Success of Clothing Retailers through Online Channel Using Digital Marketing

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Abstract - Nowadays, technology has changed by leaps and bounds, transforming consumer behaviors enormously from those in the past. This includes changes in business operation methods, especially retailers. In many countries, retailers are facing their plunge in profits, and many shops close one after another. Many countries begin to adjust business operation methods to embrace upcoming changes in the digital era. They place importance to the production innovation, marketing as well as diffusion of innovation. These brought about the service innovation - the strategy which applies business processes along with the knowledge of information and communication technology to effective creation of concrete organizational innovation. This will lead to designing the process which puts forward new suggestions and provide consumers or customers with various values.

In this research, the researcher was interested in studying the success of clothing entrepreneurs who use online channels to sell their products through digital marketing in Bangkok area, especially the increasing trend of Thailand to improve traditional and online clothing retailers. In this research, the researcher focused on the features of online clothing retailers. The aim of this research was to study the features of clothing retailers, characteristics of clothing retailers' perception, and the information concerning business organizations which take part in the success of online clothing retailers and to explore the methods that online clothing retailers in Bangkok area adopt to be successful in their businesses.

The study results can be used as the guidelines which online clothing retailers can apply to their operation of businesses through online channels so as to enhance market capabilities. This research results will feature the perspectives of either the entrepreneurs or the executives who want to make changes to enter into the online businesses using digital marketing and also feature future guidelines for the success of online clothing retailers.

Keywords - Success, Business Retailer, Retailer, Clothes, Digital Marketing

I. INTRODUCTION

The clothing and textile Industry is considered one of the largest world's industries with the global clothing export value of $412 billion and the global textile export value of $294 billion in 2011 [1].

Furthermore, the clothing industry is considered undergoing more rapid changes than other industries in this digital era. Nowadays, most customers willingly pay more for a quality product or service regardless of channels - online or traditional. Therefore, clothing retailers have to express an interest in customers' demand and apply new technologies to making the industry more modern. The executives from every industry are trying to increase the digital capabilities that are appropriate for their businesses such as content

analysis, mobility, social media, and smart devices. Furthermore, there is also the improvement in technology deployment in order to change propositions, customer relationships and internal procedures [3] to make the best use of organizations' business resources, especially when customers look for new technologies, innovations, and propositions which can help them purchase products easier and faster.

Digital transformation can create new opportunities for business models [4]. So, the world's and Thailand's leading clothing companies is to transform themselves into digital businesses.

The features and behaviors which the entrepreneurs must have include creativities, innovative behaviors, risk management capabilities, general management capabilities, performance intention [5] as well as abilities to provide key performance indicators to point out objectives and to evaluate the operation results which are important to business operation. Therefore, it can be said that Balanced Scorecard is the analytical strategy which puts the organization's vision and strategies into practice and reflects operations into 4 major perspectives: financial, customer, internal processes, and learning and improvement perspectives [6].

Being the organization with the leader who can make decisions effectively and facilitate effective organizational communication, being the organization which makes use of information for management so as to lead the organization to success according to the primary objective, and being the organization which continuously improves itself and focuses on doing the right things appropriate for the organization as many as possible [7].

A. Development of the Country's Economy

Nowadays, Thailand has placed importance on driving the economy through the Thailand 4.0 development plan which is a policy vision that transforms a traditional economy into the innovation-driven economy which deploys technologies, focuses on export by transforming commodities into innovative products. This also includes transforming the country driven by industries into the country driven by technologies, creativity, and innovation as well as transforming the traditional services that generate low values into the services which generate high values, transforming the low-skilled workers into high-skills workers, placing importance on effective communication and telecommunications infrastructures with the Internet services covering as larger as the population as possible [8] so that every section can be connected to facilitate the country's development. However, Digital Thailand shows that Thailand has been developed in the way that can create and make use of technologies at their maximum capacity in order to improve infrastructures, innovations, information, human capital, and other resources to drive the country's economy and social development toward stability, prosperity, and sustainability. Regarding to this, the Digital Economy Plan includes 4 major objectives as follows:

1. To improve the country's economic competitiveness by using the innovation and digital technology in creating manufacturing innovation and services.

2. To create equal social opportunities from information and services through digital media to enhance the living standard of people.

3. To prepare personnel of every group to be equipped with the knowledge and skills appropriate for the living and working in the digital era.

4. To reform the working paradigm and service provision of the public sector through digital technologies and utilization of information to enable transparent, efficient, and effective operations [9]. It can be said that digital development to enhance Thailand's economy and society is based on long-term and sustainable development.

II. LITERATURE REVIEW

Nowadays, marketing communicators have to adjust their marketing models, for example

digital marketing, viral marketing, content marketing and real-time marketing [10] to suit current consumers who change their behaviors rapidly.

A. Digital Marketing

Digital marketing is the promotion of products and services via digital media. It encourages customer engagement and increase the sales volume through various strategies on digital media. Digital media requires registered accounts which help identify users and enable marketing specialists to make two-way communication with customers individually [11]. Marketing specialists can make use of the real-time information and behaviors as well as customers direct opinions to provide the utmost benefits for consumers in the future.

Modern marketing specialists need to analyze the data gained in real time for supporting decision-making processes, based on reality, so as to improve the marketing operational plan in time [10]. Online marketing which uses the Internet as a marketing channel, for example advertisements on websites, emails, YouTube, and other social media with the aim of promoting products, informing customers about products, and approaching customers' interest.

B. Viral Marketing

Viral marketing is a digital marketing technique and is considered the one that influences attitude reinforcement and consumer's purchase decision [12]. Here, the existing social networks can be used in raising brand awareness or fulfilling other marketing purposes. As a result, viral marketing has become the online communication tool which was developed from an ordinary word-of-mouth marketing to viral distribution via the Internet, beginning with Email marketing - a primary tool that is still effective today [10].

C. Permission Marketing

Seth Godin is the first to initiate Permission Marketing which is the approach which asks customers for permission before launching marketing texts to them. With this marketing approach, the marketing needs to focus more

on providing benefits for the customers than selling products and customers can make their own decision. This shows the horizontal relationship between products and customers. However, companies need to rely on segmentation, targeting, and positioning to provide customers with a clear direction and transparency [14].

D. Concepts and Characteristics of Online Businesses

Electronic commerce affects traditional business operations to be change due to the following outstanding features [14-15]:

- Ubiquity
- Global Reach
- Universal Standards
- Richness
- Interactivity
- Information Density
- Personalization / Customization
- Social Technology

III. E-COMMERCE STRATEGIES

E-commerce strategic planning can be divided into 4 categories [16] as follows:

A. Competitive Strategy

This strategy was developed by Michael E. Proter through application of two major factors: competitive strategy and competitive advantage as follows:

- Making the products and service prices lower.

- Making differences based on the belief that customers are willing to pay higher for the products.

- Focus on the target markets.

B. Offensive Strategy

This strategy aims at competing for grabbing market shares or becoming marketing leaders. This strategy will be disrupts competitors' performance or the one-sided offensive measure which exploits competitors' weaknesses.

C. Defensive Strategy

This is the strategy toward increasing market shares by prevent performance disruption caused from competitors. It aims to alleviate fierce competition through the following methods:

- Prevent the increasing number of new investors.

- Reduce investment motivations of new investors.

D. Cooperative Strategy

This strategy is used to gain competitive advantages through collaborate with other mutual benefit companies and can be divided into two types: Join venture and Value chain alliances.

IV. RESEARCH METHODOLOGY

This research is a mixed-methods research which relies on quantitative and qualitative techniques to study: 1) characteristics of online clothing retailers in Bangkok area, 2) cognitive characteristics of online clothing retailers in Bangkok area, 3) information about business organizations which affects the success in online clothing retailers in Bangkok area, and 4) to seek the guidelines that lead to success for online clothing retailers in Bangkok area.

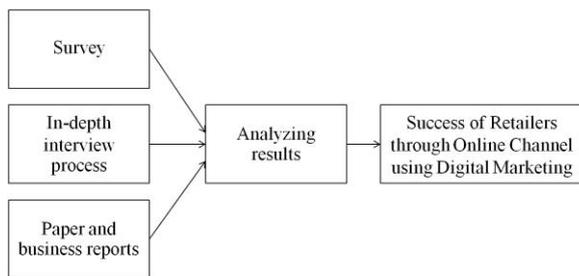The research framework of this paper is illustrated in Fig. 1.

Fig. 1 Research Framework

A. Population and Sample Groups

The population used in this particular research includes 645 online clothing retailers in Bangkok area [17]. In case the exact number of population is known, the determined population size is calculated through Taro Yamane's formula with the deviation of not over 5% or 0.05. Therefore, the number of sample groups required for this research is 1 online clothing retailer in Bangkok area from each organization, for the total number of 286 retailers.

The sample groups of this qualitative research need to do an in-depth interview, and the researcher adopted the specified sampling method in dividing key informants into 4 categories as shown in the table below.

TABLE I
INTERVIEWING EXPERTS AND KEY FOCUS

Interviewed Groups	Number
Public sector representatives	4
Private sector representatives	8
Small online clothing retailers	9
Customers with online clothing shopping experience	12

B. Data Analysis and Statistical Inference

- **Quantitative Research:** This was conducted through the use of quantitative questionnaires to collect data from 286 sample groups for statistical analysis. The results are analyzed through various computer programs in the following forms.

1. Descriptive statistics include frequency, percentage, mean, and standard deviation.

2. Inferential statistics include One-way ANOVA for testing an average of over 3 independent sample groups. In case statistically significant differences are found, the method called Least Significance Difference (LSD) is used for multiple comparisons, and a Chi-Square test is used for testing the relationships between categorical variables with two categories.

- **Qualitative Research:** This was conducted through qualitative interviews, and the data analysis was carried out through classification into groups of keywords in each aspect based on conceptual frameworks and opinions of grouped interviewees.

C. Research Hypotheses

The hypotheses on this particular research are as follows.

H_0: The entrepreneurs with different perceptions of online clothing retailers have the same opinion on the success of online clothing retailers in Bangkok area.

H_1: The entrepreneurs with different perceptions of online clothing retailers have different opinions on the success of online clothing retailers in Bangkok area.

V. CHARACTERISTICS OF SUCCESSFUL E-COMMERCE BUSINESSES

Electronic Commerce is the business which employs the Internet as an operation tool. Though this type of business can be formed easily and require little capital, it is not easy to be successful because of its characteristic which consumers cannot closely interact with entrepreneurs, making it hard for them to develop customer loyalty. The factors behind the success of E-Commerce are as follows.

1. Reliability.

2. Customer relationship management.

3. Online marketing.

4. Awareness of great protection for customers' personal data.

5. Clear business directions of products and services.

6. Understanding of consumers' needs and position their markets appropriately.

7. Effective and reliable software, hardware systems, and networks.

8. Seeing the importance of product and service purchasing.

9. Availability of reliable payment channels.

10. Adequate numbers of products and services to be compared for customers' purchase decision.

11. An equipped active web-support team.

12. Convenience of using the system.

13. Availability of a reliable delivery system.

VI. TECHNOLOGY ACCEPTANCE MODEL (TAM)

The Technology Acceptance Model (TAM) proposed by Davis in 1985 explores the factors behind acceptance and application of such technology among people. TAM is the theory which gains acceptance and is well known as an indicator for success in technological application. This theory was adjusted and applied from the Theory of Reasoned Action which relates to the attempt to understand and forecast human behaviors [19-20] influenced by external variables that create different perception among people, including belief, experiences, knowledge, understanding, social behaviors, etc.

From the study on perception of technology usage, there were different kinds of perception found, for example: 1) Perceived Usefulness; 2) Perceived Ease of Use; 3) Attitude Toward Using; 4) Behavior Intention to Using; and 5) Actual System Use [19].

From the aforementioned ideas, it was found that perception of technology usage can be adopted in line with the innovation and brand equity concept. Besides, it can also be used to study the perception of online clothing retailers.

Online channel made changes in the business perspective from effective manufacturing-focused to customer-focused business perspective and from product-based to service-based businesses which focus on information giving rise to the new economic era. In order to survive in the market, SMEs have to apply technology if they require business improvement and competitiveness. Therefore, various sectors have given importance to encouraging SMEs to apply technology to their businesses [22].

VII. DIGITAL APPLICATION AMONG RETAILERS

The factors affecting application of technology among retailers can be divided into 4 groups: technological context, organizational context, environmental context, and personal context. In addition, the government should support small business investment for integration of technology into business operations in political and legal environment context [22].

The technological context involves: 1) perceived benefits; 2) compatibility; and 3) costs.

The organizational context refers to the characteristics of the organization which influence application of digital technology. Characteristics of the organization which can apply digital technology effectively and faster are the organization with technological readiness, technological infrastructures, effective systems, and technical skills in the business.

The environmental factor refers to external influences such as pressure from customers, suppliers or competitors affecting application of the digital technology which may force retailers to apply some specific technology to connect to the production network at an international level.

Besides, support from the public sector and IT business partner is considered a factor contributing to entrepreneurs' application of digital technology.

The personal context influences entrepreneurs' application of technology in developing countries because most strategic decision-making of SMEs always depends on the owners or executives. The higher IT experience and competency the entrepreneurs or executives have, the greater confidence in their application of IT and reduction of possible risks is. Furthermore, the knowledge and skills of users also help accelerate application of digital technology.

VIII. RESULT AND DISCUSSION

A. Hypothesis Testing Results

The test on Hypothesis H_0 includes adoption of One-way ANOVA for testing an average of over 3 independent sample groups. In case statistically significant differences are found, the method called Least Significance Difference (LSD) is used for multiple comparisons, and a Chi-Square test is used for testing relationships between categorical variables with two categories.

The test on Hypothesis H_1 reveals that the entrepreneurs with different perceptions of online clothing retailers have different opinions on the success of online clothing retailers in Bangkok area.

TABLE II
ANALYTICAL RESULT OF VARIANCE OF OPINIONS ON SUCCESS OF ONLINE CLOTHING RETAILERS IN BANGKOK AREA AMONG ENTREPRENEURS WHO KNOW ONLINE CLOTHING RETAILERS IN DIFFERENT PERIODS

Success of Online Clothing Businesses	Sources of Variance	df	SS	MS	F	P-Value	results
Availability of channels for convincing consumers to browse for products	Between groups	2	5.800	2.900	4.653	0.010*	Different
	Within groups	283	176.413	0.623			
Ability to expand the market, increase profits, and lower costs	Between groups	2	2.129	1.065	2.155	0.118	Same
	Within groups	283	139.776	0.494			
Ability to build up customers' satisfaction and reliability	Between groups	2	1.450	0.725	1.109	0.331	Same
	Within groups	283	185.126	0.654			
Ability to keep customers continuously returning for future purchases	Between groups	2	5.045	2.523	5.906	0.003*	Different
	Within groups	283	120.875	0.427			
Ability to make the products sold out in a short period of time	Between groups	2	11.080	5.540	14.934	0.000*	Different
	Within groups	283	104.980	0.371			
Availability of effective inventory management system	Between groups	2	3.054	1.527	3.546	0.030*	Different
	Within groups	283	121.858	0.431			
Overall success	**Between groups**	**2**	**1.575**	**0.788**	**2.744**	**0.066**	**Same**
	Within groups	**283**	**81.231**	**0.287**			

* P- Value < 0.05

From Table II, it was found that the entrepreneurs knowing online clothing retailers during different periods of time have different opinions on the success of online clothing retailers in Bangkok area at the significant level of 0.05 - in terms of availability of channels for convincing consumers to browse for products, ability to keep customers continuously returning for future purchases, ability to make products sold out in a short period of time, and availability of effective inventory management system. They rejected the major Hypothesis H_0 but accept the Hypothesis H_1. Regarding the opinions on success of online clothing retailers in Bangkok area; ability to expand the market, increase profits, and lower costs; ability to build up customers' satisfaction and reliability; the overall success is considered the same.

TABLE III
THE CHI-SQUARE STATISTICS FOR TESTING THE RELATIONSHIP BETWEEN CHARACTERISTICS OF ONLINE CLOTHING RETAILERS WHICH CONTRIBUTED TO ENTREPRENEURS' SUCCESS AND OPINIONS ON SUCCESS OF ONLINE CLOTHING RETAILERS IN BANGKOK AREA

Current Characteristics of Online Clothing Retailers Contributing to Success	Success of Online Clothing Retailers (Percentage of Answers)				Results
	Low	Moderate	High	Total	
Availability of channels for convincing consumers to browse for products	0 (0)	38 (4.51)	179 (21.26)	217 (25.77)	same
Ability to expand the market, increase profits, and lower costs	0 (0)	29 (3.44)	134 (15.91)	163 (19.35)	
Specific competencies of digital and retail clothing personnel	0 (0)	25 (2.97)	110 (13.06)	135 (16.03)	
Availability of digital operations	0 (0)	19 (2.26)	60 (7.13)	79 (9.38)	
Ability to keep customers continuously returning for future purchases	0 (0)	14 (1.66)	53 (6.29)	67 (7.95)	
Ability to make the products sold out in a short period of time	0 (0)	12 (1.43)	53 (6.29)	65 (7.72)	
Availability of effective inventory management system	0 (0)	17 (2.02)	99 (11.76)	116 (13.78)	

Chi-square = 8.470, df = 7, P- Value > 0.05

From Table III, it was found that the entrepreneurs with current digital retail businesses contributing to different success have the same opinion on success of online clothing retailers in Bangkok area at the significant level of 0.05.

B. Correspondences between Quantitative and Qualitative Research Results

The researcher relied on the analyzed results obtained from questionnaires. Here, the minor elements with the highest mean score of the appropriateness in each aspect is selected. Moreover, the analyzed qualitative results obtained from in-depth interviews are in line with the research objectives. The relationships can be linked to identify elements of success of online clothing businesses as shown in Table IV.

TABLE IV
COMPARISON OF CORRESPONDENCES BETWEEN QUANTITATIVE
AND QUALITATIVE RESEARCH RESULTS

Issue	Mean	S.D	Minor Elements Obtained from Analysis	
			Quantitative Results	Qualitative Results
Elements concerning online retail clothing businesses	4.11	0.739	Deployment of digital technology	- Online selling doesn't require rent of physical space and save time on shop set-up. It requires only pictures of the products posted on web pages, and the number of customers generally increases. - Online clothing retailers applied social network platforms to selling their products to meet consumers' needs.
Elements concerning characteristics of perception among online entrepreneurs	4.32	0.707	Perceived convenience and increasing flow of selling products	Entrepreneurs carry out public relations to sell their products through online media. This helps them sell the products more conveniently and quickly. Besides, customers can buy the products everywhere, 24 hours a day. There are some changes in perception of the growth in online clothing retailers from the past up to the present, including high growth in online selling channels, a large number of clothes, convenience of price comparison, fast delivery services through Kerry which takes one day to deliver products to customers' houses.
Elements concerning success of online retail clothing businesses	4.28	0.638	Products sold out within a short period of time	Entrepreneurs conduct a market survey to examine customers' needs, directions of product trends, and suitability of the clothes for the shape of target customers. Moreover, the prices should not be too high, and the products should be sold through any channels appropriate for the lifestyle of target customers.

The researcher made a draft of success of online clothing retailers from the elements obtained through the analyzed result of variable survey elements in Table II. The factors affecting success of online clothing retailers are as follows.

1. The element concerning characteristics of online clothing retailers include deployment of digital technology.

2. The element concerning characteristics of entrepreneurs' perception through online channels includes perception of the convenience and flow of product distribution.

3. The element concerning success of online clothing retailers includes the way that products can be sold out within a very short period of time.

IX. CONCLUSIONS AND RECOMMENDATION

From the results of this research, the researcher proposes some recommendations toward success of online clothing retailers through digital marketing for online entrepreneurs as follows.

1. Online clothing entrepreneurs should provide motivation and sales promotion for the target customers by the following means: 1) Adopt the one-to-one marketing approach; 2) There should be some universal promotions; and 3) There should be some promotions offered to members.

2. Online clothing retailers should give importance to customer relationship management. Besides, fast and trackable delivery services should be provided to them as well.

3. Online clothing retailers should conduct public relations through relating Facebook ad, Google AdWords, official websites, SEO (Search Engine Optimization), and content marketing to the products as well as making the products fit to the target customers.

4. The online clothing market still has to be expanded in terms of physical channels. Therefore, integration between expansion in terms of both physical and online channels is the appropriate method at the present time.

5. The products must be at a low or moderate price so as to be accessible by most general customers with median income. Moreover, all websites and applications must be appropriately designed to be easily used on smartphones so as to accelerate such growth.

6. The niche market model should be adopted in order to be prepared for customers in the Millennials Age and Z-generation customers who tend to buy premium products.

7. Strategies and Channels

• **Key Strategy:** Online retailers need to adopt the pricing strategy and do digital marketing to reach as many as target customers.

• **Channel:** Traditional stores should adjust strategies to impose a new business model of Omnichannel.

8. Deployment of information technology (IT) will bring about data analysis and the ability to keep up with customers' behaviors and needs more effectively.

9. The perception of producers must include responding to and keep up with the customers on applications and social media continuously and closely.

10. A key to success of this business is to make the cost lowest through deployment of technology. Therefore, precise calculation of demand and supply greatly affects the cost. It is necessary that clothing retailers have to be equipped with precise analytical tools for their production that is in line with the actual customers' need.

11. The method of making customers keep returning to buy future products is mostly caused from satisfaction on the product quality and warranties for damage. This includes a smart solution of stimulating customers to keep returning to buy products.

12. The omnichennel approach must be offered to customers (Marketing 4.0) through the human-centric model which harmoniously combines both physical and online channels. Here, the customers can select to participate in retailers' activities anytime on any devices.

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(Arranged in the order of citation in the same fashion as the case of Footnotes.)

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