

The Entrepreneurship of Mega-Sporting Events: an analysis of the 2006 IAU World Cup

S. Terjesen^{a,b}

^aQueensland University of Technology, B423, BGSB, 4001 Brisbane, Australia

^bMax Planck, Queensland University of Technology, 4001 Brisbane, Australia
s.terjesen@qut.edu.au

Principal Topic

In October 2006, Misari, South Korea, takes the world stage in athletics, hosting the International Association of Ultrarunners (IAU) 100km World Cup [hereinafter IAU World Cup]. The IAU World Cup is the leading global ultrarunning championship and is sanctioned by the International Association of Athletics Federations (IAAF), the international governing body for the sport of athletics, and is expected to attract over 300 athletes and managers from 40 countries and another 10,000 local runners, spectators and volunteers are expected to participate.

Ultrarunning, also termed "ultradistance" or "ultramarathoning," describes any event longer than the traditional 42.2 kilometers marathon distance, and is one of the fastest growing sports in the world, particularly in Asia. Each year, over 100,000 people around the world complete an ultramarathon, including an estimated 2,000 in South Korea's twenty ultramarathons. The IAU World Cup is an example of a truly entrepreneurial endeavor in the Asian sports industry. As yet, however, there has been little research on ultrarunning (outside kinesiology journals), and entrepreneurship in the sports industry, particularly in Asian environments.

This article proceeds as follows. First, the context of Korea, mega-sporting events and ultrarunning is reviewed. A theoretical framework for new venture development, based on entrepreneurial behaviour, opportunity recognition and resource accumulation is put forward. Based on a longitudinal case study and interviews with key IAU World Cup organizers and stakeholders and observation at the World Cup, this paper details the entrepreneurial development and professionalism of ultrarunning in Korea, culminating with the 2006 hosting of the IAU World Cup. We conclude with implications for the future of mega-sporting events in Asia and future research directions.

Methodology/Key Propositions

Triangulated, longitudinal case study based on interviews with key IAU World Cup organizers and stakeholders, documentation of event and observation at the World Cup.

Korea is the world's tenth largest economy, with a population of 48 million and an annual GDP of \$965 billion. A comparative study of entrepreneurship activity in 41 countries reports that Korea has one of the world's most entrepreneurially active societies, with an estimated 15% of the population involved in some type of entrepreneurially activity, compared with a world average of 10% (GEM, 2004). Furthermore, Korea has the world's second-highest rate of "firm entrepreneurship", defined as an existing business which introduces new products and services in the marketplace and has growth expectations-with 29% of the population employed in 'entrepreneurial firms' and entrepreneurial firms comprising 22% of the economy (GEM, 2004).

In parallel, Korea has a strong, dynamic national sports culture (e.g. the first Asian country to field a professional soccer team) and has hosted a number of mega-sporting events, including the 1986 Summer Asian Games, 1988 Summer Games, and the 2002 FIFA World Cup (soccer) finals. In particular, Korea has a strong running and marathon culture, in part fostered by the strong running cultures in neighboring Japan and Taiwan (Milroy, 2006). Previous research on mega-sporting events in Korea focuses on events in more well-established sports, such as soccer's FIFA World Cup (e.g. Matheson & Baade, 2003) and the Summer Olympics, and presents mixed evidence on the social and economic impact of mega-sporting events in Korea (e.g. Forbes, 2002). While research on the FIFA World Cup and other mainstream sporting events has vastly improved our understanding of the industry, the findings may not be generalisable to other sporting events, such as those in the more entrepreneurial and grassroots sport of ultrarunning.

The field of entrepreneurship is concerned with the "study of how, by whom, and with what effects opportunities to create future goods and services are discovered, evaluated and exploited" (Shane & Venkataraman, 2000: 218). The process of new venture creation has three key components: entrepreneur, opportunity and resources and four distinct stages: (1) identification and evaluation of the opportunity, (2) development of the business plan, (3) determination of required resources, and (4) management of the resulting enterprises (Hisrich, Peters & Shepherd, 2005). We review key findings from an emerging body of research on entrepreneurship in the context of Korea (e.g. Won-Shul & Steers, 2001; Kim, Lee & Ames, 2005) and examine the following aspects from the model: - Entrepreneurial Team: Human capital and social capital of lead entrepreneur, Yongsik Lee (President, KUMF) and organisational team. - Opportunity Recognition: Bid process and negotiation with Europe-based IAU and IAAF. Measuring risks and returns. - Physical Resources: choice and acquisition including Misari's Motorboat Race Stadium, previously used in 1986 Summer Asian Games, 1988 Summer Olympic Games and 2004 Formula One Powerboat Grand Prix. - Financial Resources: Sponsorship. IAAF Support. - Search for Legitimization: Asian Games; Importance of Grassroots efforts; outreach to media; government; other bodies - Socioeconomic Impact at Local and National Levels: Local athletics, tourism.

Results and Implications

The paper concludes with implications for entrepreneurship in sporting events, and in Asian contexts; and directions for future research.

Contact

Siri Terjesen. Queensland University of Technology, B423, BGSB, 4001 Brisbane, Australia.
(T) +61 7 3864 1105, (F) +61 7 3864 1299, Email: s.terjesen@qut.edu.au