A Conceptualized Model of Digital Transformation for Sport Organization in Thailand

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Abstract: Digital transformation becomes a significant driver for numerous industries such as sports, food services, automobiles, and clothing. Firms are obliged to understand how to develop digital capabilities to avoid an inevitable technological disruption and transform their business model successfully. The notion of digital transformation for Sports Organizations in Thailand is a novel idea in academia. This research aims to explore an insight of Sport Organization in Thailand. It focuses on what dimensions should be considered and incorporated while implementing any digital transformation. This research inductively builds a digital transformation framework for sports organizations in Thailand via reviews and in-depth interviews of 28 experts with a digital and sporting background.This research agenda proposes a framework driven by–1) reviewing digital transformation literature and the work on digital maturity concepts on a theoretical basis, 2) proposing and refining a conceptual model from the experts' critical insights. Furthermore, research findings indicate that digital transformation for Sports Organizations in Thailand should incorporate six capability dimensions composing of strategy, agility(organization and culture), operations(including sports sponsors and sporting agencies), people (employees), technology, and sports fans/consumers when considering such an implementation. Such capabilities should be viewed as an important basis for a research initiative in digital transformation in Thailand's sports organizations. Practitioners can modify or adapt the proposed conceptualization model and the defined six capability dimensions as guidance for the current state and progress of their digital transformation efforts.

Keywords: Digital Transformation, Digital Maturity, Digital Capability, Sports Organizations, Thailand

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1.   Introduction

The digital transformation is radically influencing and affecting some business disruption. The rise of digital technology plays a vital role in driving change in various industries. It encourages an organization to remodel the design, operation, and interaction in its business model. Digital transformation is customer-driven and requires organizational changes alongside the implementation of digital technologies (Bloomberg, 2018; Peter, 2017). Furthermore, volatile market conditions have accelerated most industries' challenges, including, but not limited to, sports industries. Several of them have adopted some form of digital transformation and evolved it to different maturity stages. However, some organizations still struggle to establish and execute digital agendas because they are unable to contemplate the setup, the process, and the topics (Hebbert, 2017; Peter, 2017; Römer et al., 2017).

Bughin& Van Zeebroeck (2017), on the other hand, assert that some companies are aware of the need to pivot to a digitally inclined model, but there is little guidance to determine the right course of action. Furthermore, they are struggling to sustain the new and ever-evolving digital reality. A recent study (Bughin& Van Zeebroeck, 2017) confirms that only a small minority of companies successfully undertake digital transformation consistently and with an articulated corporate strategy. Furthermore, Gimpel et al. (2018) also reveal that most research output focuses primarily on specific digital transformation facets or case-based evidence. For example, some sports firms have already strategized to communicate and implement digital transformation facets in their operation, process, and fan engagement. Others are still under review or operate using a traditional format. The lack of guidance in sports industry accentuates how such organizations in Thailand respond to digital challenges and carries out their current operation—understanding what management should consider when undertaking digital transformation in the sports organization is a recent phenomenon. On the practical side, consulting firms have published several practice-oriented publications about digital transformation. However, such publications have proposed insufficient concrete action to enhance an organization's efforts. On the academic side, the research in digital transformation for the sports field in Thailand remains limited. This study aims to develop a conceptual digital transformation model for guiding and providing insights into its compositions. This study will also promote the digital development of sports organizations in Thailand by providing a roadmap that enables determination, focus, and prioritization when planning an implementation. Furthermore, this study is also designed to use the digital maturity model as a theoretical framework. An extension to the conceptualized model will be explored from the professional's view in sports and digital areas for its relevancy and practicality.

Digital Transformation and its importance

Technology has continued to transform businesses across all industries. The process of using digital technology and transitioning among systems is called "digital transformation." Such transformations have drastically displaced current business models and reconstructed their working operations.

Digital transformation is a novel method of undergoing activities that generate new value propositions in businesses. Reddy and Reinartz (2017) define digital transformation as using information technology as a means of a more efficient and effective value creation process. The means refers to changes that new technology can bring about in the system. Thereby enabling organizations to transform their design, operations, and interactions within the business model. Digital transformation is also customer-driven and requires organizational change along with the execution of digital technologies (Bloomberg, 2018; Peter, 2017). Bughin& Van Zeebroeck (2017) point out that organizations that do not react to digital transformation are likely to suffer in their revenues and profits.

The ongoing change, driven by technological acceleration, has created a new synergy in business models across various segments. Sports organizations are likely to undergo rapid changes to converge on digital transformation to improve their performance and business growth. To capitalize on these opportunities, sports organizations can introduce more scalable technologies and platforms to engage fans. Furthermore, such organizations should be driven to innovate and create more personalized experiences.

Despite the opportunities, sports organizations may face difficulties such as a lack of vision and unwillingness to change behavior, traditional operation processes, and complex legacy systems. There are few studies and research on what management should consider when undertaking digital transformation initiatives in sports organizations and businesses. On the practical side, consulting firms have published several practice-oriented publications about digital transformation. They have included digital maturity models which assess the maturity of an organization when transforming digitally. However, the activities an organization must undergo to enhance its digital roadmap are not robust. In scholarly work, the research in this area relating to the sports industry in Thailand is limited. Therefore, understanding how digital transformation can be implemented for sports organizations in Thailand will guide them to review and examine their opportunities.

Digital maturity model

Digital maturity is the company's collected reaction to changes in the digital sphere, implementing digital achievements into business processes, and developing its staff capability in the digital realm. Westerman (2014) explained that digital maturity is a gradual digital transformation process and can be implemented in the organization's processes, staff, and other resources. The digital transformation process is a journey that involves several capabilities in an organization. The digital maturity model can be used in each phase of transformation to help identify gaps, and the organization can establish critical areas to focus on and where to start. Such a framework is adopted to understand how digitally mature an organization is today and allows for developing a future roadmap.

Furthermore, this framework provides an understanding of where the organization is today and what could be incorporated. It can map the organization's projects based on the maturity of the transformation and help understand the organization's effort—the aforementioned supports clarifying the organization's goal on the digital transformation and reviewing whether it is successful.

It is understood that digital transformation is not the same as digital maturity–digital maturity is the basement of digital transformation. Companies that seek to increase their digital maturity level go through digital transformation in all aspects. The organization cannot approach digital transformation by doing it standalone as it requires an integrated approach with several functions and processes. In attaining the maximum level of digital maturity, the organization must rely on digitalization strategies with KPIs that allow the organization to evaluate its implementation.

Forrester's business digital maturity model 4.0 has explained four key dimensions that determine how well an organization transforms digitally to reach its maturity level–culture, technology, organization, and insight (Gill and Van Boskirk, 2016). However, some researchers may define this differently as customers and strategy (see Figure 1).
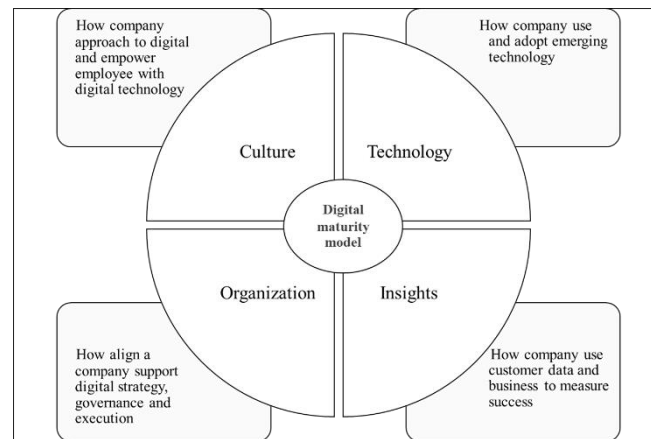
Figure 1 Foresster 's Digital Maturity Model 4.0

Some practical researches are working on the digital transformation model and identifying the organization's dimensions. Gimpel et al. (2018) provide an actionable digital transformation framework for cross-industry applications. This framework consists of six actions: the customer, the value proposition, operations, data, organization, and transformation management. Back and Kaltenrieder (2017) propose a similar model with nine dimensions: customer experience, product innovation, strategy, organization, digitization process, collaboration, information technology, culture and expertise, and transformation management. Furthermore, Valdez-De-Leon (2016) presents a digital maturity model for the telecommunication industry. This model aims to offer a structured view of digital transformation that helps organizations benchmark themselves. This model introduces seven dimensions: strategy, organization, culture, value chain/eco-system, operations, technology, and innovation.

In recent years, experts from the sports industry have developed a digital maturity model (Wijnen, 2020). This model has not performed well within the industry as organizations are accustomed to the traditional operation. However, the traditional approach will be challenged by the changing digital technology trend and an uncertain market environment. The disruption threat has been underlined, and thus the traditional organization needs to be modified. The traditional model has thereby opened opportunities for researching the significance of digital transformation in the industry of sport and its organization. However, this research does not aim to find the digital transformation's maturity but rather explore the dimensions that sports organizations should consider when they embark upon a digital transformation.

2.   Research Objectives

This research will explore specialists' perspectives on what elements or dimensions sports organizations should examine while implementing the digital transformation.It aims to develop a conceptualized model of digital transformation for sport organization in Thailand.

3.   Research Methodology

Research Design

This study is designed to explore the perspectives of digital and sport practitioners qualitatively. The following procedures carry this out:

1) The first stage of research involves a review of literature on digital transformations. The concept of digital maturity is also reviewed and used as a theoretical framework to amplify a conceptualized model for sports organizations in Thailand.

2) The second stage involves qualitative methods to explore sports and digital experts' perspectives on the nature of reality and improve the proposed model.

3) The final stage is to collect, identify and analyze the experts' descriptive information to refine the model and report.

Key Informants

1) The study gathers detailed information from experts who have backgrounds and experiences in the sport and digital field.

2) 28 participants are recruited from the relevant digital and sports areas. These include– Business Management, Sport Management and Association, Digital Marketing and Administration, Academist in the digital field. Experts are selected by sampling stratified on their academic backgrounds and expertise.

Research Tool (Interview)

The study is based on an in-depth interview method with qualitative data in the form of opinions, interview transcripts, and noted documents.

1) With their consent, the research construction, the objectives, and the interview process are explained to participants through data collection and analysis reports.

2) The participants are interviewed using open-ended questions. Such questions allow them to elaborate their ideas while also allowing a researcher to probe for further information to assure that the model is relevant and pragmatic.

Data Analysis

1)   Data is accumulated from interview transcripts to understand the phenomenon, the verbatims, and the facts.

2)   Content analysis is used to codify, organize and categorize the data into meaningful structures conforming to research objectives.

4.   Research Results

According to the inductive work and main findings, the digital transformation model for Thailand's sports organizations is generated successfully. Six dimensions have been suggested: strategy, agility (organization and culture), operation with customers in views of sport sponsor and sport agency, people in the organization, modification of technology, and sport fans or consumers (see Figure 2).
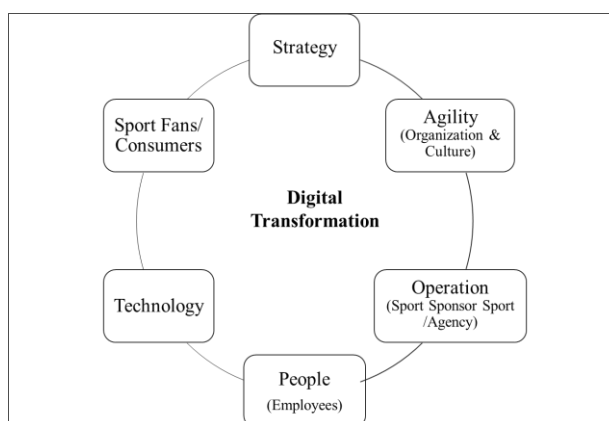

Figure 2 Digital Transformation Model for Sport Organization in Thailand

Strategy: An organization should agree on its goals and objectives before developing a digital strategy. Most experts suggest that an organization's goals and the digital goals should be aligned prior to the inception of the company's strategy as it helps understand the investment and required resources. This alignment will help an organization focus on its strategies and potentially accomplish its plans. Furthermore, the strategy needs to be streamlined to include a digital strategy while also effectively conveying all involved functions and departments in the organization. Other studies on digital transformation models assert that digital strategies of successfully transformed organizations are not only well documented but are also communicated sufficiently (Kane et al., 2016; Schumacher, Erol&Sihn, 2016). Therefore, management must communicate the organization's progressive vision and strategy and endorse the transformation roadmap (Svahn et al., 2017). Moreover, the organizations should proactively and systematically explore and evaluate new trends to identify new business opportunities.

Agility: This plays a vital rolein an organization and its culture. Sports organizations should encourage both management and employees to respond quickly to changes in technology, market environment, fan clubs, and sponsorships. Research supports that organizations that move away from their traditional hierarchies and embrace leaner organizational structures provide greater agility and quicker decision-making (Webster et al., 2002). Cooperation, collaboration, and commitment from each function are the focus points that must be cultivated and reinforced in sports organizations. Additionally, openness, candor, and informality are the other behaviors that should be promoted in sport organizations to devise a native digital culture. Such characteristics are supported by Schlaepfer et al. (2017), who claim that company culture must allow freedom to experiment, room for creativity, and psychological safety.

Operation: This includes internal administration, operations, dealing with customers, and other stakeholders (such as sports sponsorships and sports agencies). It is essential to identify the existing process or operation that

will no longer support the organization's goals, sports fan engagement, nor sponsorship involvement. The organization should move away from a silo, uncoordinated and complex environment and make it more interactive, simplified, and efficient. In response to this, an efficient platform and innovative technology may be required. Getting core operations accurate can be a secret weapon in an industry that increases efficiency, reduces costs, and maximizes impact. Moreover, a sound approach can help the firms keep up with the market (Martin G. &Shar V., 2016). When considering a transition, a gradual and a small-scale change should be recommended to minimize external disruption and internal resistance.

People (Employees): Apart from technology, people in the organization should be well equipped and training provision. Organizations must develop and implement appropriate training programs to promote digital skills and new skills to reinforce employee capabilities. If digital skills are missing or inadequate, external candidates can be used to complement existing teams. Cascio&Montealegre (2016) suggest that a skill gap prevails among existing employee skills and those required to compete in a volatile and complex world. Finally, a global study stated that 76% of the digitally maturing organizations indicated that they provide their employees with resources and training opportunities to develop digital acumen. Thereby demonstrating the importance of talent development for a successful transformation (Kane et al., 2016).

Technology: This should start from adopting and using technology for data management, especially for customer engagement. It is insinuated that, given the rise in popularity of big data, sports organizations will be required to invest in new capabilities such as real-time data collection of digital exposures and experiences. Gathering data will allow sports organizations to assimilate and respond to the ever-changing fan behavior and preferences. As a result, they can accommodate sponsors with information on advertising, consumer touchpoints, and user journeys. The agency can thereby use the data to create a marketing solution and build long-term relationships with fans in real-time and provide them faster services. Thus, sports fan engagement and customer loyalty management can be leveraged through data management and campaign personalization driven by consumer preference. Anderson & William (2018) report that organizations should use the benefits of digital technologies by collecting customer data and utilizing it to predict trends and behaviors to provide personalized services. However, it is recommended that an organization should gradually involve consumers with innovative programs and loyalty campaigns rather than bombarding them.

Fan and consumers engagement. Fan engagement is one of the most critical challenges for sports organizations as consumers shift their behavior towards mobile devices. Social media and the Internet have dramatically transformed consumer needs. Consumers expect thrilling experiences in short durations. Furthermore, experts suggest that sports participation in the stadium might not be a solution given today's volatile environment and social distancing. Organizations should review how to leverage connectivity to deliver sports fans and consumers satisfaction consistently and in an entertaining manner. Given the deteriorating attention span of a consumer and recent technological advancements, organizations may be required to deliver entertaining content more proactively. Additionally, experts recognize that digital platforms will become an essential factor in sustaining fan engagement in the future. Organizations will be required to opt for digital channels to interact with their fans and consumers. Research suggests that digital technology can help better understand fan behavior and experiences when viewing sports (Berghaus et al. ,2017). Therefore,the organizations must ensure digital content and channels are appropriately designed to serve and respond to the fans' experience on all digital and non-digital channels. Not all fans and customers have the same behavioral needs. Therefore, digital marketing communication will help gain a more profound knowledge of fans' preferences and implement targeted promotional campaigns.

5.   Discussion

This research focuses on the theoretical understanding of digital maturity as a knowledge base. A conceptualized digital transformation model for sports organizations is constructed via an innovation-based and inductive approach using expertise from the digital and sports domain. Moreover, the results provide executives with recommendations to implement, focus and prioritize digital transformations at their firms. With the rise of digital transformation and its disruption threat, the aforementioned becomes a driver for sports organizations and emphasizes the need to act urgently. Furthermore, Bughin& Van Zeebroeck (2017) point out that organizations that do not react to digital transformation are likely to suffer. Therefore, firms need to produce a clear strategy and incorporate a "digital" outlook in the core of their business strategies. Furthermore, to capitalize on the opportunities and continue to grow in an uncertain environment, sports organizations will have to consider a digital transformation and embed it in each phase of their operations.

Despite the opportunities, some sports organizations may still face difficulties when introducing and focusing on digital. This research contributes pragmatic insights to support a sports organization via a digital transformation conceptual model that proposes six dimensions. Such a model can be an imperative basis for a research initiative in digital transformations in Thailand's sports discipline. Practitioners can thereby modify or adapt the suggested

framework and use it as guidance for their digital transformation progress. However, a clear conceptual definition of this model in the academic domain is limited.

It should be noted that such a transformation is a continuous effort as the market is continually evolving. Firms might need to start on a small scale to ensure the concepts and models are secured and buy-in throughout the organization. Once the models are deemed fruitful, the initiative can be scaled up. It is a journey that requires a deep understanding of current capability. The future vision will determine how the six dimensions will need to be adapted and changed.

Although the presented research has a limitation– it is not designed to verify the framework quantitatively. The model may serve as a basis for future research, which can escalate to conduct a formative measurement to review the transformation efforts and their maturity. Another area of future research could be to analyze and define its implementation or explore a causal effect between digital maturity and corporate performance.

6.   Conclusion

The ongoing digital transformation has challenged organizations to interact and modify the business model. Inevitably, sports organizations will follow suit. Furthermore, it is favorable to understand how digital transformation should be established to capitalize on its opportunities and minimize disruption. This research provided a conceptual foundation and defined elements to develop a digital transformation model for sports organizations in Thailand. The presented model illustrates the dimensions the sports organization should incorporate when undergoing digital transformation. There are six dimensions to be focused on and prioritized: strategy, agility (organization and culture), operation(includingexternal stakeholders), people (employees), technology, and consumers or sports fans. This research's findings might be viewed as the foundation and the roadmap to guide sports organizations in Thailand for digital transformation application. The sports organization can decide whether to modify the other generic or this specific one, dependingon their purpose, readiness and digital capabilities.

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