shared experience, a social experience.

However, there appears to be a dark side to fostering and promoting community among members. When the collective identity of members develops independently from the owner's strategic direction, clashes over proposed changes can occur and result in bad blood between the parties involved. Sebastian, for instance, found that keeping visible records and pictures of lifters and models in his gym intimidated potential new members. At the time of the interview he was unsure what to do because he did not want cause ruffles with his current members by taking down the accoutrements.

Overall, the responses indicate that sport entrepreneurs perpetually reflect on their strategies and alter them when necessary. Mistakes were appreciated as chances to learn and to improve the services provided to clients. As Keenan stated, “I'm always looking for some way to improve myself, for different techniques, just trying to stay as current as can be.” Once identified, the entrepreneurs in this study created complex discourse, narratives, and metaphors in order to justify acting on the opportunity and use these methods of communication to rally stakeholders.

### 4.3. Controlled dependency

The idea of controlled dependency is characterized by the entrepreneur relying on a core network of individuals, whose approval of the entrepreneur’s actions results in continued success. The responses in this section also buttress the contention that “entrepreneuring is even more about collaborative efforts in order to enact new realities, reflected in the importance that practitioners ascribe to personal networking” (Johannisson, 2011, p. 139).

For example, two of the gym owners interviewed were able to take over gyms they had previously trained in for many years, capitalizing on an existing customer base that seemingly required only a change of direction. Barclay, for instance, remarked, that after working out at his gym for about ten years, he started to notice the gym was going downhill. One day, I walked into [the owner’s] office and told him I was a marketing consultant and I could help him with gym stuff. I took over soon after.” In similar vein, all of the personal trainers who opened their own facilities brought along the clients they had worked with over the years. Some clients encouraged their trainer to pursue independence and, even when they were not entirely happy with the changes taking place, followed that individual to support the new business.

As current members of gyms or present clients of trainers constitute long-term investments, they are also great assets in helping sport entrepreneurs attract new customers, thereby reducing the need for marketing efforts. Traditional advertising played no significant role for any of our respondents. Tara described her marketing strategy as primarily word-of-mouth: That’s sort of how I got started. Everything is word of mouth. The guy that got me started, my hair-dresser, he got me about five clients. When I left my previous gym, the owner tried to have me sign a non-compete, which I never did. She wanted me to work with her but it was hard, I couldn’t work with her, she was very unbalanced. Later on, some more clients came from her place to mine. I never advertised, for a long time I never had a sign up front, until I could afford to buy one. I had a pretty basic one and then I got a nicer one. Signage and advertising is not how I got my clients. And actually, I was going to tell you, at one of the fitness summits I have been to, they said, a long time ago, when I first started, those little mailer things, you spend so much money on buying the list of certain demographics and the return is really little.

As Tara’s excerpt indicated, interviewees who attempted to utilize traditional marketing channels quickly found they provided little return and several respondents reported rather creative efforts to sustain current member and clients bases while generating additional interest in the company. Barclay said:

I don’t do any traditional media. We have a free seven-day pass for new people on our website. We go through thousands of those a year. We have a softball team, we put on a couple of strength competitions each year, we have a pool party. We have a Facebook page, a decent website. I believe that if I take care of my current members and go the extra mile to
connect with them, make sure they’ve got what they need, they’re going to tell their friends, co-workers, and family members. The business will grow in that way.

The overall attitude towards new member recruitment can be summed up in a remark made by Dante. He said, “We don’t advertise to the outside world. It’s . . . there are a lot social media posts that we do but it’s all about the internal, like what’s going on inside.” Consider also Keenan’s statement:

I can do well, I have 150 or 200 clients, and the retention rate is 70 or 75%, I am good. I can turn over those clients over and over again. You want to type of members or clients that keep coming in for years and decades. That is the type of revenue and the type of commitment you can count on.

Interviewees also described a strong sense of responsibility for clients and consumers. Additionally participants exhibited an acute awareness of how influential individuals within their community can act as amplifiers of customer value and experience and thus deserve attention. In contrast to this perspective, mainstream, “corporate” gyms function on the explicit premise of selling as many memberships as possible while at the same time minimizing wear and tear on equipment and facilities. Such practices were repeatedly rejected by the respondents, and Marcus’s quote is an exemplar of the general disdain for what is considered an undue focus on profitability and economic growth:

A guy came in a few weeks ago, he owns a “Whatever” Fitness. He told me he has over, 1200 members and only 200 of them only train regularly. So he’s drawing out of their account with automatic debiting, for, 1000 people, to ease their conscience. “I belong to the gym, I ought to go back to the gym.” Whatever the deal is. The fitness industry has worked off of that forever.

Establishing long-term relationships with clients also enabled entrepreneurs in the fitness industry to develop a better understanding of the client’s needs and desires, ultimately resulting in the provision of a better service.

4.4. Fitness as social entrepreneurship

In their review of the social entrepreneurship, (Peredo & McLean, 2006) explain "there is no exact way of fixing the border below which the importance of social goals fails to qualify something as social entrepreneurship. It is a commitment to providing social value that marks the divide between social and other forms of entrepreneur (p. 64). With this in mind, we argue that virtually all of the participants can be classified as social entrepreneurs.

The participants in this study viewed their work as more than transactional. They derived satisfaction from helping others improve their strength and health. Jerome provided a prime example of viewing his work as serving a greater purpose:

I think it is important that I get a lot out of this too. I have been able to find a lot of joy and fulfillment in helping other people and it’s a very mutually beneficial thing and it’s something you obviously have an interest in. So you are trying to pursue this in some form with a passion and it’s good that people in general involved in this industry get that in mind and remember it; it has positive effects all over the place. I have worked with a 63 year old woman earlier today who just got into powerlifting and she set PRs [personal records] and they may not be as strong as the younger girls but she’s been able to go out there and then brag about it. My biggest joy is being able to help, be some small part of that. My long term goal is keep helping people get stronger and to see that change them for the better. It’s addictive, right?

His statement suggests that his priority is bettering people’s lives through strength, which has the potential to improve the lives of many, especially seniors (Seguin & Nelson, 2003).

Similarly, Tara said: “. . . to be in this field, to help people, it is very rewarding. And sometimes their goals can be very simple. Some just want to be able to get up and down off the ground to play with their grandkids.” As this quote demonstrates, participants recognize their profession as a way to impact a variety of individuals for years to come. Furthermore, even when they cannot be of help to their customers, they will point them to someone who will be able to: “if I cannot help a client, I know a bunch of people I can send him to. It is like a car dealer who cannot fix a car but tell you about somebody else who can. I am here to help you but if I can’t I know somebody who can” (Keenan). Thus, it appears that monetary benefits are not the primary motivation for the participants. Rather than prescribe unsound training advice or half-heartedly training clients due to time constraints, the entrepreneurs attempted to help others by referring them to known associates in the community who can adequately address their issues.

The sport entrepreneurs in this study did not deny that revenue was important for the business to succeed. However, it appears that the fundamental mission of their businesses is to better the surrounding community by improving its fitness level. Participants were passionate about contributing to a greater good, as Barclay’s comments demonstrate:

I frame what I do here as service to the community, service to my friends and the people that are important to me. I believe that if that intention comes from my heart, that wealth in many forms will come to me. I believe in the universal laws and that stuff, that’s an important part of how I operate.

Additionally, recent trends towards group exercise, the proliferation of CrossFit, and the emergence of semi-private personal training have amplified the role of personal interaction during exercise, in turn prompting gym owners and personal trainers to emphasize the communal aspect of working out. Indeed, although physical exercise and weight training
are inherently solitary activities, scholars have argued that gyms serve as communal places of social interaction, where one not only goes to train but to socialize (Crossley, 2008; Dionigi & Lyons, 2010).

While a precise definition of social entrepreneurship remains a topic of debate (Dacin, Dacin, & Matear, 2010; Defourny & Nyssens, 2010; Shaw & Carter, 2007), for all schools of thought regarding the subject, the core mission is to create social value or benefit the community (Defourny & Nyssens, 2010). Most of the sport entrepreneurs in this study were guided by the desire to affect change at both the individual and community level by increasing the fitness, strength, and health of their clients. Thus, although novel and in need of development, the idea of sport entrepreneurs as social entrepreneurs perhaps provides a way, as Dacin et al. (2010) argued, in which scholars can examine “valuable assumptions and insights from theories inherent in existing entrepreneurship frameworks and applying these insights in ways that address phenomena in the social entrepreneurship context” (p. 37).

5. Discussion and implications

Addressing the accelerating interest in the concept of sport-based entrepreneurship, this study extends the hitherto predominantly conceptual musings available to management scholars. Specifically, this essay sheds light on the how of the process of entrepreneuring in the sport context and illuminates the motivations, struggles, and antecedents for success of individual fitness entrepreneurs.

As a whole, participants’ accounts can be perceived as “narratives of enterprise,” which Down and Warren (2008) described as stories that individuals use to construct their own entrepreneurial sense of self. Multiple roles, while taxing, formed an essential part of the sport based entrepreneurial experience, and participant responses buttressed the claim by Lazear (2004), that “entrepreneurs must be a jack-of-all-trades to some extent” (p. 208). Additionally, the interviews supported Johannisson’s (2011) push to use practice theory in order to acknowledge entrepreneurship “as an (everyday) hands-on practice, including routines as well as improvisation in order to cope with coincidence” (p. 136). Bumps in the road to success were often perceived as chances for improvement and sometimes even as a sort of personal challenge to the entrepreneur; something that “makes it fun.” Interestingly, the desire for being different sometimes appeared to preclude participants from learning from other organizations. There is a fascinating relationship in place between the need for differentiation and the economic necessity of figuring out what makes other organizations successful.

Although the participants provided no evidence that being an entrepreneur satisfied the psychological need to be distinct (Shepherd & Haynie, 2009), their responses suggested that fitness entrepreneurs use narratives and storytelling to help make sense of their experiences related to identity construction (Ollila & Williams Middleton, 2013). The findings most strongly support the conceptual framework of entrepreneurial sense making offered by Bettiol, Maria, and Finotto (2012), which consists of a two-step process in which the entrepreneur finds meaningful connections – informed by his or her experiences – between distant events and phenomena in his or her environment in order to identify opportunities.

Furthermore, all of the participants in this study evidenced passion in their responses. Some examples included working two jobs, constantly trying to improve their methods, and citing a drive to succeed. This finding provides rudimentary support for the claims that passion may be a key element fueling the behavior of individual entrepreneurs (Cardon, Zietsma, Sarapito, Matherne, & Davis, 2005). The responses were not explicit enough, however, to confirm the model proposed by Murnieks, Mosakowski, and Cardon (2014) that links passion to entrepreneurial self-efficacy and individual behavior.

The verbatim selections also reveal that most participants became self-employed because of their desire for autonomy, which accords with the findings of Feldman and Bolino (2000). Additionally, Xu and Ruef (2004) asserted that many of the motivations of entrepreneurs are non-peucnuiary, and “in order for entrepreneurs to obtain those non-peucnuiary benefits, they need to be risk-averse in pursuing profit so that they can lower the risk of business closure” (p. 351). The responses of the entrepreneurs in this study support that contention. Finally, the liberation that the participants experienced due to their entrepreneurial endeavors is echoed by Moodley and Coopoo (2006), who found that self-employed personal trainers experience greater job satisfaction than commercially-employed personal trainers.

In sum, being a sport entrepreneur is a multi-faceted experience. All participants expressed a profound desire to contribute to their clients’ health and physical and mental development. This presents an interesting conundrum, as personal training in particular is grounded in a relationship based on what might be called “controlled dependency.” On the one hand, the interviewees often became involved with the industry, and continue to be a part of it, because of their wish to help others achieve goals related to physical fitness. They enacted their particular roles by teaching clients how to exercise, how to diet, and how to establish important fundamental movement patterns. At the same time, they depend on their clients to rely on them for guidance. As such, establishing, developing, and maintaining a healthy client relationship was of utmost importance for the sport entrepreneurs in this study. These findings accord with much of the literature regarding exercise and health clubs. For instance, research shows that group fitness instructors can positively affect the climate of a firm (Brown & Fry, 2011). Furthermore, the promotion of inter-customer support and relationships in service firms has been found to increase consumer well-being on a number of levels, which results in increased financial gain for the service establishment (Black, Vincent, & Skinner, 2014; Rosenbaum, 2008).

Additionally, participants’ responses support claims by Dew, Read, Saravathy, and Wiltbank (2009) that entrepreneurs do not place high priority on setting objectives because they do not know what the future holds. Instead, they consider what they have, what they can do, and whom they know, and then make decisions based on how much he/she can afford to lose. The refusal of traditional marketing channels, reliance on currently available resources and assets, and using trial and error...
processes are instances of using effectual logic, and align with Johannisson’s (2011) entrepreneurship practice perspective. These findings also concur with Gadefors and Anderson (2008) who contended that marketing is fully integrated into the entrepreneurial process, and that the market should be viewed as a dialogue in which “expectations are being created and recreated, based on the play of signs, symbols and images” (p. 33), rather than a battlefield in which products are judged objectively.

Finally, the sport entrepreneurs in this study exhibited the desire to help others through betterment of the body and the provision of a safe and stimulating social environment. As such, personal trainers and small gym owners may fall under the category of social entrepreneurs. As Prabhu (1999) indicates, the primary mission of social entrepreneurs is the “social change and development of their client group” (p. 140). In addition, these types of individuals have been described as approaching a social problem with an entrepreneurial spirit (Barendsen & Gardner, 2004), and as working for a social rather than for-profit objective (Shaw & Carter, 2007). Thus, this study points to possible future avenues of research involving fitness, health and social entrepreneurship as specific areas of concerns in sport entrepreneurship research (Ratten, 2010, 2011a, 2012b).

Overall, it appears that sport entrepreneurs share many similarities with non-sport entrepreneurs and the present study illustrates the value of studying fringe sectors of the sport industry that are highly idiosyncratic, yet provide insight that is transferable to other – in this instance entrepreneurial – contexts. As the fitness industry is not the only part of the sport sector that is driven by small businesses and entrepreneurial processes, scholars interested, for example, in sport tourism, adventure sport, or emerging trend sports can also learn from the present research. Issues of procedural sense making, ad hoc learning, and communal creation of the service experience are not unique to the fitness industry, yet the experiences of the participants of this study indicate profound challenges that deserve further exploration in other contexts.

At the same time, idiosyncratic facets remain, such as the aforementioned social entrepreneurship perspective, aspects of brand community, the role of sport entrepreneurs as facilitators of a physically and emotionally transformative experience, or the fact that the sport industry operates at the nexus of commercial and social concerns. Future research is needed to further elaborate on these issues and, more crucial, to systematically relate sport entrepreneurship to distinct and unique facets of the sport industry. In other words, the emerging discipline of sport entrepreneurship as advanced by entrepreneurship scholars can only benefit from greater engagement with published works in sport management that theorize about the industry at the system level. Conversely, as Ratten (2011a, 2011b, 2012a, 2012b) has pointed out repeatedly, sport management scholars have thus far not shown great interest in the issue of entrepreneurial activity in sport, potentially assuming that what is known about entrepreneurial action thus far transfers readily to the sport context. A more detailed occupation with scholarly works from both research realms is needed to truly advance sport-based entrepreneurship theory.

Finally, at the onset of this paper we argued for a nuanced appreciation of the entrepreneurial process, away from functionalist definitions of entrepreneurship toward dynamic investigations of entrepreneuring as an ongoing activity that takes place in a web of non-linear relationships. We would be remiss, at this point, not to revisit these introductory remarks and close this essay with a final nod to Johannisson (2011) who described the process of following a constructionist view in entrepreneurship research as a “quest” (p. 135) and who championed phenomenology as an appropriate means to explore entrepreneurial activities.

Phenomenological inquiries into human behavior have “long offered ways out of a number of theoretical problems and paradoxes” (Berglund, 2015, p. 483). In our investigation of entrepreneuring in a non-conventional industry, the phenomenological approached proved useful to illuminate complex and idiosyncratic experiences. Invoking Heidegger’s (2008) notion of ‘being-in-the-world’ as our conceptual anchor, we focused on capturing the narratives and experiences of eleven fitness entrepreneurs whose success depended on being able to navigate uncertainty and ambiguity and whose experiences involved the hermeneutic interpretation of their relationships with competitors, clients, and self (Seymour, 2006). In the words of Berglund (2015), then, “the added value of using phenomenological approaches to study entrepreneuring is consequently to capture entrepreneurs’ lived experiences in ways that are sympathetic to its richness and seek to elucidate and appreciate, rather than downplay and treat as anomalies, its paradoxes and conflicts” (p. 480). In order to illuminate these paradoxes and conflicts, the authors hope to invite other scholars to join us on fulfilling Johannisson’s (2011) quest for further enactive research that views the process of entrepreneuring as a social endeavor and the enactment of human cognitive and affective capabilities and faculties.

6. Limitations

While we are confident in the credibility and trustworthiness of the procedures and conclusions drawn from the data, a number of limitations deserve note. First, the use of phenomenological interviews is highly dependent on the degree to which participants are able to recall information and to the extent to which the researcher can analyze the information recalled within its particular contextual framework and setting. As such, like other qualitative research approaches, phenomenology lacks the precision usually associated with quantitative methods of inquiry. At the same time, phenomenological research may offer a different look at certain patterns and pieces of information, allowing the researcher to construct an in-depth, coherent narrative otherwise impossible.

Additionally, participants and samples chosen are likely to affect the findings of phenomenological research, limiting repeatability. The participants selected for this study presented a diverse array of backgrounds and business structures,
which helped to capture the multi-faceted nature of the lived experience the researchers were interested in. However, a different sample may very well have resulted in a different narrative. Finally, although this study was not interested in sensitive subject matter per se, it is always possible that participants, concerned with how they might be perceived by the interviewer, answered interview questions with their ‘outer voice’ instead of their ‘inner voice’ (Seidman, 2005). However, we are confident that the steps toward ensuring trust, credibility, and trustworthiness taken in this study minimized such a risk.

Despite its limitations, phenomenology helps to gain an understanding of the essence of the entrepreneurial experience in the sport industry. For instance, its application allows the researcher to move beyond the limitations frequently associated with both cognitive and discursive approaches that have dominated entrepreneurial research in the past (e.g., Busenitz & Barney, 1997; Cohen & Musson, 2000; Fletcher, 2006). Whereas both of these approaches are nomothetic in nature, phenomenology focuses on “the entrepreneur as a complete and complex human being” (Berglund, 2015, p. 473) and on how this human being interacts with and affects his or her idiosyncratic environment. Therefore, phenomenological explorations of novel and unexplored entrepreneurial contexts such as the sport industry are suggested to be infinitely more useful – at least at this stage – than theory generating endeavors that enter the field with a-priori assumptions and intentions. At the same time, although it inherently does not lend itself to generalizations, the findings of the present phenomenological inquiry provides valuable information and serves as a stepping stone to future, potentially quantitative, inquiry into the experiences of sport entrepreneurs.

References


