

## ENTREPRENEURIAL PERSPECTIVE TOWARDS SPORT CENTER BUSINESS (CASE STUDY IN GEN Z IN MILLENNIAL ERA)

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### Abstract

*The purpose of this research is to analyzes the sport center business as part of entrepreneurship, as generation Z in the millennial era. This is a descriptive research with qualitative approach. The sample are the owners of sport center business. The data was collected by observation, documentation and interview. The data analysis technique used was data reduction, display the data, and verification. The method used is SWOT analyses, a how-to and case study based on the experience of managing a sport center business. The results show that health service and sports center businesses are important for promoting a healthy lifestyle and well-being, with increasing demand due to rising health awareness. This has attracted Gen Z's interest in starting businesses in these industries. The sport center business has a positive prospect in the future, as fitness has become a lifestyle goal among the millennial and Gen Z generations who make up the largest part of society.*

**Keywords:** Business, center, entrepreneurial, sport, perspective

### Introduction

Business is all the activities organized by people involved in the field of commerce, such as producers, traders, consumers, and industries where the company operates. A company has a primary goal of making a profit, indicating that all business activities are aimed solely at seeking profit. Business can also be interpreted as an effort to obtain profits according to targets in various fields, both in terms of quantity, quality, and time.

Profit is the main goal in doing business, especially for business owners in the short and long term. This profit can certainly support how the business can survive in the long run. Business is an activity organized by people involved in the field of commerce, such as producers, consumers, and industries. A company certainly has a primary goal of making a profit, indicating that all business activities are aimed solely at seeking profit. Business can also be interpreted as an effort to obtain profits according to targets in various fields, both in terms of quantity, quality, and time. Profit is the main goal in doing business, especially for business owners in the short and long term. This profit can certainly support how the business can survive in the long run.

The government is making efforts to promote the development of entrepreneurship as a form of community self-reliance in facing the future. Minister Airlangga explained the government's efforts to create many high-quality young

entrepreneurs in the country (Airlangga, 2021). This can be seen from various measures taken by the government, starting from encouraging the growth of Indonesia's 64.13 million informal MSMEs into the formal sector, providing the PEN (National Economic Recovery) program in the form of interest subsidies, guarantee service fees, government investment in various banks, SME credit limit guarantees, cooperative investment financing, and others.

There have been many studies conducted on various forms of micro, small and medium enterprises (MSMEs) that have proven the growing independence of communities during the Covid-19 pandemic. However, there have been few studies done on entrepreneurship in the sports center industry. Furthermore, the author has a small start-up business in this field.

### Literature Review

High-quality young generations have an important role as game changers to drive entrepreneurship activities and accelerate job creation. The improvement of human resource quality and economic transformation are also carried out to encourage entrepreneurship activities. Currently, the entrepreneurship ratio in Indonesia is still low, at 3.47%, dominated by entrepreneurs in the age group of 25-34 years.

High adaptability, competitiveness, entrepreneurial spirit, and character are the main prerequisites that need to be possessed by the current young generation, which is expected to utilize their digital talent so that they can not only be job seekers but also become job creators.

Businesses that focus on services such as beauty, health, or fitness are an attractive choice for Generation Z in starting a business. According to Instiki.ac.id on March 1, 2023, the Asia Pacific Young Entrepreneurs Survey 2021 conducted by medcom.id showed that 72% of Gen Z and millennials in the Asia Pacific region are interested in such businesses.

The awareness of health among society has been increasing and data shows that this is in line with the growth of the middle-class population in Indonesia (Hakim, 2016). This also aligns with the increasing awareness of millennials and Gen Z cohort 5.0 who play an important role in the business and industry world with co-creating, co-innovating, and being digital natives. Gen Z is a critical and highly creative young generation who are interested in trying various new things and engaging with the latest technology (Hakim, 2016).

Sports center businesses in Bali typically offer a range of facilities and services, including gym equipment, fitness classes, personal training, and sometimes also sports courts, pools, or other recreational activities. Bali has a growing health and fitness market, driven by both local residents and tourists. This has led to the emergence of various sports center businesses in Bali, ranging from small boutique studios to large, full-service fitness centers. These businesses often target specific niches, such as yoga, martial arts, or CrossFit, to differentiate themselves from competitors. Some sports center businesses in Bali also cater to the luxury market, offering premium facilities and services, such as spa treatments or healthy food options. Overall, the sports center business in Bali presents potential

for growth, as there is a demand for fitness and wellness services among both local and international populations.

Research by [kemenpppa.go.id](http://kemenpppa.go.id) shows that this high spirited and creative Gen Z generation requires assistance from various parties to create a conducive environment to build healthy, intelligent, and productive human resources, who are able to master science and technology through education, science, health, and culture. Based on the results above, this research is in line with the government's program, providing ample space for Gen Z to create a creative space, in the form of an entrepreneurship sport center business.

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### **Research Methodology**

This research is descriptive research with qualitative approach. Data collection techniques used were observation and documentation. The researcher presented observation results that had been carried out based on personal experience in operating sport center, organized them in a systematic analysis based on the theory references used. The research method used was auto-ethnography, which is a research method that analyzes based on personal experience and activities, and then reflects on it, to understand broader social phenomena (John, 2007, Fatimah, 2012, Webster & Metrova, 2018). There are two students who interest to run this business. The students conducted a business analysis, performed SWOT analysis, and assessed the business prospects. The analysis present at April 2023. The data analysis is explained below.

### **Results and Discussion**

The government has made various efforts to promote the development of entrepreneurship, such as passing the Job Creation Law, which aims to transform informal businesses into formal ones and involves collaboration between central

and regional governments. Additionally, they have implemented the PEN program to support the economy in the aftermath of the COVID-19 pandemic, which includes initiatives such as providing low-interest rate subsidies, guaranteeing credit limits for micro, small, and medium enterprises (MSMEs), and offering financing options for cooperatives. The government has also initiated the National Movement for Proudly Made in Indonesia (Bangga Buatan Indonesia) to promote local products and boost the national economy. They have further supported entrepreneurship by promoting MSME products through the Kredit Usaha Rakyat (KUR) program and by increasing export opportunities for Indonesian products through ASEAN Online Sales Day, a cross-border e-commerce platform for shopping in ten ASEAN member countries on August 8, 2020. All of these efforts are aimed at creating opportunities for entrepreneurship and building the reputation of local Indonesian products in the ASEAN region (Adi Pratama, 2022, Endaryati, 2022).

The reason why Gen Z has been selected as a popular topic in entrepreneurial discussions is due to their keen interest in engaging in various challenging activities and being constantly enthusiastic about trying new things, including entrepreneurship in sports center businesses. As a result, researchers have decided to examine the inclination of Gen Z towards starting businesses in sports centers, and the subsequent observations provided are based on the researcher's personal experiences.

#### 1. The Unique Point of Sport Center

Sports center business, where the center specializes in the field of sports. This business has several types of sports facilities that are highly sought after by various age groups, ranging from children, teenagers, to the elderly. This business has advantages and uniqueness where there are several types of sports such as gym, futsal field, and tennis court. The gym is a fitness center where it is often used to train physical health and fitness.

The gym business has various sports equipment and physical exercises, especially fitness equipment, where in the sports center, there are various types of complete equipment such as treadmills, cable machines, dumbbells and many more. There is also a special room for martial arts training, such as kickboxing and Muay Thai. This room is also used for customers who want to train martial arts and lose weight. The uniqueness of this room will be directly trained by experienced trainers. In addition, the gym center also has uniqueness, with a sauna room available for customers who want to use it, as well as equipped with lockers and bathrooms that can be used for customers to take a shower.

Complete gym facilities also offer free trials for customers. Sometimes customers want to try out the facilities available at the gym for the first time. The goal is to find out the atmosphere and quality of this gym. And there are several types of promotions that come every day.

In addition to providing a gym, next, we plan to build futsal fields. Two types of futsal fields we provide are vinyl and synthetic grass. The reason of futsal because an increasing interest among the community, especially teenagers, choosing futsal as sport. Futsal is often used as a competition for clubs and schools,

which presents a great opportunity for business. Next, we plan to build a badminton court.

## 2. Marketing Innovation

Digital marketing is the effort made by a company or business to market their products through the internet and various other forms of digital communication media. Digital communication media that are covered in digital marketing include email, websites, social media, internet-based ads, videos, images, and other forms of digital content. In order to develop marketing innovation at the sports center business, the implementation of trendy digital communication media and internet platforms were needed. That is, such as Instagram, TikTok, and Facebook. This is aimed at introducing the products, services, and promoting information about sports center to a wider audience.

## 3. SWOT Analysis

A sports center business requires human resources who truly love sports, have knowledge and experience in the field of sports, are knowledgeable about health factors, and are aware of limitations in physical ability. This can help customers determine the appropriate type and pattern of physical activity at the sports center.

### a. Strengths:

The strength of the sports center business lies in the knowledge and experience of certified trainers, affordable prices for customers who want to join, and the availability of complete equipment with guaranteed safety. This allows customers to have more freedom with their fitness progress.

### b. Weaknesses:

The amount of capital needed and the cost and effort required for equipment maintenance.

### c. Opportunities:

- There are few sports businesses in the city center of Denpasar.
- People tend to want to experience complete and high-quality sports facilities.
- Affordable pricing.
- There is an increasing number of people who are concerned about their health and are engaging in physical activity.

### d. Threats:

- There are competitors who are continually improving the quality of their business by following current trends.
- There are many competitors who attract customers by offering cheap prices and promotions.
- Competitors market their products through collaboration with influential figures in the field of sports.

Establishing a full-facility sports center business in Bali can be a costly endeavor. To provide customers with a comprehensive range of sports and fitness options, businesses need to invest in various equipment, facilities, and amenities. For instance, a full-facility sports center may require gym equipment, exercise machines, sports courts, a swimming pool, locker rooms, showers, and other related facilities. The cost of purchasing and installing such equipment and facilities can

be significant, especially if the business wants to provide high-quality and modern equipment that meets the expectations of its customers.

In addition to equipment and facilities, other factors can contribute to the high costs of starting a sports center business in Bali. For example, the cost of acquiring a suitable location for the business can be substantial, especially if the business is located in a popular area. Also, the cost of hiring qualified trainers, instructors, and other staff can add to the initial investment. The cost of marketing and promoting the business can also be significant, as it is necessary to build awareness and attract potential customers.

Despite the high initial investment, establishing a full-facility sports center business in Bali can be a lucrative venture. With the growing demand for fitness and wellness services in Bali, there is a significant potential for revenue generation. Moreover, the increasing popularity of sports tourism in Bali means that sports center businesses can cater to both local and international customers. To succeed in this competitive market, businesses need to provide high-quality services, tailor their offerings to specific niches, and constantly innovate to keep up with changing customer demands.

### Conclusions

The reason why Gen Z has been selected as a popular topic in entrepreneurial discussions is due to their keen interest in engaging in various challenging activities and being constantly enthusiastic about trying new things, including entrepreneurship in sports center businesses. As a result, researchers have decided to examine the inclination of Gen Z towards starting businesses in sports centers, and the subsequent observations provided are based on the researcher's personal experiences.

The significance of health service and sports center businesses in people's lives can be attributed to their contribution in promoting a healthy lifestyle and overall wellbeing. These industries provide services that help individuals to either maintain or improve their physical and mental health, which is crucial in leading a satisfying life. Additionally, due to the growing health consciousness among people, the demand for these services has increased, making them a profitable sector. As a result, Gen Z, who values fitness and wellness, find these industries attractive, leading to their increasing interest in starting businesses in the health and sports center industry.

The conclusion is that Sports center is one form of SME business that supports the government in advancing the economy of Indonesia. Sports center is a business that is engaged in the field of sports which is favored by millennials and Gen Z. Gen Z not only enjoys it, but also prefers to start a business in the field of sports center. Sports are one of the main points in maintaining health. In today's era, health is very important in maintaining physical fitness in daily activities.

Therefore, the creation of a sports center business is a great opportunity because it is much needed nowadays. It is hoped that the existence of sports centers can help improve public awareness of health conditions, as a venue for developing talents in sports, and developing entrepreneurial skills related to sports centers.

### Acknowledgement

The importance of maintaining good health in today's society lead sports center as a crucial aspect in achieving physical fitness for daily activities. This presents a great opportunity to establish sports center businesses, as they are highly sought-after in the current era. The presence of sports centers is hoped to increase public awareness of health conditions, serve as a platform for developing athletic talents, and foster entrepreneurial skills in the sports center industry. It should be noted that starting a full-facility sports center business requires a relatively large amount of funding.

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