

Omni Channel - The Choice of Thai's Sport Business

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Abstract

When the lifestyle trends of people in today's society change rapidly according to social and technological trends. The trend of health care is constantly increasing and widespread, resulting in business growth related to sports equipment. As a result, the global sports industry has annual revenue generated from 121.4 to 145.3 billion US dollars. As well as the strong growth of the Thai sports industry since the manufacturing of sportswear and accessories, digital media business as well as the sports marketing business, it can be seen that the "sports industry" is a crucial business to create economic value and has an average annual gross domestic product (GDP) growth rate of 5.6 percent. "Sports Industry Development" is included in the 6th National Sports Development Plan (2017-2021); however, small and medium businesses still have lower values and net profits as revenue decreases. Therefore, to increase the competitiveness of the sports business, it is necessary to develop the sales channels to reach more customers and what businesses need to consider is the ability to generate income in the changing economy and the ever-changing consumer behavior. For businesses to operate and maintain quality, technology, online and offline channels should be integrated and combined into one Channel as Omni-Channel.

Keywords: Omni-Channel, Digital Marketing, Sport Business, Survival, Thai

Introduction

The lifestyle trends in today's society are changing rapidly, following social and technological trends, especially the trend of healthcare and wellness for all ages. The trend of exercise, yoga, and other sports activities making the business related to sports such as sports apparel, sports equipment had been popular resulting to the sporting goods industry worldwide with revenue generated from the sports industry between the years 2006 -2015, with growth rates at 3.7 value per year at 121. 4 to 145.3 billion US dollar (Pricewaterhouse Coopers, 2017). Similar to Thailand's sports industry prospered with various types of related businesses from the manufacture of sports clothing and equipment, digital media business, sports event organization, sports club or sports school, Fitness center business, and health food business as well as the sports marketing business, it can be seen that the "sports industry" is very important in creating economic value. Not only an active world, the ASEAN market that includes the AEC with a population of over

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600 million people has made Thai export vision more opportunities to increase the competitiveness of the Thai industrial sector to fight in the system. The world economy and supports entering the ASEAN Economic Community or AEC, which has a combined economy as a market and a production base. This inevitably leads to more trade, investment, and personnel exchanges between member states. The growth rate of gross domestic (GDP) the average annual growth rate of 5.6. The government has determined that the development of the sports industry, into the 4th strategy of the national development plan, the National Sports No. 6 (2017 – 2021), a mechanism that plays a vital role in the economic development of Thailand. The goal is to push strategies that sports can add value to the economy, drive the continued growth of the country (Gross Domestic Product) the government has assigned the Sports Authority of Thailand, the primary agency in charge (Ministry of Tourism and Sports, 2017). It can be seen that the sports industry has become a strategic goal for the development of the country both from sports and economic perspective, with the size of the market, revenue, and another potential of the sports industry market positively affects the overall economic and social of the country. However, it is expected that the growth rate per year tends to decline to 3.4 within the next five years.

In 2017, The sports apparel and equipment business performance of Thailand will be valued at 54,162 million baht, which decrease of 5.46%. However, large sports apparel and equipment businesses can also still generate better growth rates than small and medium businesses. By purchasing in large quantities, the cost is cheaper, increasing the profit. However, small and medium businesses can still be profitable but the value reduced by the revenue decline, so the enhancement of the competitiveness of sporting apparel and equipment need to expand their sale channel to reach more customers such as online channel, delivery service, sale and marketing promotions-discount, marketing promotion or loyalty program such as collecting point in order to repeat purchasing, including inventory management and cost control to reduce costs. The larger businesses tend to make a profit over the medium and small businesses. Therefore, the SME entrepreneur needs to be aware of the business competitiveness and the changing of consumer behavior in the recession of the economy (Department of Business Development, 2020).



Figure 1 Small and medium business profits continue to decline

Omnichannel

Due to the advancement in technology, When talking about the current consumer behavior, it is necessary to consider the demographic characteristics that have changed significantly in the past 4-5 years, which causing segmenting consumers into two major groups, which are “Digital Natives” native digital generator (Native Speakers of the Digital Language) as was born and grown up with computers, video games, and the internet, and the other groups are “Digital Immigrants”. It is a group of people who were not born in the digital age, but at some point in their lives have become fascinated and embraced by the diverse perspectives of new technologies” (Prensky, 2001).

To determine whether a consumer is a Digital Native or the Digital immigrants can determine by an age range. The primary criteria to decide which group by using internet experience at least 5 years (five years or more experience using the internet) is a measure that indicates access to digital. Indicators that are difficult to measure, such as the in-depth information about using the internet. The global definition of Digital Natives is youth aged 15-24 years, with five years or more experience using the internet. From the above definition, clearly understand that youth aged 15-24 years, with five years of internet experience who were born between the year 1989 to 1998, which in periods of overlap between the generation Y (those born between the year 1977-1997) and Generation Z (born in 1998 or after) (Tapscott, 2009). Therefore, to identify whether a consumer is in the Digital Natives or Digital Immigrants, we need to consider the age range, the period of birth or generation, and the use of the internet, as the criterion to distinguishing the two groups from each other.

Digital Natives is the digital generation as those born in the digital age. They are now around 10-29 years old. They are familiar with using computers or the internet to play games, do homework, find information about products and activities. As well as communicating with others via social media, in addition, the digital native is also people who understand the value of digital technology and are looking for the leverage of technology.

Digital Immigrants are immigrants to the digital world. Born before the digital age, about 30-60 years old, but are interested, see benefits, and decided to study and learn the basics of using the new technology. However, because this group is not a digital native by birth, so many people can still not step out of the world they were familiar with. We see some of these people always print the document to edit rather than editing the document on screen or call your friend to ask if they have received their e-mail or not.

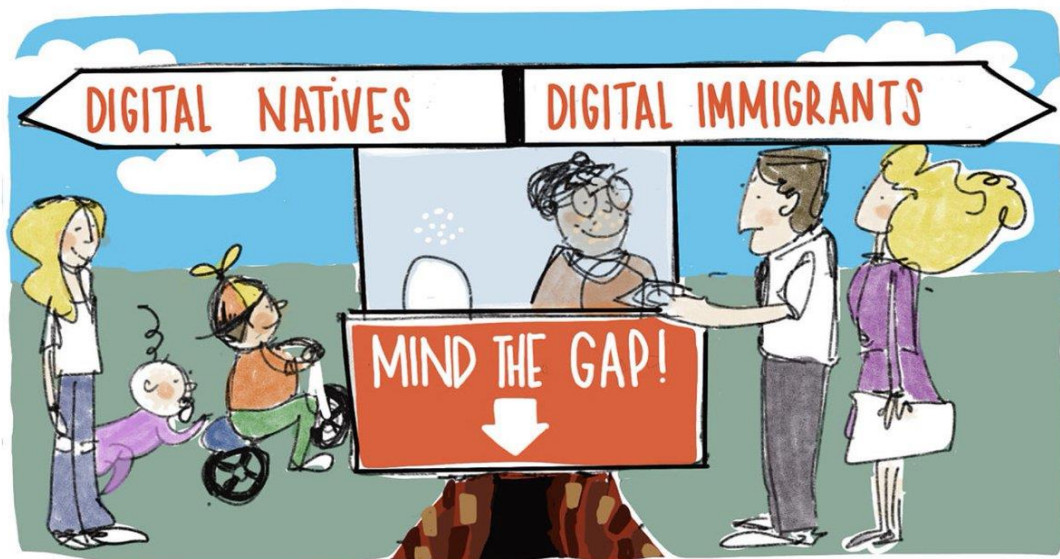


Figure 2 The gap between Digital Natives and Digital Immigrants

The current consumer behavior requires traditional marketing strategies and online marketing strategies to increase competitiveness in the Thai sports industry. It is important to consider the marketing communication channels for both consumer groups. Need to think of different strategies to adjust offline stores to meet the online consumer behavior by well-synergize online and offline channels, also known as Omnichannel.

What is Omnichannel?

“Omni” comes from the Latin word Omnibus, meaning all or universal, and “channel” means channel. Thus, the “Omnichannel” is a multichannel and customer service both offline and online, helping to collect customer data to access customer information efficiently. Easy and fast, for example, our customers and what kind of product they are interested in. Today, the most popular online communication channels are Email Direct Marketing, Website, Social Media, and Programmatic Display, while offline channels are shops or traditional storefronts (Jakrapong, 2020).

Omnichannel marketing is clearly defined as integrating channels, processes, and organizational strategies to enhance the ability to engage with consumers anytime, anywhere, and on any device, as shown in Figure 3.



Figure 3 Omni Channel

Conclusion

Omnichannel Marketing is marketing channels, where each channel must work together to achieve a sales goal. This marketing tool is a customer-centric strategy. Customers will be able to communicate with the company or brand via digital and offline, creating a direct experience.

Here are 7 tips for entrepreneurs who are interested in Omnichannel marketing to target customers. Maximize your reach and optimize consumer experiences (Subhasarm, 2020).

1. Find a channel-find out which channels or channels customers use to communicate with the company or the brand. You may analyze available data or conduct surveys and direct inquiries to customers to have a clear understanding.

2. Update and Active - everything that is provided to customers must be current, and it is important to be active on all channels to create a good experience and reach the most consumers.

3. Invest in CRM-this is where a company or organization is investing in a cloud-based Customer Relationship Management (CRM) platform based on cloud-based technology. That means It must be

able to be updated immediately and the information can be accessed securely at any time and from any device with an Internet connection.

4. Collect all customer data into the CRM platform - from where customer data is in hand. All those data must be collected into the CRM platform and updated as often as possible.

5. Integration of all channels-to reach as many customers as possible and create the best experience, a company, organization, or brand must allow consumers to use the channels best suited to their specific circumstances. In addition, authorized staff must be able to view the immediate, real-time of all consumer journeys and services that they used.

6. Automation-the speed of problem - solving is another important factor. Therefore, using an automated system to help deliver immediate answers or assistance to customers is another tool for improving service experiences.

7. Systematically analyze the interactions between customers and the organization and report to help the company or organization create more personalized interactions and services.

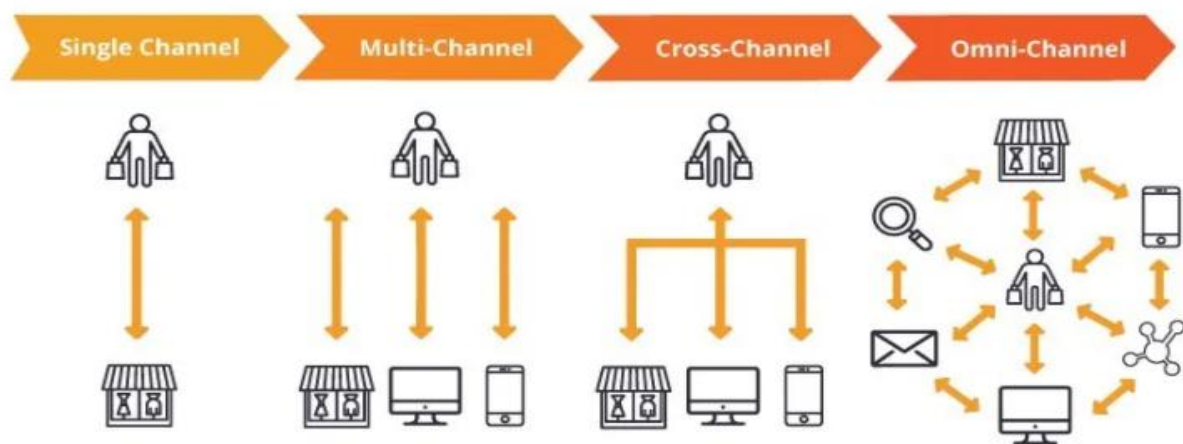


Figure 4 Marketing channels

Currently, Omnichannel is a very useful tool for businesses. The more channels for public relations to attract customers (Engage), the more channels to provide the product's information. The more leads they get. Moreover, the convenience of comparing product prices and promotions in each channel. Including reviews from customers who have purchased before will increase the store's credibility. This will allow the brand to reach more customers; one of the success tools to stimulate purchase is Call Center, or Contact Center is just one part of the communication channel. They can be a great support for Omnichannel. As both the Call Center and the Omnichannel are part of building a good relationship with customers, However, linking your point of sale with online to an Omni channel requires automated management of customer information in a marketing system be able to reach out to all customer segments with soft sales marketing activities (Miller, 2020).

On the other hand, consumers can choose to contact via their convenient channels; for example, some people may hesitate in the store. Can't decide or looking for information about that product, you can find more information from online channels to decide. And can be ordered via online channels. There are various payment channels to choose from, whether Cash on delivery, Credit/Debit Card, Internet Banking, Counter Service, or other applications, and many options for receiving products to meet customer needs such as picking up at the offline store. Or delivery service (Sarunjade, 2020; TradeGecko, 2020).

For example

A customer who wants to buy sport shoe, but not sure about the size, and still not sure if it will fit and want to see the real thing before buying. Therefore, customers contact the shop through the Facebook fan page to ask if this model is available at their nearby branch. Then the admin page checks the stock by inquiring to the branch and providing some information such as the customer's name and the model of shoes that the customer wants to try.

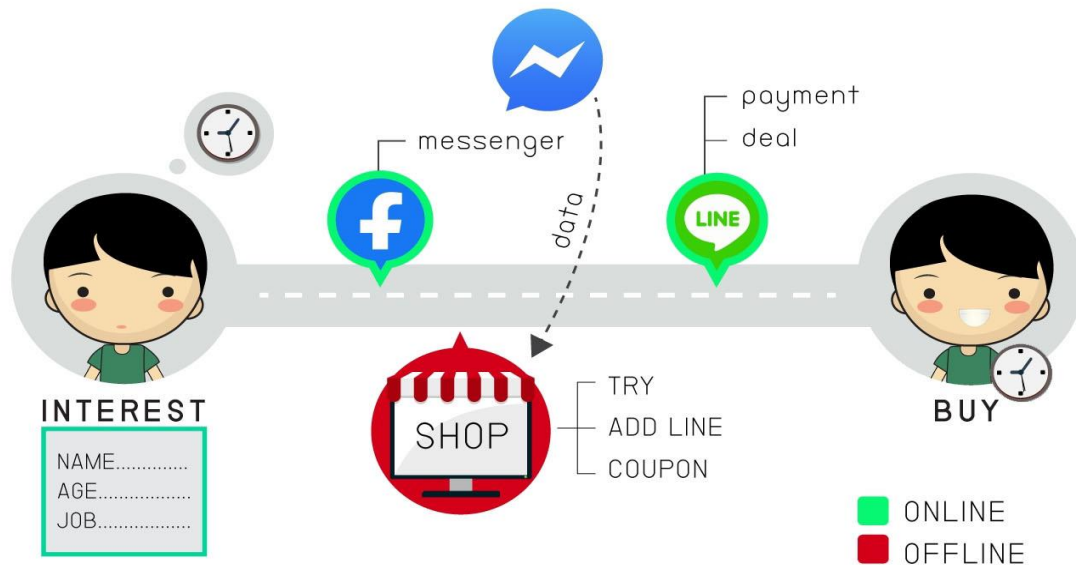


Figure 5 Omnichannel consumer behavior

When the customer arrives at that branch, just give the name. There will be sales staff to give advice on the shoes that customers want. But customers still haven't decided to buy right now because wanting to find more information and other models nearby. Therefore, the store recommends promotions for customers to add friends to the Line Official Account to receive discount coupons and follow the store's news. And the coupon can be used at every branches and all purchase channels. Then, when the customer has decided to buy. They eventually pay via Line channel.

This example shows that this customer has used various online channels to view detailed product information. And ask to talk to the shop until going to see the real thing at the store in which the store has the coordination of each branch and linking of customer data from online to offline or at the store to make the service uninterrupted and able to create satisfaction for customers until they decide to buy. The fact that we have a channel where customers can access various information with Omnichannel marketing is good for the store image as well.

In actual trading, when a customer has added Line, it doesn't mean everyone will decide to buy. Sellers can bring customer information to retarget by sending Ads or promotions to interested customers called target groups. This strategy may turn the target audience into our customers later. When the seller has already received the customer, what should be done after is to follow up on what customers like or dislike to improve. This will help create customer satisfaction that can lead to repeat orders and word of the mount.

The omnichannel marketing approach creates new commercial opportunities for entrepreneurs effectively. It is another strategy that helps online businesses and offline survive in the Digital Disruption.

Case Study: “Omnichannel SuperSports invest 50 Million Baht on Digital Tools to Gen Y” (LadyBee, 2018).

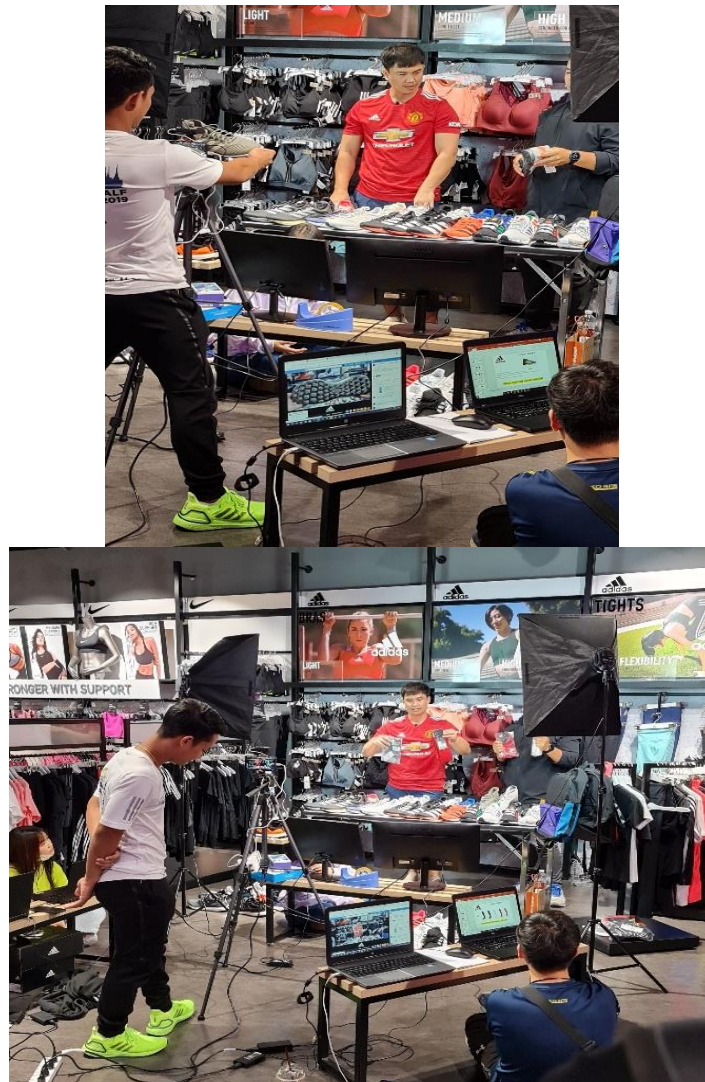


Figure 6 Livestreaming by Supersport

We have seen a lot of changes in businesses have adjusted their marketing communication strategies in different ways because the behavior of digital people is changing rapidly. If the traditional competition is still not enough, digital is brought to serve customers. Customers do not have to worry that the sales staff will only recommend expensive products. Because in the future, the selection of shoes will be according to the program that analyzes for suitability of use. Analysis according to the foot characteristics which has to offer products of all brands. This program is also free of charge.

For the Supersports, Central World is a paradise for the sports lover, offering the Click and Collect service points from the Supersports Online ordering, which can be considered a perfect Omnichannel sales connection. Along with creating engagement and experiences that match the sports type. Each zone will feature key highlights such as Run Lab, Golf Lab, Interactive Wall, Shopping Online, Click and Collect, and Personalization Zone, as well as the Energy Zone, which can create new sports activities for the new generation who are sports lover.

Also, zones for men, women, and children are separated, allowing customers to shop conveniently. Supersports has invested over 50 million Baht in revamping the shop, include adding all Digital Elements, valued more than 12 million baht, a total of more than 62 million baht. Supersports expects the business will grow by 25-30%.

The reasons for adjusting the store concept because the original model was not wrong and still supports customers well, but just look at the picture of the consumer behavior's future has changed and thought that I have not seen this sporty fashion business in Thailand. So we have to move forward before digital enters. Shopping zoning helps meet each individual group's needs as the placement by brands may limit the product choices. By doing this, it will help the customers find what they want right away.

The human resource part has some adjustments. That is, the former employees are increasingly using digital tools and hiring employees and trainees who have graduated in sports science to provide information to clients. We need a lot of those because we have to distribute them to every branch. However, the reorganization of staff does not mean lay off because there is also a Hole Sale.

As for online marketing, it must be acknowledged that using influencers and brand ambassadors is beneficial in marketing. Because customers still choose to buy from the influencer and come ask for that product at the store, we need to support our partners in online marketing fully. Customers can order through the web in advance and pick up at the branch. Or can embroider their name on the product at the Personalization zone. It is believed that it will be special and outstanding, doing the overall fashion sporty business in a good direction.

It can be seen that Supersports presents the story through four platforms, including 1) Shop online at supersport.co.th, 2) SUPERSPORT CHAT option & SHOP on LINE @SUPERSPORT, 3) SUPERSPORT CALL & SHOP via phone, and 4) The Facebook Live transform 'Salesmen' to become the real online sellers selling the product through Livestreaming.

Suggestion

Therefore, enhancing marketing strategies for the Thai sports industry should look at the ASEAN market's readiness assessment or the AEC. One of the important to consider two main population groups, namely the Digital Native and Digital Immigrant. We have found that both online and offline marketing channels are used to win the market. The integrated communication channels are integrated online and offline together. Omnichannel is an evolution of the market influenced by how consumer purchases.

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