



Vild med sport

DIGITAL CONCEPT DEVELOPMENT
TEAM 12 | SEMESTER 2 | GROUP 8
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INTRODUCTION

Sportmaster is Denmark's biggest and most popular sport chain. Founded in autumn 1979 by 16 visionary Difa-hardware stores with more than 30 years of experience, they opened hundreds of stores across the country. This enables the company to take the leading position in the market. In addition to the physical stores, Sportmaster has a fast growing online store and a loyalty program that allows the customers to join "Klub Sportmaster" and offers them additional bonus points and inspirational benefits.¹

In 2012 Sportmaster was acquired by Nordic Capital. Under the new ownership, Sportmaster began to develop its position as Denmark's favourite sport shop.

The ambition to become a true omni-channel business culminated in 2015 when sportmaster won the "Best omni-channel business" in the E-Commerce Prize. In just two years, Denmark's largest sports chain achieved impressive results by operating with different channel conditions.

PROBLEM AREA

Sportmaster presented us with various challenges about their online and offline user experience during their brief.

At the moment they are the most popular sport chain in Denmark. They launched a new webshop and relaunched Sportmaster Klub last year. Their main challenge at the moment is to increase their online sales, while maintaining their sales in physical stores.

During their brief the client stated that low cost competitors like XXL, a sport store from Norway, could become a big threat for them when they open their danish website and retail stores. Fashion stores such as H&M and Zara have began selling sports collections which also pose a threat to Sportmaster.

By focusing on an omni-channel solution for their user experience, they are looking to improve sales further by retaining current customers as well as gaining new customers.

CLIENT GOAL

Develop a digital solution with a budget of one to two million Danish crowns which would improve the customer and shopping experience and allow the company to take it to the next omni-channel level. The solution proposed should be able to be implemented during this year.

PROBLEM FORMATION

What would take sportmaster to the next level in digital, omni-channel, and user experience?

What omni-channel solution would provide the customers of sportmaster with a better user experience?

- Analyse the present user experience of the physical store vs digital solutions.
- Identify and define Sportmaster's competitors.
- Who is the present target group? Who could be new target groups?
- What are the key factors in engaging potential customers as well as retaining customers already using the solution?
- How widely is the omni-channel approach implemented/used?
- What are the trends in digital solutions for 2016 - 2017? What can be used in this particular case and why?

CONSTRAINTS

The client, Adapt, stated that we should not contact their original client sportmaster.

METHODOLOGY

Contact with the company took place through a client brief. The client stated their situation and what their problem is. Therefore, the insight part of the report will be built using a deductive method, based on the client brief.

The marketing tool we will use is the SOSTAC model. The situation analysis will include a deeper insight about the approach of the company towards its customers by using desktop research as our main method.

We will analyse their online solutions, membership klub as well as the current omni-channel experience.

We are going to perform a field research in order to take a closer look onto their in-store experience offerings.

The target group identification will rely on the qualitative data provided by the client. Individual user interviews has been the main objective to understand the general perception of the brand by it's customers.

Followed by a competitor comparison within the industry, and a research of the e-commerce industry and trends in 2016.

COMPANY ANALYSIS

Sportmaster is a sport chain with 93 stores located within Denmark. They have a leading position in the market. In addition to the stores, Sportmaster has a fast growing online store that launched last year. In addition to the webstore they also have a loyalty program with approximately 800.000 members. They have now expanded to become not only Denmark's leading sports retailer by revenue and operating profit, but also the owner of a significant number of world famous sport, fashion and lifestyle brands.

Their selection of products offering a great choice of football boots, running shoes, football kits, fitness clothing, tennis clothing, huge range of equipment and accessories.

Beginner or a professional, their diverse product range assists their customers to train and improve in their chosen sport or activity. Made by world famous external brands such as Nike, Adidas and Puma, as well as internal brands such as Hummel and Rains.

Their website gives you an access to quality sports apparel being sold by their retail partners, which their customers can have delivered to their door from Sportmasters extensive online catalogue.

VALUES OF THE COMPANY

The company's vision and mission is to improve and develop their product range of the latest brands. They want to focus on customer needs while giving them optimal service.

Their most important value propositions for their customers are free return policy on all orders, exchange of products in all the 9, satisfaction guarantee, and free day to day delivery for the Klub members.

ONLINE

Sportmaster uses its responsive e-commerce platform that it well suited for navigation on a Desktop or Mobile setting. This platform currently only focuses on the Danish market as the website's available language is Danish. This online store has a wide variety of products that encompasses all of the areas Sportmaster focuses on. The site also gives information on where you can find one of their physical stores nearby. The company also uses social media to interact with their customers. Currently Facebook and Instagram are the only sites that Sportmaster currently engage with. There is a Hashtag used on twitter (#sportmaster) which is often used but it is not always used to talk about the store as the tag is used in reference to other stores of the same name in other countries.

FACTS AND FIGURES

Over the last month the website has had 245.1 thousand visits. The average time spent on the is site is about 3.333 minutes with the user only viewing around 4 pages per visit.¹ On top of this nearly 40% of users only see one page of the site before they click away from the site.

Around 12% of this number can be accounted by users being referred to the site via price comparison website such as Pricerunner.dk. The most common way users make their way to the website is via google searches, accounting for around 50% of the traffic of the website.

¹-SimilarWeb, 'Sportmaster.dk', <http://www.similarweb.com/website/sportmaster.dk,03/03/16>

MEMBERSHIP

Sportmaster has a membership club called “Klub Sportmaster”. The main aim is to build long term relationships with the customers, and to collect more data for future use. The klub has 800.000 members at the moment.

A customer can become a member of their club in the stores, or online. No membership card is needed, and either you phone number or email can be used as identification in the store. Members can share their membership within their families.

General information about the membership can be found online. The benefits² include:

- All receipts saved within member’s profile
- Permanent offers for members: discounts on selected items and news before anyone else
- Sunday shopping with hot deals and offers.
- Return policy: 30 days and the money back if the member regrets the bargain.
- Bonus: by purchase of minimum 2,001 kr. annually, members get a bonus
- VIP invites to pre-sales and events
- Satisfaction guarantee: the member can test their running shoes in 30 days return if they do not like the product
- Free delivery when buying from sportmaster.dk
- Members can receive personal advice about cost and exercise from Sportmaster
- Free running tests in store to determine the customer’s running style

BECOMING A MEMBER

A customer can sign up for Sportmaster’s club on the website. There they are asked to enter personal information such as email, address, phone number, birthday, and gender. After that is complete the customer receives a confirmation email. Once the account has been activated Sportmaster will send another email with the customer’s e-mail, password and Membership Number so they can log into the website, and enjoy the membership benefits.

COMMUNICATION

Sportmaster’s online communication takes place mostly through their website where they have a live chat and client service communication channels, social media and third party websites where reviews can be found.

Website’s communication

Sportmaster.dk has a live chat on their homepage where they instantly solve general inquiries. They also have a client service page where phone and email are provided to contact client service from Monday to Saturday.

REVIEWS

When searching Sportmaster on google one can find reviews about physical stores. Sportmaster does not want to focus on competition between their shops. They still are receiving reviews regarding specific shops but they would like to focus on the brand in general.

Trustpilot



SPORTMASTER.DK reviews

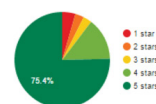
Great 8.8 from 0 - 10



Review company

2798 reviews on Trustpilot | Latest review 15 hours ago

Rating distribution



Customers share their experiences on third party websites such as Trustpilot. Sportmaster’s review on Trustpilot has an overall mark of 8.8 with 2798 reviews.

Most of the five stars reviews are regarding the fast and effective and quick delivery of the products when purchasing online. While most of the one star reviews are regarding the delivery taking more than time than usual or delivering the wrong product. There are very few reviews of customers complaining about in store experiences.

Sportmaster’s customer service is very good at responding to bad reviews. They contact the customers and state, “sorry for the bad experience” or “please send us an elaborating

email to help us get better”. There quick responses to customers shows that they care about their customer’s experience online or instore.

A recent Gartner survey on the role of marketing in customer experience found that by 2016, 89% of companies expect to compete mostly on the basis of customer experience, versus 36% four years ago¹.

The emphasis is shifting from demand to experience. Network designs are being done now based not on capacity but on the quality of the customer or user’s experience. In fact, one of the top 10 Gartner predictions this year puts a fine point on that assertion:

“By 2017, 50% of consumer product investments will be redirected to customer experience innovations.”

As focusing on the needs of the individuals is growing in importance, Sportmaster seeks for a solution that aims in that direction. A solution that complements the efforts they are already doing to provide an outstanding customer experience.

PHYSICAL STORE

In order to find out information about the omni-channel experience which Sportmaster offers to its customers we have visited their shop in Hellerup. The desktop research has provided us with a fair amount of insights about the overall brand and its approach towards customers and competitors. A short interview was arranged with one of the sales representatives and four questions were asked with a focus on the current in-store experience.

Are you using tablets in-store in order to help the customers find the right product?

They explained that they can find the right fit, color, and offer items which are on sale. If they don’t have the desired product in store they will search for the nearest store where it’s available.

Are the customers which are part of the Members Klub able to collect points also if

they purchase products in-store or is it only for the online buyers?

Customers are able to collect point in-store and online.

Do you ask the customers about becoming a member each time someone purchases something?

The answer was “Yes”, they do ask the customers every time if they would like to become members.

How does the reviews system work?

Right after the purchase the customer, if they are a member, will receive an email asking to complete a short survey and write a review. If the customer is not part of the Klub they might ask them if they would like to write a review and give feedback. However he admitted that they don’t want to bother the non Klub members with it so they don’t do it too often.

TARGET ANALYSIS

The information for the target group analysis was obtained from the data provided by the client. These target group scenarios analyze and describe different types of customers who shop at Sportmaster.

It can be summarized that the target groups are active people who are not professional athletes. They are also family members of athletes who shop for their children.

Sportmaster Scenarios

Athletic Man

A man who has not run in a while and is interesting in buying sneakers at Sportmaster. He is cautious but knows that sportmaster specializes in running. The man has a positive experience at Sportmaster and likes their selection. He then goes on to tell his running club about

¹-Jake Sorofman, ‘Gartner Surveys Confirm Customer Experience Is the New Battlefield’, 23/10/16,

Student

A student who is active and interested in sports goes to Sportmaster looking for new products and sale items. The student is looking specifically for tennis products. The student finds that by traveling to different Sportmaster locations the selection ranges.

Active Woman

Woman who is active using crossfit is looking for new clothing. While at Sportmaster, due to the large selection, she also purchases a yoga mat. Before leaving she asks about an item she did not see in the store and is able to purchase it and pick it up in store later.

Mother

A mother needs to buy football shoes for her daughter. She usually buys online but it is too late for her to do so. The mother is able to find the shoe on Sportmaster's website and find which stores have the shoe in stock. In the end the mother is happy to know that she can use the website to find products in store instead of just ordering online.

Mobile User

A woman is looking at Sportmaster.dk on her phone. She is searching for sneakers and the webshop does not have her size. She uses the website to find a store that does have the sneakers in size. Due to Sportmaster's many locations there is one not too far from her work.

leaving the store on Stroget. The research was mainly behavioral, instead of geographic, psychographic or demographic.

Interview Questions:

1. How old are you?
2. Are you involved in any sport activities?
3. What is the reason you have visited the store today?
4. How was your overall experience?
5. Was the staff helpful?
6. How did you find the store? Was it well structured?
7. Why did you choose Sportmaster? Are you a returning customer?
8. Are you a member of the Sportmaster members Klub? If yes, do you use the benefits of it?

See interviews in appendix on page 20 and 21.

Findings of the research

The people who were interviewed showed a general interest in sports. Their ages ranged but they showed an interest in daily activities. The youth that were interviewed were mostly students. They are very hardworking and usually balance studies and a job. This makes them incredibly tired. The life rhythm is high when they try to fit so many things into a 24 hour day. It is hard for them to manage their time. While shopping, they want to be able to have things accessible to them so they do not have to wait.

These people are very familiar with technology. Digital technology is overtaking our existence, it is what represents our time. Smartphones, headsets, tablets are nothing new, we consume all new technologies as fast as we can. Which we can also backup by the information provided by the client stating that webshop visits are 40% mobile, 25% tablets, and 35% desktop.

We have divided the target group into two groups. The first group consists of users who need more customer service in store to customers who know exactly what they want to buy. Customers that know what products they want to buy are more likely to use the e-commerce solution. While customers

INTERVIEW

In order to find out more about the target group and investigate the data provided by the client during the client brief we have conducted interviews with four people whose everyday life, habits and activities differ from each other. We asked the first four people

who need more help are more prone to using in-store resources and help from the employees.

In our field research we found out that young people are into sports and healthy living, that's the reason we did more research on millennials.

Millennials

Millennials is the generation born between 1980 and 2000. Usually the the first ones to try new technology and adapt to it. They like that things are useful and can enhance their lives¹, so they are very keen to stay up to date with technology.

They are also very concerned with their health and with a passion for fitness, they like to buy sports equipment². They tend to eat healthy and use apps and technology to help them maintain a healthy lifestyle³.

Millennials are financially burdened but still remain optimistic. They are a generation with high levels of student loan and debt⁴, this may have to due with the fact that they lived through the economic crisis since 2008⁵.

Communication wise they are extremely active on social media they are also high users of texting⁶. 44 % of the millennials use messaging as their way of communicating online and 38 % via social media, while Generation X is divided in between 32 % using texting and 25 % social media.

The client stated that webshop visits are 40% mobile, 25% tablets, and 35% desktop. Sportmaster's goal is to take their omni-channel to the next level, and since the millennials are so up to date on every new technology and active on social media they should be a new target group for Sportmaster.

MARKET ANALYSIS

In order to come up with a good digital solution we have to know what is going on in the market where they are active. Below you will find research about Danish online shopping behaviour and the competitors.

Danish online shopping behaviour

The overview of online shopping Denmark shows that 8 out of 10 people use their mobile device to shop online. 78% are men and 77% are women⁷.

In 2013, every tenth consumer made an online purchase using their mobile phone. 80% of the consumers wish to pay for a product bought online by using a credit or a debit card.

Danes demand the fastest deliveries. On average, Danish online shoppers wait four business days at most for the delivery of a product ordered online. "13% of Danish online shoppers expect deliveries within two business days."⁸ That was the situation in 2013. Today, Sportmaster delivers the product in the same day if you order it before than 15:00.

COMPETITORS ANALYSIS

Sportmaster and Intersport are each other's biggest competitors. They are the two largest sport retail chains in Denmark and have chosen to focus on the sporting goods market because they believe that this market is here to stay.

In September 2014 Sportmaster bought Fodboldeexperter.dk and in January 2015 they also bought Unisport which is Scandinavia's largest online supplier of soccer equipment.

¹ Who are millennials. 2016 <http://www.millennialmarketing.com/who-are-millennials/>, 29.02.16

² Goldman Sachs, Millennials coming of age. 2016, <http://www.goldmansachs.com/our-thinking/pages/millennials/>, 29/02/16

³ Bruce Drake, 6 new findings about millennials, 07/03/14, <http://www.pewresearch.org/fact-tank/2014/03/07/6-new-findings-about-millennials/>, 29/02/16

⁴ Bruce Stokes, Who are Europe's millennials, 09/02/15, <http://www.pewresearch.org/fact-tank/2015/02/09/who-are-europes-millennials/>, 29/02/16

⁵ Goldman Sachs, Millennials coming of age. 2016, <http://www.goldmansachs.com/our-thinking/pages/millennials/>, 29.02.16

⁶ Danmarks Statistik, It-anvendelse i befolkningen 2015, 07/12/15, <http://www.dst.dk/da/Statistik/Publikationer/VisPub?cid=020737>, 02/02/15

⁷ Danmarks Statistik, It-anvendelse i befolkningen 2015, 07/12/15, <http://www.dst.dk/da/Statistik/Publikationer/VisPub?cid=020737>, 02/02/15

⁸ Post Nord, E-commerce in the nordics 2014, page 10, <http://www.postnord.com/globalassets/global/english/document/publications/2014/e-commerce-in-the-nordics-2014.pdf>, 22/02/16

Intersport is a large company with more than 3,000 stores around the world, of which 86 are in Denmark.

Intersport was bought last year by Obi sport and invested a million in new IT systems and digital platforms in order to improve their multi channel experiences. Intersport bought a store concept in 2012 which revolves around sneakers and can be compared to the American chain Foot Locker. In 2015 they have launched their new store which is called Athlete's Foot and 75% of the wares in the stores are shoes¹.

XXL Sport

XXL Sport is the biggest sport equipment shop in Norway. They are planning to open an online and physical store in Denmark in the near future. XXL does not only focus on sports equipment, they also sell kitchen equipment and pet care items for dogs and horses as well. Their prices also tend to be around 10 to 20 percent cheaper than other competitors in the same areas.

Sportigan

While searching Sportmaster In Google Trends, Sportigan is another commonly searched related term. Sportigan another large sport shops in Denmark. The two brands have many similarities. They both started in Denmark, have a large number of stores and employees, a membership system, and are active on social media.

These companies use Facebook for their social marketing. Sportigan is not as popular as the other companies and only has 7000 likes where others have 70,000. The companies all post similar information such as product information, sales, and events.

Google Trends

We have also viewed Google Trends which is a public web facility based on Google. Google trends show how often a particular search-term is relative to the total search-volume across various regions of the world, and in various languages².

To see graphs please see Appendix Google Trends page 21.

↻	Country↻	Number of stores in Denmark↻	Number of employees↻	Price↻	Facebook page likes number↻	Brand number of woman*↻	Membership↻	Interest rate in January 2016 on Google trend↻
SPORTMASTER↻	Denmark↻	More than 100↻	More than 1000↻	Normal↻	80,000↻	80↻	Yes↻	25↻
SPORTIGAN↻	Denmark↻	73 stores↻	About 350↻	Lower↻	8,000↻	25↻	Yes↻	4↻
INTER SPORT↻	44 countries↻	86 stores↻	About 700↻	Normal↻	80,000↻	96↻	Yes↻	27↻
XXL SPORT↻	Norway/Finland/Sweden/Denmark↻	No store↻	No store↻	Lower↻	70,000↻	They do not separate the gender↻	No membership↻	13↻

*The reason we compared the number of woman's brands is to know how many brand they have than the others.↻

Benefits	Point/bonus system	Membership offers	Events	Advice	News before everyone else	Return policy	Free delivery	Price promise
Sport Master	2.001-4.000 kr. = 2 % 4.001-6.000 kr. = 4 % 6.000 kr. = 6 % bonus	50 %	Yes	About cost and exercise	Yes	30 days money back. Test run of shoes in 30 days - can exchange them for new ones	Yes	No
Inter sport	2.000 + = 5%	No	Yes	No	No	Yes	Free for everyone	No
Sportigan	1 point for every 10 kr spend	Yes in point shop	Yes	Yes	Yes	Yes	No	No
XXI(Norway only)	No club	No club	No club	No	No club	Test product in 30 days - can exchange it but only for a similar product, higher price will be payed	Only to Norway Free	Lowers price in 30 days if buyer finds product cheaper in a shop close to XXI
Matas	1 point for every 10 kr spend	Yes in point shop	Yes	About interests	Yes	No	Collect in local store	No

¹ PETER SIMONSEN FØLG, Pressede sportskæder satser stort på nye butikskoncepter til danskerne, 03/09/2015, <http://finans.dk/live/erhverv/ECE7990171/Pressede-sportsk%C3%A6der-satser-stort-p%C3%A5-nye-butikskoncepter-til-danskerne/>, 27/02/2016

² PETER SIMONSEN FØLG, Sportskædernes Elgiganten er klar til aggressivt indtog i Danmark, 19/02/2016, <http://finans.dk/live/erhverv/ECE8455035/sportskaedernes-elgiganten-er-klar-til-aggressivt-indtog-i-danmark/>, 27/02/2016

Memberships competitors

Sportmaster is not the only company which has a members club. In the benchmarking below we have compared the memberships of the main Danish competitors.

We can summarise the findings in the fact that Sport-master differentiates from its closest competitor InterSport by providing latest news and being more aware of the latest trends. Sportigan does not provide free delivery, while XXL does not have a membership club. We have also added in the benchmarking the company Matas as an example of a very good performing membership program within the Danish market.

TRENDS

A recent Gartner survey on the role of marketing in customer experience found that by 2016, 89% of companies expect to compete mostly on the basis of customer experience, versus 36% four years ago¹. The emphasis is shifting from demand to experience. Network designs are being done now based not on capacity but on the quality of the customer or user's experience. In fact, one of the top 10 Gartner predictions this year puts a fine point on that assertion: "By 2017, 50% of consumer product investments will be redirected to customer experience innovations."

As focusing on the needs of the individuals is growing in importance, Sportmaster seeks for a solution that aims in that direction. A solution that complements the efforts they are already doing to provide an outstanding customer experience.

"The Future of Retail"

"The future of retail" is a construct that is receiving a considerable amount of attention. A handful of retailers have tried and succeeded in achieving a smooth

transition from in-store to online shopping by offering customers a seamless, omni-channel experience. The solutions can be compared with their way of being innovative, by the approach to it's users in terms of the information provided, user experience and design.

In order to find out about companies which are already using and being successful in building their business on the omni channel strategy we have run a Google search. Searching for terms as "Best omni-channel experience retailers" or "Best shopping experience". We have gained some insights from retail experts often referring to a company which is being successful and innovative by offering a seamless omni channel experience to its customers regardless of the medium by which they are accessing their store².

The two companies which we took a closer look onto are Nordstrom and Bonobos. For examples of their omni-channel approaches can be seen in the Appendix on page 22.

SWOT AND TOWS

SWOT Analysis

A SWOT analysis has been conducted in order to achieve a thorough idea of how Sport Master uses own resources to its advantage and how the brand can seize opportunities in the existing market.

TOWS Strategic Alternatives Matrix

The TOWS Matrix will generate strategic options, how to take advantage of the opportunities open, at the same time time minimise the impact of weaknesses and protect against threat. This tool will help to consider how to use the external environment to Sportmaster's strategic advantage.

¹Jake Sorofman, 'Gartner Surveys Confirm Customer Experience Is the New Battlefield', 23/10/16, <http://blogs.gartner.com/jake-sorofman/gartner-surveys-confirm-customer-experience-new-battlefield/>, 03/03/16

²Zsafia Kerekes, 14 Retail Experts Reveal Their Favorite Shopping Experiences, 30/03/15, <http://www.whisbi.com/blog/retail-experts-favorite-shopping-experiences/>, 01/03/16

1. They present the newest products first.
3. Considerable big members club.
3. Already implemented Omni-Channel methods.
4. They deliver for free, in the same day if you order before 16:00.

S

strengths

1. In-store trends - scan product in the store, buy online
2. Sport, exercise, healthy living trends
3. Showrooms for the online stores
4. Casual wearing
5. Clothing and footwear - most bought products in Scandinavia
6. Improvement of in-store online digital connection
7. New target group they could engage

O

opportunities

weaknesses

W

1. Unattractive branding visuals
2. Passive club members - (800 000 klub members but only 80 000 on social media, when 90% of Danes use internet while Facebook is the highest used channel)
3. Not present enough on social media, irrelevant content for millennials.
4. Not having all reviews in the same place.

threats

T

1. Powerful competitors: Intersport, Sportingen
2. New competitors: XXL
3. Brand loyalty that can send customers to other specific unique brand stores.
4. Cheaper neighbour countries (Germany).
5. Too many physical stores and too little online attention.

S-O

1. Improving their omni-channel with new digital solutions
2. Use their big amount of club members to identify new target groups and engage them in different ways.
3. Create a strategy in connecting the fact that they are bringing the newest product first with the trends in sport / exercise / healthy living and the more socially accepted casual wear in all day to day situations.
4. Connect the in-store / online with the fast delivery.

W-O

1. Adapt the visual branding image to the newest trends.
2. Improve & rethink the content strategy based on new segments of target audience (Millennials f.e.)
3. Improve the connexion between the club members from in-store to online in order to engage them more.
4. Because millennials are well defined and considered segment of the SM's audience, the trends in sports are not fully exploited in their communication

1. Overcome the new competitors by getting a closer customer relationship via klub.
2. Underline time of providing services over price.
3. Improve the omni-channel experience within the over 100 physical stores by giving more attention to the online platform.

1. Individual brands (ex: Nike/Adidas) are more attractive than Sport Master.
2. Passive club members might just choose specific brand store rather than SM due to lack of loyalty to the brand
3. Not having very engaged club members give competitors better chances.

s-t

w-t

SOLUTION

OBJECTIVES

Within a year, increase the customer loyalty to the brand by improving the in-store and online shopping experience. This will be measured by the amount of active members in the Sportmaster's Members Klub and by monitoring loyalty by the number of purchases made or a continuing pattern of buying behavior.

Motivation

In our insight report can be seen that Sportmasters has 800.000 Klub Members. When analyzing their social media accounts they only have 80.805 likes on Facebook and 7.950 followers on Instagram. From that the conclusion it can be concluded that not all Klub members are interacting on social media or are engaged with Sportmaster. They remain as inactive Klub members and that becomes a threat. This less engaged klub members could become customers of other companies, like Sportmaster's competitor, XXL, a company that will enter the market within the next year, with more competitive prices. The motivation of Sportmaster seems to come not from a present crisis but more from a wish to improve even more the user experience they offer.

5's

Sell - growth of sales

The in-store and online experience will need to improve in order to gain more sales. Enhanced customer service will increase customer loyalty and makes customers feel more welcomed.

Speak - forming relationships with customers
Sportmaster needs to have more of an online presence and relationship with their customers. Sportmaster should take advantage of their social media outlets. They already have a large number of online followers, and engaging and posting more content will keep customers more interested in the store. Posting regularly on Facebook and Instagram will keep customers engaged

on a daily basis. When customers have more of an emotional attachment to the content Sportmaster is posting, their relationship will strengthen.

Serve - add value

Sportmaster cares about customer service and already has a good reputation for answering the customer questions and reviews. With Sportmaster directing more focus on social media, customers should be able to use social media as a communication tool. Since their online service is good, Sportmaster should focus on maintaining and improving their communication on these channels, as well on the in-store customer service.

Save - save costs

Klub Sportmaster already develops a trustful and fast online delivery experience for their customers. However this experience could be improved by making their point system smoother and easier to understand, as this will incentivize the use of the membership and online shopping, which for Sportmaster is cheaper than the physical purchase

They should also make sure that they don't only bring the newest products but they also ensure that the customers know why this particular products are so special. By creating a hype around the idea of new offers, they can build on the idea of an already good experience.

Both strategies will mean saving from radical changes like for example re-branding, and avoid costs.

Sizzle - extending the brand online

Changes need to be made in order to improve the online brand experience. The benefits of improving the digital image and presence will be seen in the smoothness of the way channels will work together and visitors coming back to pages or sharing content.

Ideation

To come up with an solution for our objectives we use the brainstorm method. We made a mindmap on the wall in which we wrote sportmaster in the middle. Then

we divided our ideas in online, physical store and partners. We wrote all our ideas down on the mindmap. When we were finished we realized that the ideas we had were very safe and simple to come up with. That's why we chose to make another mind map with crazy ideas. Everyone got post its and had to come up with 8 crazy ideas. We wrote all the crazy ideas on the wall and came up with even more ideas. In the end we took parts of the crazy ideas and the save ones to come up with our solution.

STRATEGY AND TACTICS

To accomplish our objectives we want to give the customer an overall experience on all the different platforms. This means online as well as in-store. We divided our solution in four parts. First we are going to explain the target market which will be followed by our solution for the In-store and Online experiences. We will summarize describing how both online and in-store can be combined in order to provide their customers with an outstanding experience.

Target groups

Main Target Group: Families

These customers tend to buy products for their family members. This target group receives more customer service because they tend to shop for others and not themselves. In order for them to go into Sportmaster and buy items for themselves. This demographic is less connected to technology but sending emails will be the best way to communicate new sales to them.

We decided to explore if we could aim of a new target group but still keep the old one. Since Sport-master's goal is to be even more omni-channel we decided to look into a younger generation.

Secondary Target Group: Millennials

In our insights we found out that the younger customers are more connected on social media and use it as a primary tool for communication. They care very much about their health and are into useful technology that helps them stay healthy.

Younger customers is more interested in name brands and wearing athletic clothing then actually working out. They are more drawn to brands like Adidas and Nike. They mostly shop at Sportmaster for the cheaper prices and deals. Younger adults are more connected to technology so they will be using the phone more often to check if Sportmaster has any new sales. This customer will spend less time in the actual store and more time ordering online. They do not require much customer service because they already know which product they would like to buy.

Online

Sportmaster is already present online. As stated in the insight part of the report they have a performant responsive website with a webshop included. We think that some features can be improved or added.

Facebook log-in

Customers logging in to their personal account through facebook allows Sportmaster to view what their customers like online. Facebook makes it easier for the customer to sign up for Sportmaster because they only need to link their social media profile to the Sportmaster website. The customer has the option to share what they buy on their account. When a product is bought online, Sportmaster is able to recommend similar items to the customer.

Product reservation and collect them in the stores - members only

Customers, if part of the Sportmaster Klub, can reserve products online and collect them at a store location. This policy is necessary for people who want to try on items such as running shoes before ordering them online. More people will join Sportmaster Klub for this feature because it makes the selection process easier for the customer.

In-store

Opening of a flagship store

The opening of a Flagship store serves as a destination and attraction for Sportmaster customers. The main focus of the store is creating interesting window and visual

displays in store in order to attract and interact with customers. The flagship store is very large and each section of the store is based off of a different type of athletic category. Such as football, tennis, and running. The whole collection and additional online exclusive items will be sold in the flagship store. The newer items will be put on display in the windows or in their specific category displays within the store.

Events - themes - Playground

To increase the customer experience in the flagship store we are working with different themes for a certain amount of time. These themes are based on sport events during the year. For the coming year they can have the following themes for example: European Football Championship, the Olympic Games, the Copenhagen Marathon, Tour de France. One area in the store is totally dedicated to this sport event in the decoration and the products. The area is surrounded with big screens which reflect the environment of the sport. For example the Copenhagen Marathon. On the screens around you, you will see the route from the marathon. We also implemented an interactive part in this area with the treadmill. When the customer is fitting the running products you have a total experience.

Interactive fitting rooms

To give the customer a total experience Sportmaster introduces interactive fitting rooms. In our fitting room you will find a digital poster. This digital poster is able to display real time discounts, advertisement and changing environments. The customer can select what he/she wants to see. For example you can change the poster to a forest environment and fully experience how it would be when you are exercising outdoors.

Hands free shopping - home delivery

When a customer is ready to check out they can do so by themselves or with the help of an employee. They have the possibility to send their products to their home. Customers can use the iPads within the store to order the product. Then Sportmaster deliver that product to customer's house. So customers can continue to shop with free

hands and they do not need to bring large bags to home.

In-store combined with online

In order to combine online and in-store aspects the flagship store will have iPads installed. The iPads can be used by customers in order to buy products that can be shipped to their doorstep. In the flagship store they can view the collection and fit the products. Afterwards they have the option to buy it in the store itself or to buy it online. The product will be delivered by their doorstep on the same day or the next day depends on the time of the order. Employees are also properly trained to assist customers if needed. Customer loyalty will increase due to the fact that customers need to sign up for Sport-master's member klub in order to purchase items on the in-store iPad. This will increase the numbers of the Sportmaster's Klub. Traffic within the flagship store will be increased because already loyal customers will want to visit a store that is a visual attraction and destination. Also Sportmaster has a much better insight on the customer's journey from their customer when they have to use their membership card in the store and online.

CONTENT STRATEGY

The message is highly important in any act of communication. That is why, before deciding about the channels, it is important to build a strong voice behind the brand. Also, there is important to address to each target group in a way in which the message will not only be received but also enjoyed - triggering this way emotional attachment and in time loyalty.

Of course, when thinking of the content it is important to have in mind the channels in which this message will be delivered. That is why Sportmaster's outlets such as Instagram and Facebook should remain highly active. Through content that speaks more around the trends and healthy lifestyle for example, will target and engage younger segments of audience, f.ex. millennials. Posting content about new items, photoshoots, or new discounts has chances of keeping a young

customer engaged, “liking” and sharing the content. Millennials prioritize meaningful work and while money still makes the world go around, millennials invest in companies that invest in them because personal development is the most influential factor in their current life¹.

Customer Feedback

While the customers can already ask questions in the chat on the website and that gives great insight about the points where the message might not reach them clearly, social media can become a different kind of voice - by seeing the type of content that users interact with and constantly adapt the way the message is wrapped into posts, the communication flow will become smooth and the data can be used to improve even the smallest unclarities.

Place

Sportmaster has to be present on all the different platforms. With their physical stores in whole Denmark and a flagship store on a location like Stroget in the city center of Copenhagen. The flagship store should be their biggest store, containing their whole collection and functions as a showroom to present their special products.

Sportmaster has to chance to become more present in the virtual space, where the responsive website with webshop included and the social media work in it's favour. The only virtual space that need to be better defined is the review, which could concentrate better on the brand as a whole.

People

As Adapt stated in the client brief Sportmaster's main target group are athletes and families. The family members are mostly women, between 31-50 years old, as mentioned in the target analysis. They are not as connected on social media as younger people and are not likely to just buy products online without trying the products first hand. Even though they don't use social media to communicate, they do use email. This would be an ideal way to communicate with them for Sportmaster. The physical stores

will be very attractive for the older family members because they might not know what to look for. But in the stores they can get the guidance they need to buy the right product.

We would like to reach the millennials by social media with more focused content. Along with the flagship store this should attract the millennials to go and check it out. And with the implemented technology in the flagship it will have faster and more personalised shopping experience. In our research we found out that a lot of people like to shop online but with the flagship store, they can have both a online and in-store experience, that is more connected.

Promotion

To promote the flagship store there will be a big opening event. Members will receive an email with an invite about the event before everyone else. The members will get a discount on new products. To open the shop Sportmaster has invited Michael Laudrup who is a danish football coach who also used to play professional football. The first ones to arrive will be able to get a picture with Michael Laudrup.

Sportmaster will post pictures of the opening and tell the non-members about the event. These will be both on their facebook and their instagram. They will post pictures with Michael Laudrup, the new products and the whole product ranges they offer in the flagship store. The posts will also be of the themed sections in the store of for example football, running, tennis and so on.

The first ones to arrive to the event will receive gift bags with football based goodies. Since Michael Laudrup is the special guest of the event the special offer will be on football gear on that day. After the opening event there will be more special themed offers.

Action

In order for Sportmaster to remain popular they need to increase customer loyalty by enhancing customer service and integrating new and beneficial technologies into their stores online and offline.

¹Erica Moss, How to Attract and Keep Millennials at Your Company, <http://www.millennialmarketing.com/2015/03/how-to-attract-and-keep-millennials-at-your-company/>, 02/03/16

The first action internally will be that Sportmaster will maintain the well trained staff inside the stores and the fast communication via chat online.

The flagship store will open in a cold month of the year, due to the fact that it is created to be a space of entertainment as much as it is a shop, it has more chances of having a large audience in the winter, due to the weather. Also it should be launched before a high selling moment that can be easily predicted, like Christmas.

The responsibility for the message in the content strategy will be part of the sales strategy of Sportmaster, but the actual communication on the social media channels should be delivered by professionals - could be an external media company - as part of a well defined and research campaign.

There is also a high need for maintenance of the systems and processes in the case of the flagship store, due to the extra technology inserted in the space.

Control

Through performance monitoring of the initiative, mistakes in the approach can be easily fixed or even better, avoided. In order to collect information about Sportmaster's website and their club, data should be collected both online but also in the physical stores.

The building of emotional attachment will be seen in likes, posts, shares of content related to Sportmaster's activity online. Making it easier for users to receive the information due to facebook login and saving favorites comes with more insight possibilities for the company in verifying that the message went through. Web analytics will act as extra monitoring, by taking in consideration factors as frequency, bounce rate and page visits - unique or not.

For measuring the webshop activity, a total number of visits will give an overview about the activity level. By using device recognition it will be easier to collect information about

which devices the customers are most inclined to use.

In the flagship store, the main measurable aspects will be how many customers enter the store, the total number of sale conversions that are made while they are in the store, or after visiting it. To measure these aspects they can use sensors which give an insight in how many visitors the stores get, and show which section is most visited.

The information could be used in a map with online / offline activity over determined periods of time. This task should be handled by a research and insight specialised company in order for the data to be interpreted correctly.

The purpose is to compare the total number of online sales and reservations, with the sales in the physical stores. It will also help to predict which location is the most popular and what triggers the behaviour of the customers. That will also be used to create better content.

Finally you can look at the activity of the Klub Sportmaster members. This can be done by seeing if more members are active using their card to earn bonuses throughout the year as well as if they are buying or reserving more items on the online store. Also though the linking of the Klub memberships with facebook you can see if the members have made favourable reviews of Sportmaster.

PRODUCT BUDGET

With our production budget we address both online and in-store aspects of our solution proposal to take into consideration. We will keep the budget in general terms.

Online - Membership Klub	Expected time	Resources	Approximate cost
Facebook log in	Aprox 1 month	External agency or Internal developer team	150.000 dkk ¹
Reservation feature			

This solution will also include home delivery but are assuming that Sportmaster will use the same solution they are using now. No extra costs are needed.

Online - Membership Klub	Expected time	Resources	Approximate cost
Facebook log in	Aprox 1 month	External agency or Internal developer team	150.000 dkk ¹
Reservation feature			

This estimation does not include the possible campaigns. Only the management of them.

Flagship Store	Amount
Property rental	Unknown
Store design and build: - Remodeling of the store - Interactive fitting rooms - Digital abri's - Screens for the themed area - Decoration of the themed area	
Day to day running costs	
Opening event	
Yearly theme events	

This estimation does not include the possible campaigns. Only the management of them.

Flagship stores can have a tremendous positive impact on the brand, acting like a status symbol and improving the brands profile. But they do come with some risks regarding costs.

Flagships require regular re-design and refurbishment to keep up being

innovative and fresh. On average flagships are not self-supporting, and the company has to be careful that all shops to follow the same brand and standards in every store, no matter if one is a flagship store or not in order for customer to not experience feelings of disappointment.

PROJECT MANAGEMENT BREAKDOWN

Trello was used during the project. There were different tasks could be assigned to each person in the kanban chart. It was important for everyone to see what everyone was doing at any given moment, and having it online made it more simple to follow.

The lists that were used on Trello are the same as the ones used with SCRUM: Backlog, To Do, Doing, Test and Done. This allowed the group to have a structured overview of all the tasks. People were given tasks or assigned cards to themselves. They could then slid a card to the next step as the project was progressed. The roles were not clearly defined, but more members tacked different tasks as needed and according to skills. For example, native English speakers had to revise the text in the report and members of the team that worked already with some of the methods inside the SOSTAC.

Definition of "done"

Something is done when the whole group agrees that it is good and needs no further improvements. After a task was checked, it was moved to the Done list.

Schedule

The group agreed that the minimum collective working hours at Bi5 were from 9:00 to 14:00. In plus, the group had always tasks to do at home as well.

Deadlines

There were several deadlines and deliverables during this project:

- Client Brief 22.02.2016 at 09:00 at Bi5
- Group Contract (upload) 22.02.2016 at 15:00
- Concept Report (upload) 03.03.2016 at

21:00

- Final Presentation (upload) 04.03.2016 at 09:00
- Client Pitch 04.03.2016 at 09.00 at Bi5
- Feedback & Evaluation TBA (schedule will be posted on Google Calendar)

Decision minutes

There were group meetings on every weekday except one Wednesday, February 24. One at the beginning of the day and one at the end of the day. At the beginning the meetings was for the group to decide what needs to be done, who doing what and how. The group discussed the project progress at the end of the day or when was needed.

Visualisation of the project Kanban on Trello

Monday 22/02/2016

The first thing the group did was to define the working hours and when people can be present at school and a group contract, Trello board, schedule file and google drive folder were created. The group thought it would be best to write down what we know about the company, the SOSTAC approach and the omni-channel in general and then we started assigning tasks and researching so we can see the possibilities within the task given by the client from different angles. (photo with the whiteboard can be added here, check image folder).

Tuesday 23/02/2016

The group shared the information found in the research and started organising it. An insight report file was created. Good examples from previous projects were taken into the consideration. Then the research continued in area in which we still had unclarities.

APPENDIX

INTERVIEWS AT STROGET STORE

Interview One see page ...

How old are you?

24 Years Old

Are you involved in any sport activities?

I don't play many sports nowadays, but I go to the gym after university on Tuesdays and Thursdays.

What is the reason you have visited the store today?

I needed to buy new shoes to wear while I'm at the gym

How was your overall experience?

It was fine, Nothing special.

Was the staff helpful?

When i asked for help, the staff was very willing to help out with getting the right size of shoe for me. But before that they were kicking a football between each other while customers were walking about the store.

How did you find the store? Was it structurized well?

could find what I was looking for fairly easily as.

Why did you choose Sportmaster? Are you a returning customer?

Because it was the closest to where I live, I've been here before for other clothes and such, I came here mainly because of convenience

Are you a member of the Sportmaster members Klub? If yes, do you use the benefits of it?

No, I didn't know they had a membership thing.

Interview Two see page

How old are you?

29 years old

Are you involved in any sport activities?

I mainly cycle and jog in my free time to keep fit. Not much else.

What is the reason you have visited the store today?

Picking up some clothes for jogging in. Old once ripped by accident last time i was out cycling

How was your overall experience?

Took longer than expected, but fine otherwise.

Was the staff helpful?

The staff were very helpful in helping me find what i was after in my size as they had none out on the shop floor when i first came in.

How did you find the store? Was it structurized well?

The clothing was a mixed up quite badly but I think that was many because it looked to be rather busy today. Everything is normally well laid out.

Why did you choose Sportmaster? Are you a returning customer?

I've been here before and normally choose here to shop for what i am after. I tend to pick stuff up from here on my way back home from work so that I don't have to make multiple journeys in a day.

Are you a member of the Sportmaster members Klub? If yes, do you use the benefits of it?

Yes i am, But I never seem to get much benefit out of it. Mainly just sales e-mails online.

Interview Three see page

How old are you?

44 years old

Are you involved in any sport activities?

I go for yoga sessions 2 times a week with my friends.

What is the reason you have visited the store today?

I wanted to buy new sneakers for my sons birthday.

How was your overall experience?

Really great, the staff is always helpful.

How did you find the store? Was it structurized well?

I have realized that from since my last visit they have rearranged it. It seemed to be a bit more structured as they have moved the different types of sports into sections.

Why did you choose Sportmaster? Are you a returning customer?

I do prefer Sportmaster but when I need something immediately it's the location what really matter. If I am not time bounded I just use their online shop with free delivery.

Are you a member of the Sportmaster members Klub? If yes, do you use the benefits of it?

Yes I am, and all the family members are using each time we are buying something.

Interview Four see page

How old are you?

20 years old

Are you involved in any sport activities?

I go to the gym 4-5 times a week.

What is the reason you have visited the store today?

Getting a new plain white t shirt and wanted to see if they have some new arrivals.

How was your overall experience?

It was good, I mean it's a Sportmaster shop, the service is great but it's just a shop I don't find it particularly exciting to shop at (laughing)

Was the staff helpful?

They are always.

How did you find the store? Was it structurized well?

It's alright, as I have mentioned before.

Why did you choose Sportmaster? Are you a returning customer?

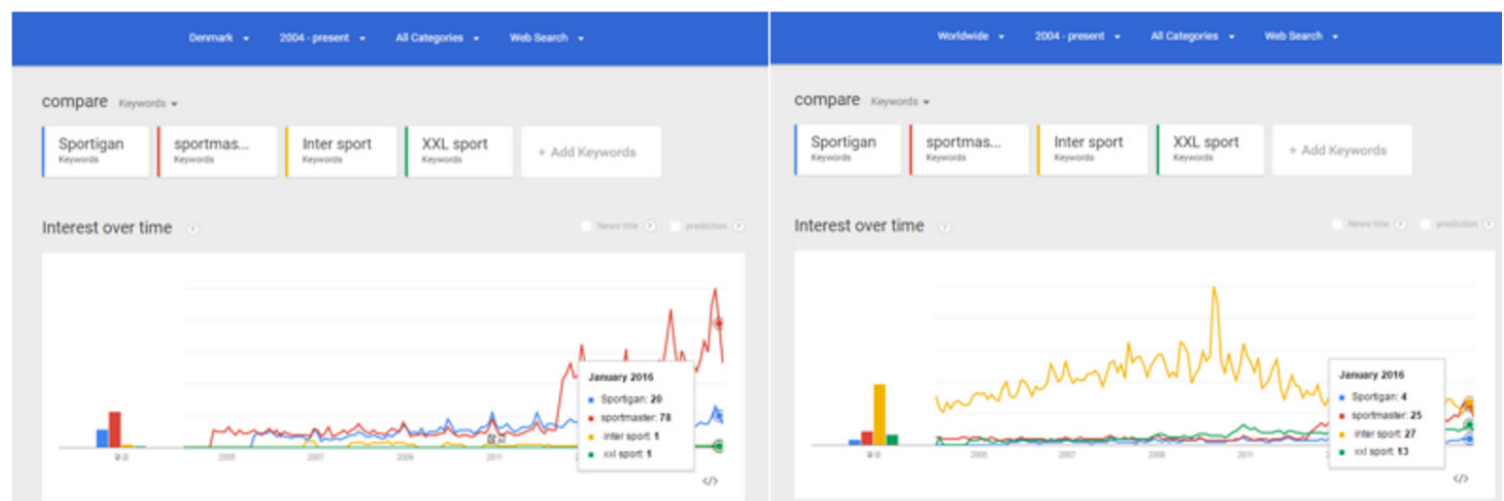
I come here time to time when I need that or that, but usually I do all the shopping online.

Are you a member of the Sportmaster members Klub? If yes, do you use the benefits of it?

I am not a member yet. I don't see the point of it, their points system is not that appealing.

GOOGLE TRENDS

see page 10



EXAMPLES OF STORES USING OMNI-CHANNELS

See page 11.

Nordstrom

Nordstrom does a great job of creating an omni-channel experience for their customers. Providing their customers with a website, application, and stores, combining digital with physical and beyond. In the following user case scenario we can see how Nordstrom has a powerful omni-channel solution that provides an exceptional user experience.

User case scenario:

The other day, I needed boots and found a pair that I loved on the Nordstrom app. I wanted to try them on in store first so I stopped by my local Nordstrom. They didn't have them in black so I tried a pair in brown. I was ready to purchase but now I was facing having to go back online and order them in black, bringing me back to square one. The Nordstrom associate was trained to recognize this and smartly pulled out their mobile point of sale (mPOS) to do a quick search of their inventory of both nearby stores and the online inventory. There were no boots in my size available online but they were able to find a pair just 25 miles away from me. Nordstrom offered free shipping and I happily swiped my card and waited for my boots to arrive. I was able to receive a status update and receipt on my mobile device using Nordstrom's free store-wide WiFi.

Digital is taking over the customer's experience while shopping. Customers are now able to experience "in-store digital", the most common form of this is online shopping while in the physical store. Technology has advanced and taken over the role of a sales associate. Buyers are able to have customizable shopping experiences due to new technologies¹.

A great example is the the American e-commerce-driven apparel company Bonobos. Their concept is based on the idea that men want to shop in stores, but do not want to leave carrying shopping bags. To improve the shopping experience for their customers they opened in 2012 the so called Guideshop. A Guideshop is a place where customers can try on clothing and order all of the same items seen on the website².

Bonobos

The customers are able to schedule one-hour appointments in any of the guideshops. A knowledgeable guide will be available to walk you through the entire Bonobos assortment and help you find the perfect fit. When the customer is satisfied the guide places the order and it will be shipped directly to your home or office, so the customers leave the store hands free

The average order size in Bonobos' stores has proven to be twice that of online, with a higher proportion of new customers also coming through the guideshops³.

¹ Mark Walsh, The future of e-commerce: bricks and mortar, 30/01/16, <http://www.theguardian.com/business/2016/jan/30/future-of-e-commerce-bricks-and-mortar>, 01/03/16

²Mark Walsh, The future of e-commerce: bricks and mortar, 30/01/16, <http://www.theguardian.com/business/2016/jan/30/future-of-e-commerce-bricks-and-mortar>, 01/03/16

³Bonobon, Bonobon guideshops<https://bonobos.com/guideshop>, 01/03/16