

ORIGINAL ARTICLE**Development of a Structural-Interpretive Model of the Role of Start-Ups in Sports Businesses of Kermanshah Province**Hoora Hadian¹, Shirin Zardoshtian^{2*} , Hossein Eydi, Samaneh Almasi³

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Extended Abstract**Introduction**

In today's competitive world, possessing a strategic and entrepreneurial mindset is essential for business success. Entrepreneurship, by creating sustainable competitive advantages and contributing to wealth generation, plays a pivotal role in economic growth and employment development (1). In the knowledge-based economy, startups are regarded as one of the primary engines of innovation and economic growth, playing a significant role in job creation and economic development at national, regional, and industrial levels (2).

The sports industry, as one of the key economic sectors, accounts for approximately 1% of global GDP. With the expansion of sports startups, its economic impact has increased substantially. In this domain, startups have successfully attracted considerable investment; for example, USD 152 billion in capital and 24,000 new jobs have been generated (3). This trend, particularly in developing countries such as Iran, provides an excellent opportunity to leverage modern technologies and innovative business models.

However, Iranian sports startups face numerous challenges. Research has identified the main obstacles as insufficient financial support, strict regulations, shortage of skilled human resources, and managerial, socio-cultural, legal-regulatory, structural-commercial, and environmental barriers (4). Furthermore, most startups in the country are still in their early stages of operation, with over 90% having been active for less than three years.

Factors influencing the growth and success of startups can be categorized into three dimensions: individual, organizational, and environmental (5). Individual factors include entrepreneurial characteristics such as experience, education, and skills; organizational factors involve company structure, ownership, and resources; and environmental factors encompass market conditions, competition, and legal support. Studies have emphasized that the presence of appropriate strategies, competent human resources, technical and cultural infrastructure, financial provision, marketing, and customer satisfaction are among the most critical components of startup success. Due to their innovative nature and high flexibility, sports startups can provide creative solutions to the challenges faced in the sports sector. These challenges include lifestyle changes, reduced physical activity, and urbanization, all of which have increased the demand for modern sports services. Moreover, the absence of traditional competitors in certain segments of this market creates additional opportunities for entrepreneurial growth.

In Iran, and specifically in Kermanshah Province, the presence of a large number of unemployed sports graduates creates potential for the establishment and growth of sports startups. These businesses can utilize this specialized workforce to not only generate employment but also improve the economic situation and enhance the sports industry in the region. Overall, sports startups—owing to their high level of innovation, rapid growth potential, high return on investment, and capacity to create extensive job opportunities—can play a significant role in economic development. Nonetheless, realizing this potential requires addressing structural barriers, improving legal and financial support, and strengthening the

culture of sports entrepreneurship. Targeted investment and effective management can transform these ventures into a key driver of economic growth and innovation in the sports industry.

Methodology

The present research is exploratory in nature (qualitative and quantitative) and applied in purpose. In the qualitative phase, the study was conducted using thematic analysis-a method employed by social science and humanities researchers to identify qualitative patterns and develop related codes (6). The thematic analysis process consisted of three stages: identifying concepts, developing sub-themes, and formulating main themes. In the quantitative phase, Interpretive Structural Modeling (ISM) was used to illustrate the model levels and the relationships among the identified indicators.

The statistical population consisted of experts and specialists in sports management familiar with the research topic. A snowball sampling method was employed, and open-ended interviews were conducted with 14 participants until theoretical saturation was reached. To ensure the validity and reliability of the qualitative phase, the criteria of Guba and Lincoln (7) were applied:

Credibility: Selection of participants with diverse experiences, continued sampling until saturation, application of face validity through confirmation by supervisors and advisors, and participant review of codes, with revisions made in case of discrepancies.

Transferability: Detailed reporting of participants' views, characteristics, data collection, and analysis processes to enable judgments about applicability in other contexts.

Dependability: Use of external auditing to increase the stability of results.

Confirmability: Full description of research steps and submission of the research process to several other researchers for verification.

In the quantitative phase, instrument validity was assessed through face and content validity. The initial questionnaire-developed based on the identified factors-was reviewed by eight faculty members in sports management to provide feedback on the wording and categorization of items. Following revisions based on the suggestions of supervisors and advisors, the final questionnaire was approved. The factors influencing the role of startups in sports businesses in Kermanshah Province were identified and compiled in a matrix questionnaire. Participants were then asked to complete the questionnaire using the ISM method. Finally, to determine the causal relationships between the indicators, an Interpretive Structural Model was constructed, illustrating the levels and interconnections among key factors affecting the development of sports startups in the province.

Findings

This study aimed to design an Interpretive Structural Model of the indicators influencing the role of startups in sports businesses in Kermanshah Province. First, the influential indicators were identified, and the research model was developed. To this end, in-depth interviews were conducted with the study sample, and the resulting data were analyzed using thematic analysis. The process included open coding of the interviews, yielding 87 initial concepts, which were grouped into 16 sub-themes and, ultimately, four main themes: market orientation enhancement, improvement of product and service quality, economic growth of sports businesses, and increased foresight and value creation.

The identified sub-themes included: needs assessment, market orientation, customer orientation, improvement of product and service quality, differentiation in products and services, globalization of products and services, improvement of the labor market for elites, sustainable job creation, increased return on investment, support for domestic products and services, development of the sports economy, strategic planning, reduction of uncertainty, strengthening business management, enhancement of competitive advantage, and promotion of innovation.

After identifying these sub-themes, their relationships were determined using the Structural Self-Interaction Matrix (SSIM) and expert opinions. Converting this matrix into the initial reachability matrix and applying transitivity yielded the final reachability matrix, enabling the calculation of each indicator's driving power and dependence. The findings showed that the highest driving power (16) belonged to sub-themes such as needs assessment, customer orientation, globalization of products and services, strategic planning, and strengthening business management. These indicators exert the greatest influence on other sub-themes and are considered foundational driving factors. Conversely, the lowest driving power (3) was associated with sustainable job creation, which functions primarily as an outcome dependent on the realization of other factors. The highest dependence was observed for improvement of the labor market for elites, indicating its strong susceptibility to other factors. According to the hierarchical structuring in the ISM model, highly dependent indicators-such as improvement of the labor market for elites and sustainable job creation-were positioned at the upper levels of the model, while high-driving indicators occupied the lower levels. Intermediate indicators-such as development of the sports economy, strategic planning, and reduction of uncertainty-played a dual role, acting as both influencers and influenced elements, thereby serving as a bridge between foundational and outcome factors.

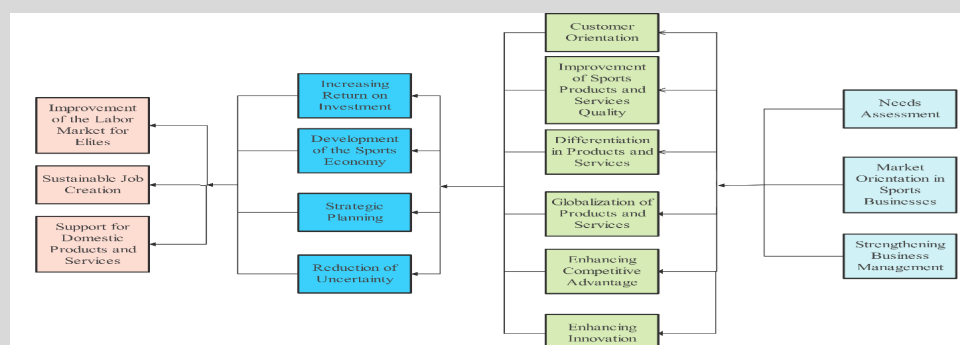


Figure 1. Interpretive Structural Model of the Role of Startups in Sports Businesses in Kermanshah Province

Discussion and Conclusion

The purpose of this research was to construct an Interpretive Structural Model outlining the role of startups in sports businesses in Kermanshah Province. The results revealed that these ventures can contribute across multiple dimensions, including market focus, quality enhancement, economic growth, foresight, and value creation.

In terms of market orientation, startups can, through precise needs assessments, identification of customer lifestyles and preferences, and recognition of existing market gaps, deliver products and services tailored to the needs of diverse groups—from the general public to professional athletes. This process, reinforced by customer orientation and market-driven approaches, fosters close engagement with target audiences, offers diverse and personalized services, and incorporates pricing strategies and after-sales services that lead to greater customer satisfaction and loyalty.

Regarding quality improvement, sports startups can leverage innovation to elevate product and service standards to a global level, introduce distinctive ideas, and avoid imitation. Adoption of cutting-edge technologies and alignment with international standards enable these businesses to compete in global markets. However, achieving this requires government support, removal of legal barriers, provision of technical infrastructure, and access to skilled human resources. Product diversification and creative service delivery not only enhance customer appeal but also strengthen competitive positioning.

Economic growth is another key outcome of sports startup activity. These ventures can generate employment for talented graduates, expand the private sector, increase self-sufficiency in production, reduce imports, and promote exports, thus playing a vital role in advancing the sports economy. Focusing on low-risk, market-driven ideas facilitates rapid return on investment and stimulates domestic business growth. Supporting local brands and bolstering domestic markets are additional benefits of this approach.

The foresight dimension in the model emphasizes strategic planning, reduction of uncertainty, and strengthening of business management. Startups that formulate precise, flexible, and data-driven plans can minimize operational risks and enhance business sustainability. Optimal resource utilization, organizational agility, and the ability to adapt strategies in dynamic market conditions are key characteristics. Furthermore, incorporating entrepreneurship and management skills training into universities and incubators can improve performance and ensure long-term success.

Finally, value creation—through enhancing competitive advantage and fostering innovation—emerges as a cornerstone of sports startup success. By delivering greater value to customers, offering reasonably priced and easily accessible products and services, and utilizing creative, interdisciplinary ideas, startups can discover new market opportunities and present innovative solutions to pressing problems. Cultivating an ideation culture and learning from successful domestic and international examples can foster sustainable development in this sector. With comprehensive support, sports startups can become a driving force for the development of the sports industry and the broader economic growth of the country.

KEY WORDS

Startup, Business, Sports, Structural-Interpretive.

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