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SPORT AS AN ENTREPRENEURIAL ACTIVITY AND POSSIBILITY OF SELF-FINANCING THROUGHOUT CROWDFUNDING PLATFORMS

Abstract:

Sport is recognized as an area of a great importance for society and national economy. It is evolving into a profitable entrepreneurial activity and marketable activity. There are numerous ways of sports financing. In the context of the modern economy, there is a need to develop models of sports self-financing. As an emerging form of financing, crowdfunding changes the way in which entrepreneurs collect money for financing their business projects in various business activities starting from social entrepreneurship and software development towards entertainment industry. Sport is not an exception to this trend. Due to its potential to influence and change traditional financial flows and to change

traditional principles of financial intermediations, crowdfunding has drawn attention of scientists and practitioners who are trying to explain what could be consequences, risks, development phases and future trends in this field. In this paper, firstly, we draw attention to the need and perception of sports self-financing in the sample of future entrepreneurs in Croatia based on conducted primary research. Secondly, we give definition, development and types of crowdfunding activities in the context of entrepreneurial self-financing. Then, based on the case study analysis method, we outline several successful examples of self-financing sports projects in developed markets in order to explain and illustrate potentials of crowdfunding as a financing source in sports.

Keywords:

crowdfunding, e-business, self-financing, entrepreneurship, sport management, sport

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Introduction

Modern sport is developing not only as a social activity, but also as an entrepreneurial activity. As such, it is explored and researched from managerial, marketing and macroeconomic perspective. However, in the contemporary literature the scarcity of papers regarding sport as an entrepreneurial activity in Southeastern Europe can be observed. In addition, there is a literature gap in the field of sport financing, even though that some authors (see [24], pp. 468-492) did write about that issue. Therefore, in this paper we will try to fill in those gaps. Particularly, we will put our focus to a suitability of crowdfunding for supporting sports as an entrepreneurial activity.

Each business entity of an economy is trying to finance its business activity or business ideas or projects from its own current revenues. In addition to their own financial resources, many business entities for financing development or various business ideas and projects use other financial institutions i.e. external sources of finance.

External funding sources contain more or less complex financial mechanism, commonly referred as financial system (see [27], pp. 5-11). The basic and main purpose of the financial system is to collect and to transfer of all available financial resources from those entities, to which these financial resources are surplus and to transfer them, under certain market conditions, to those to whom such financial resources are needed for investment and / or consumption. The traditional financial system functions through financial markets made up of legal entities and physical persons, financial instruments, flows and techniques, which in special places or in regulated trading markets and/or systems allow the exchange of cash surpluses and

shortfalls (i.e. money, capital or foreign currency) and they determine prices under which exchange is carried out [27]. Of course, the development of the economy, and thus the financial market, depends on the efficiency and functioning of the financial system i.e. the efficient application of the basic tasks of the financial system in practice.

With the development of modern business and financing sources, a new way of financing ideas, projects, products, innovations and so on is emerging. Although some authors [28] identify crowdfunding as markets that „only serve those in need of financing who have been rejected by traditional financial services and desperately seeks a lender of last resort“, quite contrary, the contemporary way of doing business consider crowdfunding as equal source of money as any other traditional one. Of course crowdfunding has many disadvantages and advantages in compare with traditional sources. However, in the last few years, crowdfunding is growing very fast. Actually, it is a phenomenon all over the world, but North America and Europe dominated this industry: they raise 59% and 35% of worldwide capital. In 2012 €1.23 billion of funding raised, came from North America and €727 million was raised in Europe. The share of the European market in terms of volume of money raised is dominated by the United Kingdom (63%), followed by Germany, Poland, France, Italy and Spain.

Actually, there are about 500 crowdfunding platforms with some differences in the services provided. The leader of this sector is Kickstarter. Since April 28, 2009, over \$500 million has been assured by more than 3 million people, funding more than 35.000 creative projects [29].

There are two main research questions to be answered in this paper: (1) Is sport considered as an entrepreneurial activity in Croatia (as an example of Southeastern European post-communist market)? (2) Is crowdfunding a suitable tool to support sport as an entrepreneurial activity?

The first question comes out of some previous research (see [24], pp. 441-445) which shows that sport is an activity that generates business activity and as such is a part of those national economies in which sport activity is semi or fully developed. That means that sport business generates significant micro and macro economic impacts and creates "sport industry". The second question comes out of some contemporary trends of funding different business activities driven by ideas and new solutions, as well in sport economic activities.

So, the paper is structured in two parts and each of them is based on different methodology. Firstly, we are going to discuss sport as a business or entrepreneurial activity in general and then we are going to focus on Croatia. The aim of this part is to fill in the gap in literature on sport management and to draw attention to the fact that sports, as an entrepreneurial activity, has to be self-sustainable. After the theoretical insights, we are going to emphasize situation in Croatia, based on the primary research findings. The primary research was conducted by survey method with the aim to explain attitudes towards sport as an entrepreneurial activity and sport self-funding in a post-communist market. Then, in the following part, we will describe potentials of crowdfunding as a modern type of sports self-financing. In this part of paper, we will use the case study method in order to describe successful crowdfunding campaigns in sport.

Sport as an Entrepreneurial Activity

Theoretical background - The role of sport in modern economy and sport as an entrepreneurial activity

Sport is not only a public good and/or social activity, but has been, in part, evolving into a business (profitable) activity. In some developed economies, a part of the sport has developed to the level of the sports industry and it is logical that it is a predominantly marketable activity. However, there are numerous ways of sport financing, according to Becsky-Nagy [5], there are several finance sources in sports: state, self-government, sponsorship, personal sponsorship and gambling. In many countries sport financing is limited by the state budget and strictly regulated, sport organizations have to improve self-financing activities throughout increasing sponsorships, personal sponsorship and payments by consumers who attend sport events. By analyzing the features of a model of sport financing (including commercial and non-commercial sports) of some European countries, as well as the relative share of individual sources of funding, many EU countries are on the market or predominantly market way of financing of sport [24].

As sport has been identified and characterized as an area of extreme importance for all contemporary societies as a whole, and thus economies, a research study had been conducted Andreff [3] in the countries of the Council of Europe which has identified five (5) possible sources of funding for sport. The following sources have been identified: budget as a fund source through the state and local authorities, entrepreneurship as a source of financing, media as a source of funding (through television rights transfer), and household spending (financing consumption for sport). Andreff [4]

aligns the structure of financings sources in EU as following: government and local authorities, i.e. public finance 36,2%, households and enterprises i.e. private self-financing 63,8%. Mentioned possible sources of funding for sports are not the result of theoretical research alone, but the result of the analysis of business operations in the sport, i.e. the objective reality and the necessity of seeing developmental trends of sport as a business activity and as an integral part of an economy. If this is a fact, sport is certainly (economic) power that can affect development flows. Therefore, the free market system implies enterprise for sport, sports entrepreneurship and an external financing system, i.e. direct and intermediated financing, which are in practice combined.

In the study of the Council of Europe, as opposed to sports funding sources, five (5) possible financing destinations have been identified. The final destinations of financial resources are defined as (see Andreff [4], p. 14): (1) top sports, (2) sports federations, (3) sports clubs and associations, (4) sports facilities and sports events i.e. happenings. In this classification there is the lack of other possible destinations of financial resources in sport, such as school sports, sports science, sport for disability persons, sports recreation, sport for all and other forms, especially those segments and destinations of the economic sector of sports and business activities that affecting an economy (see more details in [24], pp. 119-169).

The influence of sports on the economy of some country was also studied by researchers at Henley Center who identified seven (7) sectors that sport significantly influenced the economy. According Jones [18], these are the central state budget, local

budgets, commercial sports, commercial non-sports, consumer sectors, voluntary clubs (possibly a citizen's association, remark of authors) and government bodies i.e. national sports federation and overseas sector (which is not case in Croatia, see more details in [32]).

Many commercial banks have realized the potential of sport, so they adapted their business to the needs of sport and sports industry. One example can certainly be placing under a mortgage contract with the athletes as a security for loan transaction - collateral [24]. Other example of a loan in the sport industry can be the NFL's secured loan program. Loan is secured with "large long-term television contracts and the expectation that there would continue to be a hard salary cap. The mechanics of the secured loan account allow the lenders to access the television money prior to any distributions to teams or other outflows" [9].

In addition to the influence of sport on national economies as well as the need for external financing of business entities, individual athletes may also have the need for external financing, i.e. individual persons need financial resources to fund membership in the sport or recreational clubs, purchasing or leasing of sports equipment, financing a sport trip, funding for visiting a competition such as OG, EC, WC, Roland Garros, Wimbledon etc. as a passive participant (spectator) or as an active participant, competitor.

Particular care is taken of those needs that affect the health of individuals, and thus the community as a whole. For this purpose in some countries, so-called "sports banks" were founded. „We also know that one of the main barriers to being involved (in

sports activity, remark of authors) is cost. Sports Bank has been established to assist people facing financial barriers to participate in all aspects of community sport and recreation by providing interest free loans to cover upfront sporting costs such as registrations, uniforms, equipment and training. The aim of Sports Bank is to provide an ongoing solution to an ongoing problem, a sustainable resource that supports and encourages lifelong participation in community sport and recreation and a happier and healthier society. For example refer to example of South West Australian sports bank [33].

There are numerous research studies and papers discussing the role of sport as a business activity both on macro and micro aspect. Beech and Chadwick [6] explain development of sport as business and entrepreneurial activity. Zimbalist [39] discusses how owner perceive their function regarding to sports business objectives on team, league and national level. In the Handbook of Research on Sport and Business [30] authors explain framework and method in sport management research and give valuable insights into sport business models. Jones [17] states that sport and business are related when it comes to performance excellence on personal level. Weinberg and McDermott [36] draw attention to business and management issues in sport industry and their results suggest that there are more similarities than differences between business and sport management according to leadership, group cohesion and communication issues. Westerbeek [38] overview a value-chain approach to describe value creation process in sport industry and he claims that sport business can be (a) profit seeking or (b) surplus creating entrepreneurial activity. In

latter case, created surplus is returned or invested in future sport activities. According to Westerbeek (2010), self-sustainability of sports is, actually, based on constant struggle for limited resources. Based on observation given by Andreff (2010) who claims that private self-financing makes more than a half of financing sources in Europe sport, the main challenge for sport manager in future will be ensuring stable money flow. And in following chapters we will draw attention to one of the newest financing models - crowdfunding as the additional sport funding source.

In Southern Eastern Europe, there is scarcity of observations on sports as an entrepreneurial activity. Furthermore, in past decades, sport was observed only as an activity, which has to be financed, by government and local authorities. According to Andreff (2010), the structure of sport financing in post-communist countries significantly changed. But in that study no data is given for Croatia. Therefore, we conducted a primary research in order to assess existing perception on sports as entrepreneurial activity that have to be self-financed.

Perception on sport as an entrepreneurial activity and need of self-financing in sport - the primary research in Croatia

In order to observe attitudes of future and existing sport managers in Croatia regarding sport as an entrepreneurial activity, the research was conducted on the sample of more than 280 respondents.

Methodology and Sample Structure

As mentioned earlier, the research was conducted on the sample of future and existing sports managers

in 6 institutions and organizations, in 4 Croatian cities: Zagreb, Split, Rijeka and Opatija during May and June 2016. The structure of the sample is given in Table 1.

Institution of respondent	Absolute frequency	Relative frequency
Faculty of Economics and Business Zagreb	48	17%
Aspira - university college of sport and design, Split	19	7%
Faculty of textile technology Zagreb	63	22%
Faculty of tourism and hospitality management Rijeka and Opatija	25	9%
Faculty of Engineering Rijeka	60	21%
Sports center Rijeka (sport fans)	67	24%
Total	282	100%

Table 1. Structure of the sample according to institution of respondents (Source: own research)

The research included 5 questions on general attitudes on sport as an entrepreneurial activity and 2 questions on possibility of financing of sport activity.

Research results and discussion

Respondents were asked what the term "sport" includes from their point of view. As it can be observed in Table 2, almost three quarters of respondents (73,8%) consider that sport comprises all activities: competitive sport, sport recreation, sport for disabled persons and kinesiotherapy, education and science and economic aspects of

sports. For 23.4% of respondents sport is merely competitive sport (12,1%) or sport recreation (11,3%).

What is included in term „sport“?	Absolute frequency	Relative frequency (N=282)
all mentioned	208	73,8%
competitive sport	34	12,1%
sport recreation	32	11,3%
none of the mentioned activities	3	1,1%
sport for disabled persons and kinesiotherapy	2	0,7%
education and science in Sport	2	0,7%
economic aspects of sport activity	1	0,4%

Table 2. Constitutive parts of sport (Source: own research)

In the second part of the questionnaire, respondents were asked to express their attitude towards 4 claims on sport as an entrepreneurial activity. In Figure 1 we can observe that majority of respondents thinks that sport, besides its other functions, is an entrepreneurial activity (85,82% of respondents answered "yes" and "partially"). In addition, majority of respondents to some extent agrees that sport have to be evaluated in terms of economic performance and value (78,01%). Moreover, 94,33% of respondents believe that sport can contribute to national economic trends.

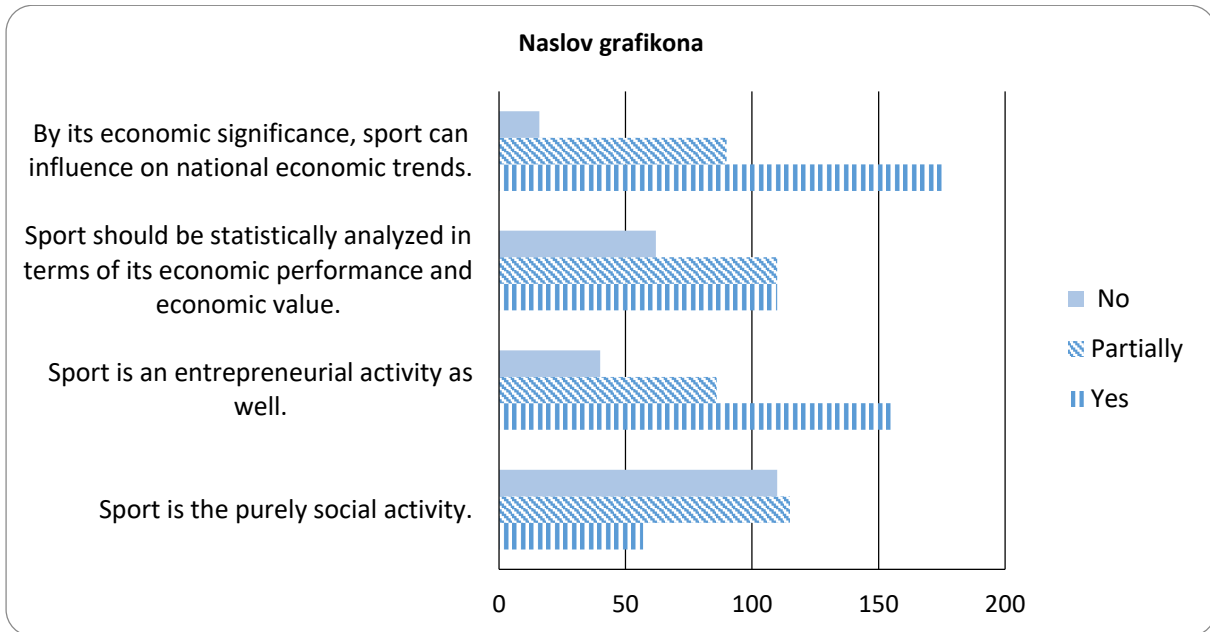


Figure 1. General attitudes on sports as an entrepreneurial activity (Source: Own research)

Figure 2 and 3 show relative frequencies from our survey regarding the questions on sport financing. More than a half of respondents categorically claim that sport should not be exclusively financed from the state budget (53,19%). At the same time, only 29% respondents do not agree with the claim that sport can self-finance its activity. Meaning that majority of respondents believe that sport should to some extent rely more on self-financing than only on support by the state.

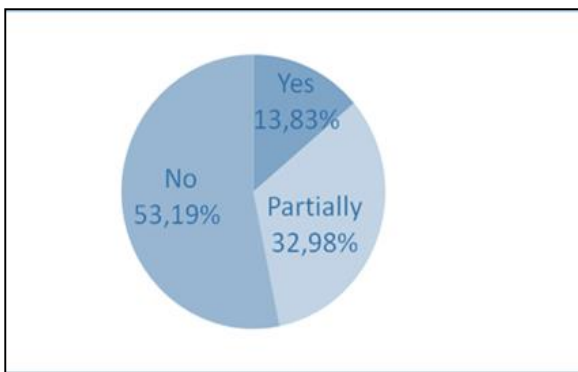


Figure 2. Sport should be financed exclusively from the state budget (N=282), (Source: own research)

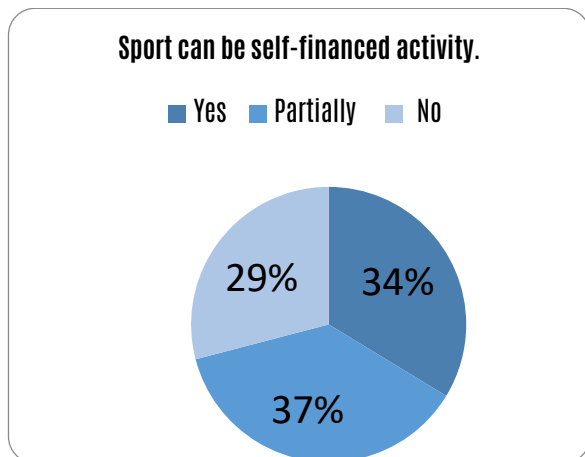


Figure 3. Sport can be self-financed activity (N=282), (Source: own research)

As mentioned before, one of the newest and emerging financial sources that can significantly contribute to self-financing of sports is crowdfunding. In the next chapters' crowdfunding development, types, platforms used, but also processes included together with benefits and risks to be taken into account when planning a crowdfunding campaigns in sports, will be scrutinized and described.

Revealing Crowdfunding Potential in Sports

Theoretical background of Crowdfunding-Definitions, types and platforms

Crowdfunding is the system to finance a project or a firm by a wide group of people instead of professional parties like banks or venture capitalists Rossi [29]. In contrast to traditional financing, crowdfunding don't require financial intermediary, but it relies on intensive use of Internet tools and services starting from a specialized crowdfunding platform towards social networks and social media. Being a new business and financial phenomenon, crowdfunding and its consequences for company and customers are not yet completely understood [25].

Schwiebacher and Larralde [31] define crowdfunding as "an open call, essentially through the Internet, for the provision of financial resources either in form of donation or in exchange for some form of reward and/or voting rights in order to support initiatives for specific purposes."

Crowdfunding can be defined as a collective effort of many individuals who network and pool their resources online to support efforts initiated by other people or organizations [12]. Individual projects and businesses are financed with small contributions from a large number of individuals, allowing innovators, entrepreneurs and business owners to utilise their social networks to raise capital.

Crowdfunding typically involves three participating stakeholders [8]: (1) the project initiators who seek funding for their projects, (2) the backers who are willing to back a specific project, and (3) the matchmaking crowdfunding platforms acting as intermediaries.

There are various types of crowdfunding, based on different classification criteria such as: rewards offered by crowdfunding campaign initiator, donors' motivation and project development phases. In Table 3 there is a summary of crowdfunding types according to various authors.

Criteria classification	for	Rewards offered	Donors' motivation	Project development phase
Types		<ul style="list-style-type: none"> • Reward-based or pre-payment • Lending-based • Simple donations • Equity-based or Investment-based 	<ul style="list-style-type: none"> • Hedonism • Altruism • For Profit 	<ul style="list-style-type: none"> • Classic crowdfunding • Partial crowdfunding • Presale crowdfunding • Distribution crowdfunding
Authors		De Buysere et al. [12]; Crowdsourcing organisation [11]; Wardrop and Ziegler [35]	Haas et al. [14]	Rossi [29]

Table 3. Types of Crowdfunding according to different authors (Source: Own compilation according to the literature review)

In a reward-based crowdfunding funders receive a certain reward for backing an entrepreneurial project. For instance, reward can include being credited in a movie or book, having creative input into a product under development, or being given an opportunity to meet the creators of a project [11], [35], [12].

The lending model of crowdfunding, is one in which funds are offered as a loan, with the expectation of some rate of return on capital invested. In the case of micro financed loans, the lender may be more interested in the social good promoted by the venture than any return generated by the loan [12], [35].

The donations model of crowdfunding is based on philanthropic values. Funders support project without any expectations for direct return for their donations [35], [11]. Actually, they voluntarily support projects that serve to a common good or projects with high correlation with their set of moral values. Humanitarian projects and charity activities usually follow this model of crowdfunding. There are a bunch of artistic and sport activities which apply this model as well. This kind of Crowdfunding is driven by altruistic values, so many sports clubs, athletes and sport associations take advantage of this fact. Seeking for money through “donations model of crowdfunding” for them is maybe the easiest way to collect necessary funds.

As it already mentioned in this paper, Crowdfunding can be seen as an open call made through the Internet to provide financial resources to support the ventures [7]. Whatever its form, crowdfunding mostly takes place on crowdfunding platforms (CFPs).

Crowdfunding platforms are seen as „two-sided platforms“ because they enable the interaction between two „sides“ (fundraisers and funders) whose demands need to be coordinated [7]. The platform creates value by facilitating interactions between the different groups [26]. These interactions exhaustively exploit the advantage of network effects because projects are promoted via extensive use of social media and social networks.

Crowdfunding platforms are distinctly structured to minimize the three „distance-related frictions“, namely: (1) they provide a predefined proforma call for initiators to present their proposals for public viewing, especially for those who have access to Internet; (2) they allow ventures transactions that enable wider engagement with minimal risks; and (3) they provide exhaustive information about investment in a lucid manner. They also provide investor information like amount raised till date and the online identity of current investors [1].

Musicians, artists, entrepreneurs and athletes have a great need for financial resources if they would like to participate in some events or if they would like to set up some business. Very often there is a lack of resources and that is situation where crowdfunding comes in.

The statistics show the development in the worldwide crowdfunding volume of crowdfunding platforms from 2009 to 2012. In 2012, the global funding volume of crowdfunding platforms is expected to amount to just over 2,8 billion U.S. dollars, a massive increase from the 2009 figure which amounted to 530 million U.S. dollars. Total crowdfunding volume worldwide is rapidly growing from 2012 to 2015. For example, In

2014, 16,2 billion U.S. dollars was raised through crowdfunding [34].

Regarding their impact in sports, crowdfunding platforms can be divided into two categories: (1) general platforms which allow sport project to be initiated and promoted as each other entrepreneurial activity, (2) specialized sport crowdfunding platforms which are devoted only to sport activities and sport entrepreneurship.

The most popular general crowdfunding platforms, according to Investopedia (2017) are: (1) Kickstarter, (2) Indiegogo and (3) CircleUp

Kickstarter is the well-known name in crowdfunding and arguably the most active platform, raising over \$2 billion since its launch in 2009. On a typical day, the Kickstarter community pledges over \$1,5 million. Kickstarter backs creative projects only (film, games, music and technology, for example) - the platform does not accept charity or humanitarian projects or other personal use projects that other platforms allow. It's also an all-or-nothing deal - if a project doesn't reach its goal, no money will be collected, so there's a bit of a risk involved. Kickstarter also keeps 5% of every successful project [16], [19].

Indiegogo was the firstly founded major crowdfunding platform, and it has raised over \$1 billion since its inception in 2007. In 2015, the last year for which comprehensive statistics are available, the platform funded over 175.000 campaigns with contributions from 2.5 million people across 226 countries. Indiegogo has no prohibitions against cause-related and humanitarian projects, and it also offers a "flexible

funding" option that allows campaign initiators to collect all donations even if they do not reach the given goal. However, it keeps 9% for this option, compared with 4% for successful, fully-funded campaigns. There's also an equity based investment option offered in partnership with the company MicroVentures [15], [16].

CircleUp is an equity-based crowdfunding platform designed to help emerging brands to raise capital and to grow their business. Since its launch in 2011, CircleUp has helped 211 entrepreneurs raise \$305 million. The average raise is less than \$1 million, and the average investment is \$100.000. Most campaigns take between two and three months to close

CircleUp has a good reputation for elaborate due diligence on the companies it accepts, and most of the investors have deep experience in retail and consumer brands and are willing provide strategic guidance and support during the process. In order to apply, most companies must show revenue of at least \$1 million, although CircleUp has made exceptions for promising companies with revenue in the \$500.000 range. The company offers no-cost escrow services, and it takes a percentage of the raise in commission [10], [16].

Discussion on sport self-financing on crowdfunding platforms based on successful case studies

In this part of paper we summarize several successful crowdfunding campaigns worldwide in order to make some conclusions on suitability of this type of sports' self-financing.

Individual athletes or even entire teams are turning to crowdfunding to raise the necessary funds for covering expenses of trainings, traveling, and

competing on a global and local stage. Financing sport activities through crowdfunding become famous especially during the Sochi 2014 Olympics. „The Sochi 2014 Olympics put sports crowdfunding on the map. It was the first time in history that a significant number of athletes and even entire teams turned to crowdfunding to help fund their dreams. In return for backing sports endeavors, backers have the potential to receive a variety of rewards and the feeling that they've helped athletes along the path to success.“... „In return for a donation to an individual athlete or team, boosters (donors) typically receive some type of reward: from a mention on Twitter to a full-fledged sponsorship.“ [22]. Campaigns for Sochi Olympic game was carried through Crowdfunder platform [16].

Another successful crowdfunding campaign which brought attention of the wide public to crowdfunding as a source of sports financing was the project “Kit it Out” which is in literature widely used to illustrate what donations crowdfunding is. The project was aimed at collecting financial resources for building a necessary sports and social infrastructure, to provide community social activities not only for FC United fans but for the whole community. New facility and function room at FC United of Manchester's new football ground becomes not just a place where FC United play games but also a place where, on open ground, wider community can seek to increase participation in sports, for education courses, for meetings or to organize volunteering and other activities. The project was overfunded - on May 2014 project was successfully raised £51.320 of £26.000 target with 679 supporters in 56 days. [20].

On Kickstarter there is an ongoing sport campaign “Popperball - Portable Paddle Sport Kit” which seeks

for funds to commercialize new and original paddle sport kit designed to be an affordable and convenient way to have fun and exercise. Goal of the campaign is to reach \$20.000. This is a combination of donation-based crowdfunding and reward-based crowdfunding. Backers who will pledge from \$1 to \$50 will be mentioned in webpage of a project as one of the sport's founders. Backers who will pledge more than \$50 can pre-order a product and they will get discounts on their own Popperball and also will be mentioned at the webpage of a project. Discount that backers will get depends on amount of money they will pledge, it starts with 50% of discount of retail price [19].

Another example is CUBI campaign aimed to collect funds for new product launch. The product was a cycling equipment which can be placed under working desk allowing people to train while working. The goal of campaign was to reach \$80.000. The campaign was very successful and they pledged \$293.712. This campaign was a combination of donation-based crowdfunding and reward-based crowdfunding. For example, the promised rewards were as follows: (1) backers who pledge from \$0 to \$29 will be mentioned in webpage of a project as one of the sport's founders, (2) backers who will pledge \$29 or more will get a T-shirt. And (3) backers who will pledge \$279 or more will get their own CUBI and a mobile application to track their exercise [19].

On Indiegogo there are a numerous successful sports campaigns. Mostly those campaigns refer to supporting a production of new sports equipment, developing some applications connected with sport, building some sport or recreational centers etc. One of the successful sport campaign on Indiegogo is “Antelope Sportswear: Muscle Activating

Smartsuit” which pledged for funds to startup a project of developing new, innovative type of athlete sportswear which helps to reach fitness goals faster making each workout more effective by using electro stimulators that are directly built-in the sport suit. Total funds raised were \$1.515.864. [15]. The particular project was extensively described in all business relevant details and all project initiators are also mentioned with their brief curriculum vitae. Additionally, a project workflow was displayed and exactly every phase of the project from product development to product delivery to customers in case of a successful campaign was outlined. Also, a detailed product description and benefits for each product user were given. This campaign identified what backers get in return if they pledge this project. In this campaign, backers can pre-order a product and also they can get a discount which depends on amount of money a certain backer will pledge. This is common for many campaigns on this Indiegogo platform. In addition, a link to the project webpage is given, so bakers and other interested parties can follow this project after campaign is finished [15].

In addition, good example of crowdfunding campaign via Indiegogo is “ASIYA: Sports Hijabs to Enable Muslim Athletes”. This campaign was aimed to raise funds to for creating culturally-appropriate active sportswear to enable physical activity for Muslim girls and women by developing sports hijabs as a part of a sportswear. Through this campaign supporters can either pre-order a sports hijab or contribute to sponsoring an athlete. Total funds raised were \$39.105 [15].

On CircleUp there are also some successful sport campaigns. For instance, “APEX SKI BOOTS SYSTEM” independently-owned company is dedicated to

providing premium quality and innovative products to skiers everywhere. They have initiated an equity offering through the crowdfunding site CircleUp to raise funds for global expansion into the international markets, with a particular focus on the European ski market. One month before campaign closing they collected more than \$200.000 [13]; [37].

It is important to point out that some crowdfunding platforms are geared to athletes and teams with an existing fan base and strong support. Others are intended to help individual athletes to train and travel [23]. The most popular and most successful crowdfunding sites specialized for supporting athletes are:

1. Rallyme
2. DreamFuel
3. Pursuit
4. SportFunder
5. MakeaChamp
6. Athlete.com

An successful example of funding through specialized crowdfunding platform is “Lacrosse Team USA” who sought funds through Rallyme crowdfunding platform to support training, travel and team responsibilities to compete in the Federation of International Lacrosse Women's World Cup and the International Olympic Committee regulated 2017 World Games, where lacrosse will be represented for the first time. Collected funds were collected for 'US Lacrosse', a U.S. nonprofit foundation. The goal of campaign was to raise \$90.000. At the end they have raised \$70.012 and it can be considered as successful campaign because expenses that Lacrosse Team USA have are mainly covered [21].

Based on given cases of successful sport crowdfunding campaigns we can conclude that donation and reward based are dominant form of financing individual sportsmen, teams or sport projects and products. There other types of crowdfunding campaigns. As level of funds collected throughout crowdfunding campaigns in Europe and US is significantly rising, there is necessity to include this type of financing into reports in global, regional and national statistics, but also in business reports generated by sports managers. Moreover, as there is observed scarcity of lending and equity crowdfunding financing, there is huge potential for sport managers to broaden their self-financing by using those more complex forms of crowdfunding. Another thing to be emphasized, is that crowdfunding is not recognized enough as a model of self-financing in Southern Eastern Europe. Therefore, presented successful cases are source of valuable information for sport managers in Croatia and other countries in the region to whom we recommend to take this means of finance into consideration when plan future development of their entrepreneurial sport projects.

Conclusion

According to the presented primary research results we can conclude that in Croatia sport is recognized as an entrepreneurial activity and that there is a developed awareness of the need for sports self-financing.

Crowdfunding as a newer form of entrepreneurial financing is developing rapidly in last ten years. It changes the way of communication and interaction with wide public and can be used to finance sport projects as well. On the basis of described examples

of successful crowdfunding campaigns from US and European developed markets, we can conclude that crowdfunding has a great potential to become the significant source of sports self-financing.

Regarding sports projects, upon given examples, we can conclude that all three models of crowdfunding are present: (1) reward based, (2) donation based and (3) lending or equity based crowdfunding. Moreover, both general and specialized crowdfunding platforms are successfully used to seek for funds for sport projects. However, reward and donation based are more represented in sport financing than lending or equity based crowdfunding.

Based on analyzed and presented cases, crowdfunding can be considered as an important financing source in developed countries. Individual athletes can use it as a self-financing source and teams can use it when searching for support for their operation, but also it can be used by sport organizations and sport entrepreneurs when they are starting some sport project, develop a new product or introducing some innovative sport concept. As it can bring significant funding amounts, crowdfunding already deserves to be incorporated into business reports and statements. Moreover, in developed economies is necessary to include it in sport financing statistical reports on national, regional and global bases.

Contribution of this paper is twofold. Firstly, it fills the gap of understanding sport as an entrepreneurial activity in Southeastern Europe by outlining the results of the primary research in Croatia as an example from this region. However, further research should be done in other countries of the region. This would enable scientifically based

comparison between several countries according to the attitudes toward sport as an entrepreneurial activity. Furthermore, comparison of findings should be done between countries within this region and more developed economies.

Secondly, the paper can be used by sport managers when considering sustainable finance sources because it outlines successful cases in global crowdfunding. However, in future, similar research by analyzing crowdfunding campaigns on Croatian and other Southeastern European markets should be done to observe ongoing practice in this part of the world.

In addition, research should be broadened by conducting interviews and in-field research because it is necessary to examine what are benefits, obstacle and risks of this particular type of sports self-financing. Those interviews should be carried within a sample of entrepreneurs who initiated crowdfunding campaigns, but also, with wider number of crowdfunding campaign backers (project supporters).

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