

# A BUSINESS MODEL DEVELOPMENT FOR A PROFESSIONAL WOMEN'S VOLLEYBALL LEAGUE IN THAILAND

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## Abstract

This study was to find out a suitable business model for a Professional Women's Volleyball League in Thailand. The samples analyzed were composed of representatives from the Sports Authority of Thailand, executives from the Thailand Volleyball Association, executives of the Thailand Volleyball League, and executives from several volleyball clubs, as well as, representatives from different branches of the media, sponsors, sports personnel; including, coaches, players, referees, team staff members, organizing committee staff members. Purposive sampling was used. The results found that the national women's volleyball players have high performance. They were good enough to

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become professional players. Other data has shown the strengths, weakness, opportunity and threats of the league management, as well as the success factors in administration and management which reflect the lack of a professional business operations plan for a professional women's volleyball league. Recommendations are given to lead to proper business model which will eventually improve volleyball at both the professional level and the national volleyball team of Thailand in the future.

**Keywords:** Professional, Business Model, Thai Women's Volleyball League.

## บทคัดย่อ

การวิจัยครั้งนี้มีวัตถุประสงค์เพื่อพัฒนารูปแบบธุรกิจของกีฬาวอลเลย์บอลอาชีพหญิงในประเทศไทย กลุ่มตัวอย่างมีจำนวน 162 คน ประกอบด้วย ตัวแทนจากการกีฬาแห่งประเทศไทย ผู้บริหารสมาคมวอลเลย์บอลแห่งประเทศไทย ผู้บริหารฝ่ายจัดการแข่งขันวอลเลย์บอลอาชีพหญิง ผู้บริหารสโมสรวอลเลย์บอลอาชีพหญิง ผู้แทนสื่อมวลชน ผู้สนับสนุน บุคลากรกีฬาของวอลเลย์บอลอาชีพ ซึ่งประกอบด้วย ผู้ฝึกสอน นักกีฬา ผู้ตัดสิน เจ้าหน้าที่ทีม และคณะกรรมการจัดการแข่งขัน กลุ่มตัวอย่างได้มาโดยการสุ่มแบบเฉพาะเจาะจง ผลการวิจัยพบว่านักกีฬาวอลเลย์บอลหญิงมีผลงานการแข่งขันในระดับสูง มีศักยภาพในการก้าวไปสู่ความเป็นนักกีฬาอาชีพ ข้อมูลยังชี้ให้เห็นถึง จุดแข็ง จุดอ่อน โอกาส และอุปสรรคของการจัดการแข่งขัน ตลอดจนปัจจัยของความสำเร็จในการบริหารจัดการกีฬา ซึ่งสะท้อนให้เห็นว่ายังขาดแผนปฏิบัติการธุรกิจอย่างมืออาชีพสำหรับการแข่งขันวอลเลย์บอลอาชีพหญิง ผู้วิจัยจึงได้เสนอรูปแบบธุรกิจที่เหมาะสมในการพัฒนาทั้งกีฬาวอลเลย์บอลอาชีพหญิงและกีฬาวอลเลย์บอลของประเทศไทยในอนาคต

## INTRODUCTION

The world has adopted professional sports in the past decades. The influence of professional sports, sports management, and the concept of sports marketing, has been increasingly adopted among Thai sports organizations as the sports industry grows. The sports business sector is being turned into entertainment. Even the Olympic Games has been allowing more professional players to participate in the Olympic Games. We are all aware that NBA

Basketball players were welcomed to play as the "dream team" represented the U.S.A. beginning in the Barcelona Olympic Games.

The Thai women's volleyball achieved a new level of excellence by winning the Asian Women's Volleyball Championship in 2009. Many people could not believe it, but it was a real victory. Again in September 2012, the Thai women's volleyball team won the title of Asian Champion when Thailand defeated China in Kazakhstan at the Asian Volleyball Confederation Cham-

pionship 2012. Thai Women's Volleyball is rising to the top of Asia and to the rank of 12<sup>th</sup> best in the world.

In Thailand, a professional volleyball league has been implemented for almost a decade. Even though it is called a professional league, the management and operations do not meet professional standards. The clubs are not really invested in players and their human resources do not produce enough income to justify such professional investment, i.e. the clubs' incomes combined with the championship awards does not cover their annual operating expenses, therefore, many volleyball clubs have had to cease operations.

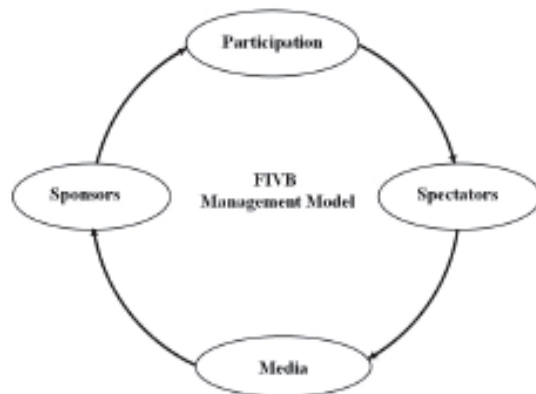
The purpose of this study is to determine why the women's volleyball league in Thailand is not operated in a professional manner as yet, despite the current success in international elite volleyball and attempt to find out what can be done to make the league function as a truly professional league.

## CONCEPTUAL FRAMEWORK

The business of sports considers spectators and sponsors as customers of the club, to draw attention to the club or to gain popularity for it. Volleyball players must have good performance and the matches must be exciting and entertaining. In addition, the facilities must be well-designed and well-maintained. With increasing popularity among spectators, women's volleyball will be able to draw the media's attention, and that attention can draw sponsors to volleyball who will buy additional advertising in the media for their business

to promote their products and services to the volleyball fans.

Ruben Acosta (1997), Former President of the International Volleyball Federation (FIVB) addressed the FIVB seminar attendants at the FIVB Management Program, Bangkok 1997 saying that "to attain goals, we have to make Volleyball and Beach Volleyball become major sports by the year 2001...we have to target spectators, sponsors and especially the media..." Acosta (1997) as in figure1 below. Participation means the participation of the league, the teams, players, coaches, referees, and other personnel which all are acting as volleyball service providers.



**Figure 1: FIVB Management Model, 1997**

## LITERATURE REVIEW

The Sports Authority of Thailand (SAT) is the government agency which is responsible for promoting and supporting professional sports. SAT expects professional sports to be sustainable by 2016. At the same time, sports were expected to be upgraded to international and professional standards. Thailand has successfully pro-

moted its professional football league in the past few years. Therefore, SAT has been using the Asian Football Confederation (AFC) criteria that SAT believed would be the best practice for other professional sports. SAT believes that if the sports being promoted, will apply these practices to their implementation it will result in sustainable programs. Potential beneficiaries include the women's professional volleyball league (SAT Professional Sports Strategic Plan, 2012-2016).

In the 2011-2012 season, The Volleyball Thailand League (VTL) has cooperated with a leading sports and entertainment newspaper and multimedia company (Siam Sport Media Management Co., Ltd. : SSM) who invested in the public relations for the league, and in return the company got exclusive rights to sell sponsorships which resulted in improved and significant media coverage. Although the income from this contract is more than in the past, it is still far from being enough to get the league running professionally, according to a comparison between the income statement of professional football clubs and professional volleyball clubs. SAT (2011).

vision and mission as well as the volunteers value of the Thailand Volleyball Association (TVA) and at the same time introducing a new professional business model. The Business Model Development Process Chart is shown in Figure 2.

This study used qualitative research methodology by using questionnaires and a constructed interview of volleyball stakeholders with questions regarding their confidence about the possibility of having a Thai Women's Professional Volleyball League. The stakeholders as interviewees were divided into 5 major groups: All the groups participate in league management. The groups are composed of SAT, TVA, TVB, executives of volleyball clubs, and personnel who run the Women's Professional Volleyball League. They are regarded as the key policy makers and regulators of the league. The clubs are considered as the services provider in the business of professional volleyball. Spectators are an important group of customers. The media and sponsors are also regarded as having strategic alliances with the league. They were interviewed about the success factors for a professional volleyball league.

## **METHODOLOGY**

The researcher studied the expectations and the satisfaction level of the target customers, spectators, and the sponsors. A further study of the volleyball management of the national association and the clubs as volleyball tournament service providers was conducted. The study explored ways to provide professional services to create careers in the league while respecting the

## **VALIDITY AND RELIABILITY**

The researcher used questionnaires with a rating scale, in 5 sets of open-ended questions which is self-constructed by the researcher to suit each interviewee's background. The researcher then used follow-up interviews with constructed questionnaires. The reliability of the questionnaires was confirmed by test-retest using 20 identical samples with the target groups to find

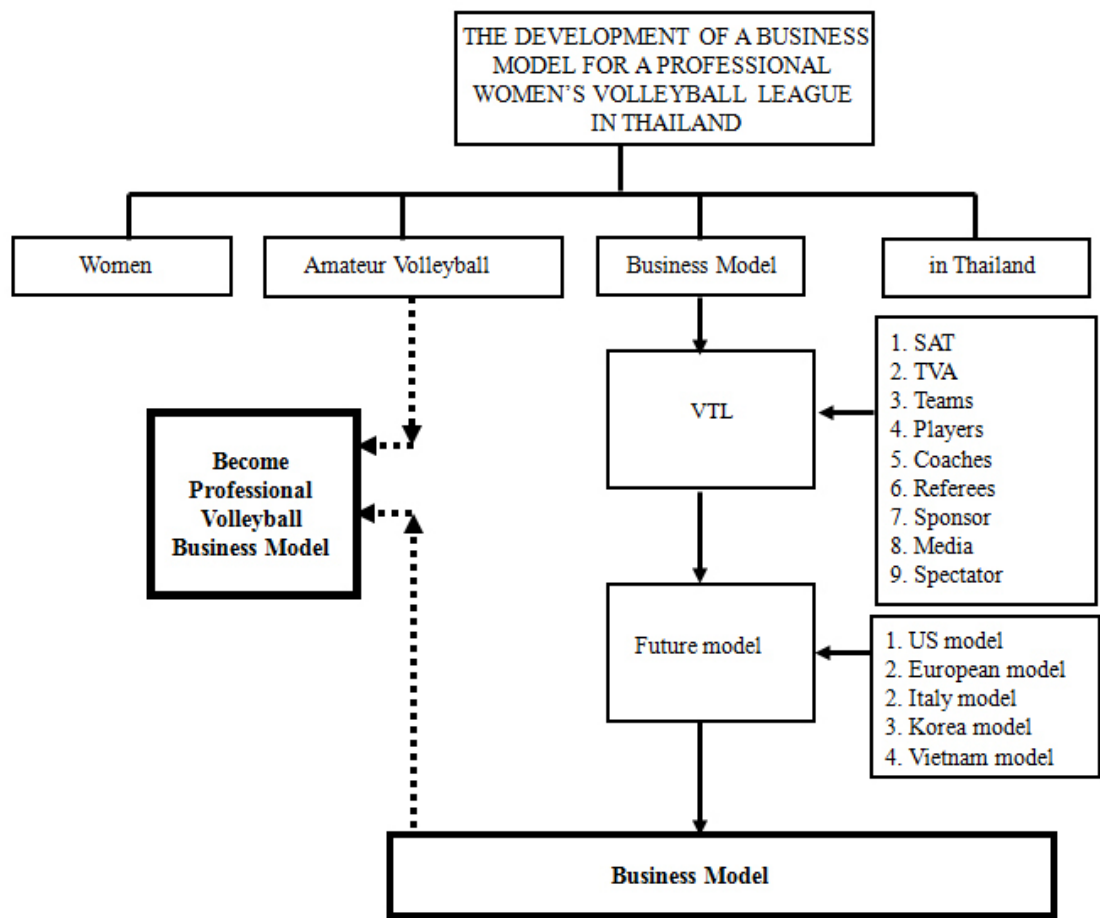


Figure 2: Business Model Study Process Chart

the correlation coefficient ( $r$ ), tested by Pearson Product Moment Correlation Coefficient, and then the significance level was measured at .05 with the reliability of questionnaires equal to 0.89. In finding the constructed validity of the 5 questionnaires, the researcher used an index of item objective congruence (IOC) developed by 5 specialists. The researcher personally collected the data from September 2012 to January 2013. Then, analyzed the data quantitatively in term of percentile, mean, and standard deviation. The researcher analyzed the qualitative data in a descriptive format.

## **Data Analysis and Results**

The stakeholders are executives, volleyball personnel, media, sponsors, and spectators as follows.

### **I. Executives from the Sports Authority of Thailand (SAT), the Thailand Volleyball Association (TVA), Thai Volleyball Company Limited (TVB), and professional volleyball club executives from the Women's Volleyball Thailand League.**

#### **1.1 The Sports Authority of Thailand, (SAT):**

According to SAT, Professional Sports means the popular sports that can earn enough income, to provide salaries and welfare, for living as secured careers for all concerned.

The success factors according to SAT:

1) The league structure and competition system must be to an international stan-

dard with 3 levels that include a top league, second league, and youth league.

2) Clubs must be professionally run as a business, with structure and full-time professional people employed.

3) Community-based fan clubs and spectators must be developed through media exposure especially through the use of free TV for wider coverage.

4) There must be business and privilege systems, sponsorship management systems, an academy, and media rights. Finally, SAT must have a principal unit to plan and monitor the growth towards a professional league's success according to the plan. SAT must also have a professional staff.

5) The competition venues must be up to competition standards and the facilities must be better equipped and maintained for the comfort of spectators.

TVA must give priority to professional volleyball and consider it important enough to focus resources. SAT would like to support the establishment of the VTL and reduce its financial support to the clubs so that they are fully independent after 5 years, SAT will have to establish strong total professional league management systems. Income for a club should be between 13.8 million and 24.7 million baht, players should receive approximately 50% or more, coaches and assistants, 12%, administration costs should account for not more than 15%, expenses or competitions should be around 13%, and marketing expenses about 10% of total revenue.

Budget limitations result from volleyball not being one of the most popular sports in Thailand or in the world. This affects the priority and the size of budget provided by SAT for development of the



sport. SAT must be able to answer to the Ministry of Finance about the time-frame for supporting professional sports as the Government would like to know how long the sport needs support and when the support can be decreased and at what rate, like after 10 years support would be completely withdrawn.

Currently, the support from SAT is not enough to make clubs and the league strong. They must be able to earn their own income for the sustainability of both the individual clubs and the league as a whole.

## 1.2 Thailand Volleyball Association (TVA):

### *Volleyball Culture:*

The success of the past 28 years has resulted from the continuity, transparency, and fairness of volleyball management. The executive committee has an international vision and its main objective is to develop the sport of volleyball. It is here to give, not to get benefits from the operation of volleyball in Thailand.

As Professional Volleyball in Thailand is in the developing stage, TVA would like to concentrate on Olympic Sports which is classified as amateur sports, therefore it plans to delegate Professional Volleyball to be independently run by the TVB which is headed by the Vice President on Professional Sport under the government's umbrella policy to prioritize sport for national pride. TVB will run the business using the same sports philosophy as TVA in order to facilitate success in the form of public satisfaction, pride, transparent administration, and fairness for all stakeholders.

In brief, TVA will enhance volleyball's

sustainability through developing an ethical Volleyball Thailand League (VTL) following tradition. TVB and the affiliates or partners will also do their parts to enhance the league. Even if the businesses are successful, without a sporting spirit practiced by all concerned, the enterprise will be considered a failure, according to the culture of volleyball.

### *Success Factors of VTL*

In order to be successful, the interviewees from TVA suggested that professional volleyball must:

**Issue 1--Build the stars:** the current success is from the performance of the national women's team, which attracts fans to attend VTL matches. Players are like actresses. However, the key women players are playing professionally outside of Thailand for 2 reasons: 1) to practice with professional players in other countries and 2) the low salaries offered by the professional league in Thailand.

**Solutions:** The clubs must build super stars by increasing salaries and attracting players from other countries to play in Thailand.

**Issue 2--Increasing the number of professional players:** TVA has prioritized this by setting competition programs for the grass roots, in the 12, 14, 16, and 18 year-old age groups. Currently, most of the players are students, when they finish high school, they must focus on their studies in the universities to achieve a secure career. The league is just secondary as a hobby. Most do not consider volleyball as a means to earn a living.

**Solutions:** There should be a high enough salary to justify the professional

performance of the players.

**Issue 3--Raising the level of professional sports personnel:** Club Management and Organization Management is not truly professional, the majority still work at other jobs and do not understand how to do business.

*Solutions:* Find professional managers to do the job in every department. Do not let one man perform every job. Need to hire multiple people to do the job, e.g. the Club Manager, PR Managers to communicate, Marketing managers to build the brand and earn the income for the organization.

**Issue 4--Match playing calendars:** The League playing calendar must be synchronized with FIVB and AVC, 16 October – 15 April is for international competitions while 16 April to October 15 will be for the World events. In every cycle of 4 years, each year there will be world events and each year every country has to pay attention to plan their events according to both domestic and international event calendars. These world events occur as follows:

Olympic Games: once every four years.

Annual World Grand Champion Cup: cup of 6 teams from each continental championship.

Annual World Championship: 24 teams from around the world.

Annual World Cup: 12 teams from around the world.

Thailand's women team has already participated in all events except the Olympic Games.

*Solution:* all domestic competition schedules should be arranged accordingly without conflict with the master schedules

by FIVB and TVA.

**Issue 5--Clubs teams do not allow players to play for the national team.**

*Solution:* VTL should not limit the numbers of national players as the professional league is the highest level of competition in Thailand. But if competitive balance is desired, the teams should share players. TVB should negotiate with teams to ensure that the best players play for different teams, in proportion, to make the games exciting and entertaining.

**Issue 6--The stadium and facilities:** The venues for matches must meet FIVB standards. In some venues, the competition court lighting is not standardized, the toilets are not clean, and the seats are not comfortable. This may cause fans to be dissatisfied with the quality of the facilities and prevent them from returning to matches in the future.

*Solution:* the competition committee must be strict with enforcing the standards and provide licenses only to the clubs that can operate up to the specifications and which are ready to improve the quality of their venues and facilities.

### **1.3 Thai Volleyball Company Limited as the professional volleyball organizing entity of TVB.**

Current Stage:

TVB's executive mentioned that many volleyball personnel do not understand the business nature of professional volleyball and Thai Volleyball League lacks capable personnel. Besides the national players, other professional players are not yet qualified to become professional. The finances are limited which contains the budget for



the operation to start up the professional league. Private support is uncertain and limited. The cost of broadcasting in the mass media is expensive. Clubs lack organizers to build up fan clubs. The gymnasiums are not up to international standards, in terms of things such as the size, the lighting, and quality of seats. Some clubs cannot even find a gymnasium to use.

We should set up an academy to train players for playing in the international leagues like what has been done in Azerbaijan. The whole area of handling mass media contracts need to be improved. In total, volleyball may need 50 million baht for total league management. Within a time frame of 5 years, the government needs to invest for the acquisition of fixed assets, such as adequate gymnasium facilities that meet international standards. Clubs must develop professional marketing systems and attract corporate sponsorships.

#### 1.4 Volleyball Club Executives

From the interview of executives from 4 out of 8 clubs who are ranked in 2<sup>nd</sup>, 4<sup>th</sup>, 5<sup>th</sup>, and 8<sup>th</sup> places in the VTL 2012. The results are available as follow:

The financial expenses for each club's operation in the latest year 2012 are 3 to 5 million baht which is an increase from 2011 when the operations budget was 1 to 2 million baht. The expenses are on the rise. The major expenses are on the players' salaries, and secondly, the coaches, and some of the rest of the expenses for other personnel which are not significant. The players account for more than 50% of the total and the coaches and other personnel accounted for another 16 % of the total ex-

penses. Traveling, accommodations, and food make up 25%, while the 'other' category is 9 % of total expenses.

The clubs lack of professional managers in different operating departments was noted by 75% of respondents, and inconsistent income and lack of job security was noted by 100%. Players are students and are not ready to play in the professional league was posited by 75% of the interviewees. The coaches do not have proper knowledge in sports science and are not applying sports science in training young players was indicated in 100% of the interviews. There are not enough referees for the professional league was the opinion of 75% of respondents.

SAT and the Ministry of Sports, do not provide a high enough budget to support professional sports was indicated by 100% of respondents. The support from the private sector is not certain, since in most cases sponsors support the more popular sports like football. The clubs lack marketing personnel to manage sponsorships, answered 100% of respondents. Poor media relations, and lack of PR from limited media. The media still are not interested in promoting volleyball tournaments.

## II. Volleyball Personnel:

There were 36 volleyball personnel from different posts; including, coaches, players, referees, match statistics staff members, team staff members, organizing committee staff members. 44.44% of respondents believe that volleyball can become a sustainable career because Volleyball is currently popular. Another 38.89% think that volleyball cannot become a sus-

tainable career as volleyball does not provide high enough earnings for its personnel. Another 16.67% do not have any opinion about the issue.

### **III. Media:**

Respondents included 6 journalists, one each from Siam Multimedia, Siam Keela, Kom Chad Luek, Daily news, The Nation and Radio Thailand, the Government Public Relations Department.

Regarding the public relations works of the league, all 6 media respondents agreed in the same direction that in order to continuously support the distribution of the Professional Women's Volleyball news, the most important factor is the easiness to access volleyball information. 3 of the interviewees pointed that organizer must improve the continuity of competition news distribution and develop league branding for more popularity of the league.

Regarding Media Rights, Siam Keela is the key media partner who takes care of newspapers and online media for the TVA, and the VTL which is registered in the name Thai Volleyball Company (TVB) for coming events. However, the League needs a knowledgeable person to represent the league and clubs in order to develop the negotiation opportunities to increase the pricing, and raise the media rights income to match the increasing expenses that the league and clubs have to pay to get full-time professionals to work, and to raise the quality of services provided to the various customers and staff members. These funds could then be included in the professional budgeting and financial projections.

Professionals must contact a wider

range of media groups for alternatives and additional coverage and better or best business practices opportunities. Such as reaching out to GMM which has 500,000 households, True which covers 1,000,000 households, RS with 300,000 households covered, etc. Additionally, looking for other mass media outlets, such as Rueng Lao Chao Nee morning news, reported by Mr. Sorayut Suthasanajinda and team on channel 3. Some smaller newspapers still have not received news or press releases from the league and individual clubs, there should be a PR officer to work to coordinate media coverage who is familiar with marketing tactics and has knowledge of the new release timings of each type of media so that the upcoming events can be published in the news from many different publishers. The League and clubs must cultivate their relationship with the media through good governance, best practices, cooperation to provide necessary information, and decent development to achieve international ranking results. They need to remain well-connected to the total integrated news network system and try to reach the ultimate goal which is to ensure coverage of every single match in the future. Media coverage is the key for developing sponsorships.

### **IV. Sponsors:**

Seven companies were interviewed. They were Phoenix Pulp & Paper PCL.; SCG paper, Supreme Distribution (Thailand) Co., Ltd.; Computer sales, Suan Sunandha Rajabhat University; Education, Cygnus Oils Co., Ltd.; Oils distribution, Advanced Info Service PLC. (AIS); Tele-

communication, Dentsu Palette (Thailand) Co., Ltd.; Sport marketing and media agency, the Town Municipality of Chaiyaphum; which is a local government.

Sponsors are regarded in professional sports as a major source of financial contributions and partners of sports. Sponsors become involved in sponsorships in order to affiliate with the sport, transfer the image of the sports league to the company and products, have access to and get business from the spectators, the fan club, and the home audiences via the mass media, especially TV, and in the present day increasingly through the Internet.

From the interview of the 7 sponsors, they have a background in sponsorship of from 1 to 5 years. The amount of club sponsorship is from 1 to 3 million baht each. These sponsor's major expectation is to get a return in the form of public relations, corporate image and CSR equal to 71.42%. The criteria for sponsorship are: The club performance equal to 71.42%, the value of marketing of corporate products is 42.86%.

With regard to the question of what to improve to make them willing to increase their financial sponsorship of professional volleyball, the results are as follows:

1. The clubs must improve the professional management, indicated by 100% of the respondents.

2. The clubs must have a clear direction in their marketing plan was noted by 57.14% of the respondents.

Sponsors are one of the key success factors for the league and clubs.

## V. Spectators:

Based on the customer surveys gathered from six events in six provinces, both in Bangkok and other provincial venues, results are tabulated out of the total of 103 respondents.

The respondents learnt about competitions from billboards 21.13%, from friends 21.13%, from newspaper 19.72%, online media 17.61%, the rest are TV 8.46 and others 11.97% which means television has not been used effectively, and billboards are effective for the provincial areas, while in Bangkok, newspapers and especially online social media sources are playing an increasing important roles in sport communications.

From the survey, for level of satisfaction, the issues that the spectators care about are: the standards of the venues and the equipment used in the competition, e.g. some gymnasiums do not have air-conditioning. This issue received a satisfaction level of 3.8 out of maximum of 5 points which is high average but still needs improvement to be at a professional standard. This issue will be brought forward to discuss with the SAT in the next meeting. About the ambience of the event, the respondents asked for cheerleading, and more interesting entertainment, with souvenir selling-corners, so far they like the cheering, and free promotional gifts from the organizers. These issues came in at 4/5 and 3.7/5 respectively. The respondents are happy with the players, coaches, and personnel at 4/5, which is a good level.

Regarding the related expenses incurred in attending a match, 53.42% of respondents indicated traveling expenses,

37.74% noted foods and beverages, 6.81% mentioned tickets, while 5.04% considered souvenirs as a related expense. 93% of the respondents think the ticket prices they pay at 20 -50 baht each are worthwhile. Regarding the facilities issue, 27.27% of the respondents mentioned the lack of an air-conditioned venue, uncomfortable seats were noted by 15.58% and dirty toilets by 14.29%.

Other expenses, in comparison, that the respondents or the spectators at the venues are spending 80-150 baht for tickets to the movies, 1,000-3,000 baht for a concert ticket, 100-200 baht for a football ticket, while professional volleyball matches are collecting only 20-50 baht per match.

## POINTS OF RECOMMENDATIONS FROM THE INTERVIEWEES

Things needed in order to transform women's volleyball from Amateur to Professional: through a business model:

1. **Players** are most important and it was mentioned that the new players are inexperienced and perform only at about the same skill level as the senior players, There should be a set of coaching standards and a players succession plan with a code of conduct. Meanwhile, Thailand should temporarily invite international players to play for more colorful volleyball and various styles of players.

2. Players need an attractive **salary structure** for different levels and comparable to international standards.

3. Build and make available the **super stars** of the league, should limit the

percent of national players or international players.

4. Training **coaches and referees** to increase the personnel to adequate numbers.

5. **The venues** have to be improved to meet the expectations of the spectators, and the spectators can be elevated in a fan club through specific activities and turn royalty into income for the organizer.

6. The venue should have **wifi** to facilitate news transmission by the media.

7. The venue should be easy to access in a city area or else transportation should be taken care of.

8. **The venue, the entertainment**, may have to get outsourced services from professionals so as to make the entertainment meaningful, exciting and in a clean venue, with theatre-like standards. Plus foods and beverages, club souvenirs corners catered to the niche of the spectators to make the match event more colorful and to add to the economic value of the event.

9. **The marketing and promotion:** Branding the league and club, provide advertising and promotion of the properties, events, stars, venues, etc.

10. **The PR.** Get a few people to connect the media, create the news, maintain a database, and provide the statistics. Build the brand image.

11. **Media and PR** can be planned by professionals in-house or it can be outsourced with a set budget from the club investors or from invited investors who will share in the profits or it could take the form of a joint venture.

12. Broadcasting through the free TV, for wider coverage, to please people and sponsors.

13. **Sponsorships** can be arranged by professional staff who can work with the sponsors to tailor make their packages to suit their business requirements to get the maximum mutual benefit and economic outcome.

14. Sponsorship benefit and criteria packages should be clearly identified and presented to help with decisions and implementation.

15. Finding central sponsorship for the league. The media wants good volleyball, with progressive media officers, and a good PR budget. There work must be professional.

16. SAT needs to plan and monitor provided supports, focus both on the qualitative and quantitative sides of the strategic plan.

17. The budget to the club for corporate PR is not an investment for making the club champion or an investment for the club's profitability.

18. Professional managers in each department are important to make the work of professional quality, and these are the sources of income to the operation of a professional league.

19. Certify the participating clubs in professional quality and financial viability with club licensing.

From the research, the 4 groups of stakeholders excluding spectators repeatedly mentioned 5 success factors for women's professional volleyball as follows.

1. Management: structure, competition system, personnel development.
2. Personnel: players, coaches, referees, and other personnel management.
3. Financial, business and rights man-

agement especially media rights.

4. Public Relations, media relations management.

5. Competition venue and facilities services management

## THE RESEARCHERS' RECOMMENDATIONS

### Top priority:

In Thailand, Volleyball is managed as a voluntary sport organization while in places like Italy and Korea they are managed as a business entity. However, there are some ways to meet in the middle to bring change such change will certainly require a certain transition period. As long as it is a decision by the stakeholders for a better future, for the good of all volleyball people and the people of Thailand these changes are worth implementing. Joint planning by the stakeholders for objectives and the communication of the policies are important. A budgeting and feasibility study of the professionalization of a sports league using a business model to bring in sizeable investors for the professional league is necessary. At the same time, maintaining an excellent culture of transparency and team work with fairness for the good of people and their happiness is essential for its success.

### Recommended Business Model Options:

Strategic moves for Thailand' Volleyball executives to choose from, either:

1. **Play as it is in Thailand--the**

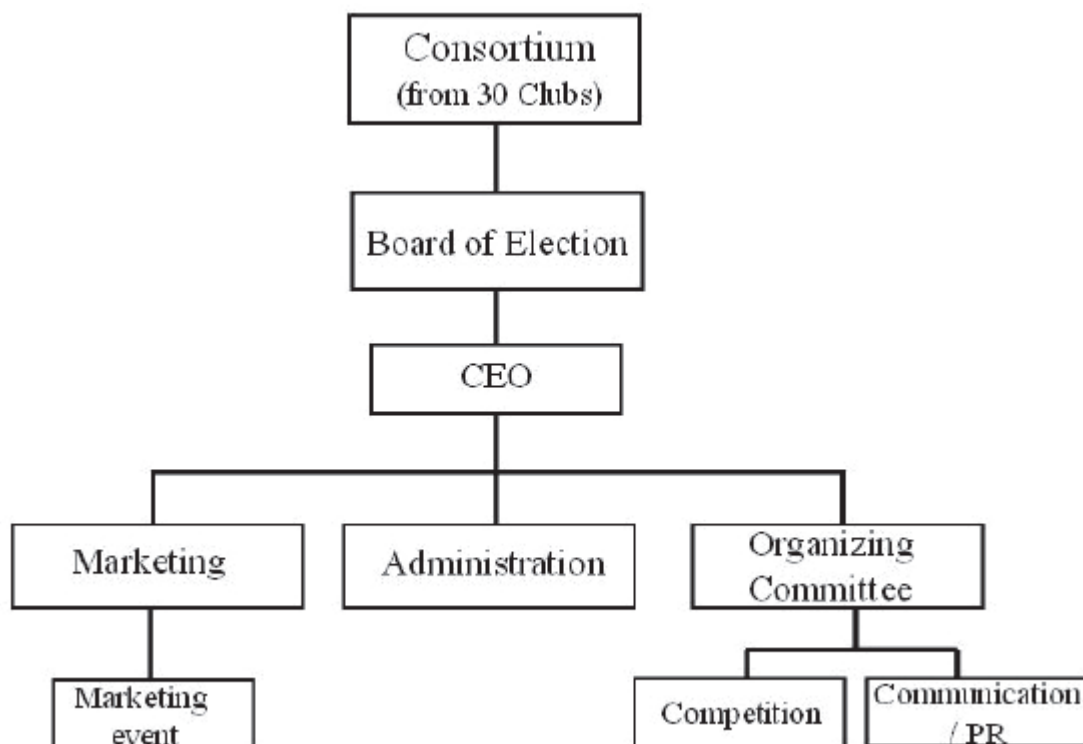
**present model:** the current situation, the league grows gradually year by year with limited budgets from SAT, of from 160,000-500,000 baht per year, however, the majority of clubs are running at a loss with negative figures in the income statement as each club is using from 2-3 million baht per year. Luckily, they consider the loss as part of the PR budget which, when compared to the loss, they believe that this budget gives advantages of media values covered as part of their social responsibility and make their businesses known to the public media, examples of this are SCG--Khonkaen Volleyball Club, and Supreme--Nakornsri Volleyball Club.

2. **Play to win as a business – the future model:** in the near future, if the professionalization plan of the league is

implemented, there will be a positive cash flow.

There must be investors found who will invest in the Thai clubs as in the other countries like the United States or Italy, or for example in Korea, Hyundai runs the Hyundai Capital, Skywalker volleyball club in the city of Cheonan in Korea.

In Europe, especially in Italy, their Volleyball league is truly a professional league which is a separate entity from the Italian National Volleyball Federation called Italiano Paravollo. This league is managed by a board which is composed of members from the 30 professional clubs chosen by elections. The board of directors hires a CEO who runs 3 divisions, marketing, administration, and a competition division. (Figure 3)



**Figure 3: Structure of Italian Volleyball League (2011)**



While in Korea, the professional league is called “KOVO” or Korean Volleyball Federation. It is also independent of the National Volleyball Association. KOVO operates with a President, who oversees a Managing Director who is in charge on a Technical Committee which is composed of a Competition Manager, referees, coaches, a team sub-committee, a reward and punishment manager, a doping manager, and a development manager. Besides the Managing Director has a Secretary General who is in charge of Marketing; Competition; Planning Administration, and Public Relations. (Figure 4)

### League Structural Recommendation:

In the Italian model, the teams are directly involve in league decision making through their six representatives, while the Thailand Volleyball Company representatives of Volleyball association of Thailand make decision alone and only consult with the teams about issues that they want to consult about. Regarding this matter, the researcher recommends taking a middle way in which the league committee should have representatives of the clubs or teams sit as members of the board in that the investors of the league are the club teams

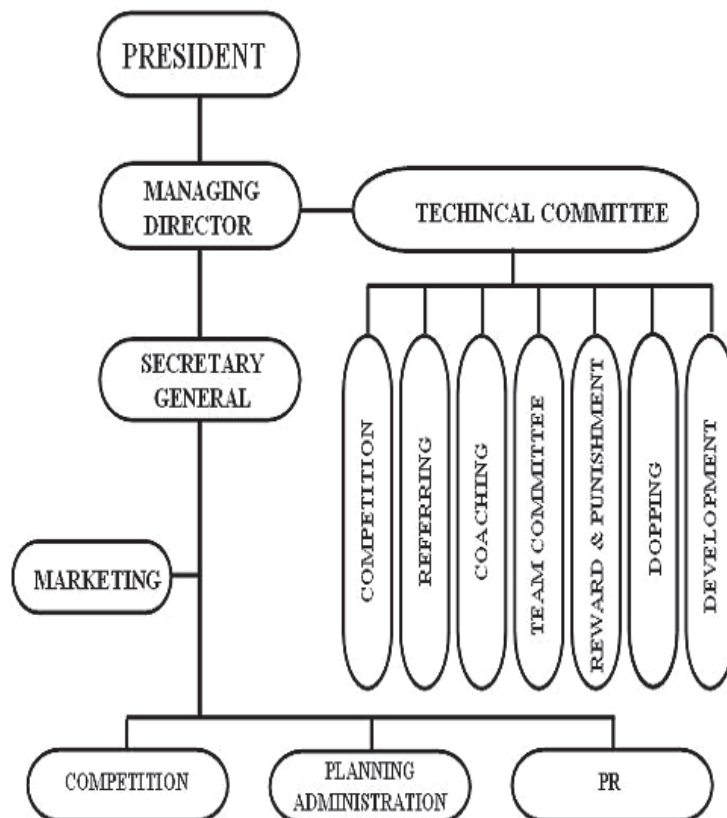


Figure 4: Structure of Korean Volleyball League (2011)

not the TVA, they should be able to protect their investment in the teams. However the representatives of TVA are there to protect the public interest in volleyball and to maintain the priority of the players being involved with the national teams and oversee the league with transparency and fairness to ensure that the league is managed for the good of all the stakeholders, the TVA, TVB, the clubs, media, sponsors, the volleyball personnel, and the public.

### **The Business Model:**

Volleyball is fast becoming one of the leading sports in Thailand, the popularity is second only to football at the current stage and it is fully professional, transforming the sport to become fully professional cannot be done overnight, like the words which say, "Rome cannot be built in one day". We have carefully gathered information from the series of interviews conducted and identified their recommendations, which need to be prioritized and scheduled along a target time frame of 5 years.

Amateur sports focus on and are responsible to teach players how to perform as well as to create star players, through different mechanisms that are well known within the sports circle; including the volleyball academy, league competition, club management, sports science, sports medicine and sports administration.

While professional sports focus on and are responsible for marketing and managing the process of things like creating , selecting services, staging, pleasing spectators and making them into a fan club, managing the communication, arranging promotions, advertising, managing the media

rights with the media, employing full time professional managers and staffs to manage the demand and supply within the value chain. Creating profit that is worth the investment. This side of business is a totally different story from the amateur side of sport but they are complementary because the sports functions are core. While the management and marketing of the business side are the important and complementary parts that bring value to the sports performance core. So that the sports performance side can concentrate on their job well. And the social side of sports for national pride and reputation is also for Thailand an important part that can never be neglected, while the business part is also essential for the existence of sport. Both sides must be well-balanced, especially in our modern day. The amateur side needs to raise the standard from being Asian Champions to being able to compete for Olympic medals, volleyball needs more and better ways to fill in the pipeline to replace the senior players who are retiring before the next Olympic Games. Spectators are expecting a high quality venue to watch matches and high quality services and noteworthy entertainment, better and international standards-meeting venues are just some of the demands for improved sports services. Professionalism should be allowed to help improve all aspects of sports.

The applied process of building Business Models for a Women's volleyball League, according to the Business Model Generation of Osterwalder and Pigneur (2010) involves the following:

1) Considering who the customers are: The customers are the spectators in the competition venue and the spectators

at home who watch the media, especially the TV viewing audience. Another group of customers of the league are the sponsors who are interested in sponsoring or in other words, purchasing the opportunity to interact or do business with their potential customers who are the league's spectators both at the competition site and at home watching.

2) As we have learned, the requirements expected by the spectators are the responsibility of the league and the club management to provide. They need to fill in the missing products and services for the spectators and use marketing techniques to turn them into fan club members through activities and events before, during, and after the competition. Most of this operation is done by the fan club managers under the marketing department.

As the number of spectators and fans grow, from hundreds to thousands, tens of thousands, and hundreds of thousands, and eventually millions, it will attract both media and sponsors. These numbers increase the value of media rights and prices for sponsorships to the next level. From pay-per-view TV and media, to free TV and media, and to paid media rights contracts. It is important to have someone who understands the pricing structure of media rights contracts as well as the sponsors' package prices. These people will be expensive to hire, as they bring potential to earn major income for the clubs and the league. Usually, they work under the Marketing Department to provide services to customers and work and tailor the services up to or beyond customers' expectations.

3) Before the personnel get paid as professionals, it is not simply being paid

makes someone professional right away, the investors or the president has to double check the quality of the potential people that they are hiring. The required process should confirm qualifications and have a good trace of records to make sure that the results will be delivered at the end of the project. It also requires monitoring along the way. This process is left as understood or for future studies, namely the topics associated with human resources management. That includes players discipline, Thailand has no professional course for the athletes before they turn professional. There should be a course for training the professional personality and course on how to behave as super stars. The training should also include training on how to deal with the media, e.g. giving interviews.

4) The products and services provided by the Marketing Department and other departments to satisfy or impress the customers to become part of its fan clubs, spectators, or Sponsors. This includes things such as clean venues, comfortable seats, foods and beverages, souvenirs, quality entertainment, promotional gifts, hospitality booths, VIP guests services, etc. Certainly it includes as well, incurred expenses or costs, the experienced service providers which the organizers have to hire or outsource. It is important that these services are in requested lists or at least are part of a survey of the requirements and allow clubs to charge customers in one way or another. So that such investment will be justified by enough revenue and profits otherwise they will become burdens for the clubs or the league.

5) If the amount of cash flow is growing bigger and bigger, the financial man-

ager or the owners of the clubs and the league have to consider the capital structure and the sources of funds by calculating the return on investment (ROI), Breakeven Point Analysis before making decisions. These are required to have a sustainable and viable project in women's professional volleyball.

Professional managers have to be hired to focus on the management process to establish strategy, plans, oversee implementation, create rewards systems for the league and clubs. For the investment plan, TVA has to make an investment plan and determine the sources of finance for full professional operation. Whereas the marketing operations of the league and clubs can be either separated entities as in the European football leagues or they can work together like the NBA franchised league in the U.S. or as a joint entity like the Volleyball League in Italy.

## **CONCLUSION**

A viable business model will bring enough income to the sport to hire professional people to run a professional league that will also justify the league's investment, and have a better chance to make it successful than current situations within the time frame to be set by the board of the TVA. Knowing the exact breakeven point in terms of time and income will help ensure profitability. A successful professional league will also serve to create heroes for volleyball and attract more young players to the scene from academy schools aimed at producing professional players. Presently, Thai parents are happy to invest in

more popular sports like tennis and golf because of the perceived chance of return on their investment.

The scenario will answer why volleyball is highly ranked in international but not success in professional volleyball and also solve the other today's questions raised by the stakeholders as previously mentioned about players, and facilities, and services standards up to the professional entertainment specifications such as Thai fight, or the race of the champions.

The implementation of professional volleyball, beginning with Women's Professional League as pilot project will upgrade the performance of national team at the end. This professional transformation process can as well improve the chance for Thailand women's team to play in next Olympic Games. This means both amateur and professional volleyball can be managed under professional environment through new business model.

This study has presented an overview of the Professional Volleyball League to recommend an overall approach for the next 5 years and opens up the opportunities for looking with further depth into various aspect of the topic as follows:

A financial feasibility study should be carried out to determine investment levels needed to provide viable professional operation. After applying a business model, TVA must upgrade service quality. Then, finding out whether to outsource unavailable services or get project investors for new the business model. Looking at the examples from overseas, TVA must understand the local facts regarding consumers' earning patterns and the purchasing behavior of the Thai sport market.

The building of new stadiums for professional sports must consider economic and social impacts.

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