

Revenue Realization From Tailgating Activities: An Entrepreneurial Business Model

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Introduction

Tailgating in the United States (US) is a lucrative and increasingly expansive industry as estimates indicate that 80% (240 million) of the US population participates in tailgating events at least once each year and expenditures exceed \$35 billion per year on various tailgating activities, supplies and equipment (Motor-sports Marketing Forum, 2012; Yost, 2006). However, the demand for tailgating is not confined to the US, and the existence of an under-recognized latent demand beyond the US has already been noted (Gillentine, Miller, & Gallagher, 2015).

The aim of this presentation is to introduce a business model to facilitate tailgate-based entrepreneurial activities by individuals or organizations in order to assist them in identifying and recognizing the benefits it can provide. The proposed model will identify the entrepreneurial ecosystem components that can facilitate the sustainable enhanced growth and development of tailgating as a revenue source.

Literature review

Recent collegiate and professional US football games have been embraced in the city centres of Dublin and London. In the UK and Ireland, an ability to socialize with friends and family is very much part of the match day experience. The growth in tailgating activity/revenue in the US can be attributed to the existence of innovative sports-based entrepreneurs. Additionally, organizations have already recognized and capitalized on its popularity as a revenue source by supplying goods and services to heighten the tailgating experience (Gillentine, Miller, & Gallagher, 2015; Yost, 2006).

Although no uniform definition of a business model exists, it has been described as the cognitive link between entrepreneurial assessment of the opportunity and its management (Fiet & Patel, 2008). A business model limits vague entrepreneurial ideation as it identifies opportunity, ascertains the pertinent goal set that compels entrepreneurial action and organizational installation, and stimulates the organizational behaviors that act on the opportunity (George & Bock, 2010).

The current under-realization of tailgating as a revenue stream, beyond the US, should not be taken as an indicator that it is ineffective or lacks the potential to realize real benefits for the sport and entertainment organization(s). Rather it may be symptomatic of a lack of clear direction and guidance in an activity based upon multiple activities and stakeholders that interact over a relatively short period. Gillentine et al. (2015) noted that the growth of tailgating has been wholly organic, disjointed, and unstructured. Therefore, the formation, growth potential, and success that unifies and accelerates the development of new entrepreneurial activities, such as tailgating at sporting events, could be facilitated through the development of a new, unique business model.

The new model includes insights from the previous literature that consists of significant elements of entrepreneurial ecosystem approaches. This approach offers a framework from the amalgamation of insights from academic literature as well as the valuable novel contributions from practitioners (Thurik, Stam, & Audretsch, 2013). Synthesizing theory from the entrepreneurship literature and practice, this presentation develops a conception of sustainable tailgating entrepreneurship through the theoretical lens of the entrepreneurial ecosystem approach. The entrepreneurial ecosystem approach may be defined as "a set of interdependent actors and factors coordinated in such a way that they enable productive entrepreneurship" (Stam, 2015, p. 5). Thus, the proposed entrepreneurial ecosystem approach theorizes that the interdependencies within the entrepreneurship context must shift from the quantity to the quality of entrepreneurship.

Discussion and implications

Although the effects of the sustainability of tailgating entrepreneurship and value creation outside of the US have not yet been analyzed, the entrepreneurial ecosystem approach offers valuable elements for an enhanced comprehension of its performance. Specifically, this presentation will offer a model that illustrates how tailgating inputs such as policies and procedures can affect potential direct outputs such as revenue production and value added items as well as indirect outputs such as fan loyalty. The model includes a symbiotic community of varied actors (individuals, organisations and institutions), factors (tangible and intangible resources) and actions (physical, interpersonal and social). The model proposes the actors, factors,

and actions operate inter alia within a connected, holistic system. By doing so, a synergized environment will exist that fosters organic entrepreneurial activity that realizes a range of mutually sustainable social and economic benefits for both participants and sports organisations. This research takes a first step towards stimulating and enhancing our knowledge about an under realised revenue source as well as developing the hitherto neglected theory of entrepreneurial ecosystems in sport.

References

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