

# **A Marketing Strategy for Fitness Sokol Olomouc**

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## ABSTRAKT

Hlavním cílem této práce je zjistit spokojenost návštěvníků se službami tohoto Fitness centra a navrhnout opatření vedoucí nejen ke zvýšení spokojenosti, ale i ke zvýšení návštěvnosti tohoto Fitness centra. Teoretická část začíná popisem toho, co jsou to vlastně služby a dává je do souvislosti s fitness sektorem, dále zahrnuje také představení (popis) marketingového mixu, swot analýzy a marketingové strategie.

V praktické části je představeno samotné Fitness centrum, včetně jeho struktury marketingového mixu a analýzy SWOT i s následnou analýzou okolní konkurence. Následuje dotazníkové šetření o spokojenosti zákazníků FS, které bylo umístěné na oficiální Facebookové stránce – Fitness Sokol Olomouc. Na základě výsledků tohoto šetření jsou navržena opatření vedoucí ke zvýšení spokojenosti klientů a zvýšení návštěvnosti.

**Klíčová slova:** marketing, strategie, služby, fitness, FS (Fitness Sokol), marketingový mix, zákazník, konkurence, fitness centrum, podpora prodeje, marketingový výzkum, kvantitativní výzkum, dotazníkové zkoumání, SWOT analýza, CRM (Customer Relationship Management/Marketing vztahů)

## ABSTRACT

The primary aim of my thesis is to discover the level of satisfaction of Fitness Sokol customers and suggest possible measures which can be applied to increase not only satisfaction, but also turnout of the fitness centre. The theoretical part begins with the characterization of services and puts them in connection with fitness sector, moreover includes introduction into marketing mix, SWOT analysis and marketing strategies.

The practical part contains the introduction of Fitness Sokol including its structure and continues with marketing mix and detailed SWOT analysis and the analysis of surrounding competition, which are followed by questionnaire survey about the customer satisfaction placed on the official Facebook page – Fitness Sokol Olomouc. Based on the results obtained from the research, the best possible measures are taken into consideration and suggested to increase the turnout and clientele satisfaction.

**Keywords:** marketing, strategy, services, fitness, FS (Fitness Sokol), marketing mix, customer, competition, fitness center, sales support, marketing research, quantitative research, questionnaire survey, SWOT analysis, CRM (Customer Relationship Management)

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## INTRODUCTION

One of the main phenomena nowadays is a healthy lifestyle and with it very often associated regular visitation of fitness centres. The most obvious reasons are heightened expectations for physical beauty, which becomes more important every day. The fitness sector instantly grows worldwide for several decades and nothing has changed even when the economic crisis hit the market. From this point of view, the fitness sector gives very strong, promising and stable impression, even for the future.

The Czech Republic economy is market oriented, therefore a significantly high number of rival companies already exists and more fitness centres appear everywhere. Ordinary people from smaller cities and villages are also more and more interested in this type of sport and fitness lifestyle begins to draw their attention. On the other hand, many bigger cities are experiencing a swift rise in competition and all fitness centres are trying to distinguish from their rivals and come up with authenticity, and that is the right place and time when promotion a marketing strategies should be used to do so.

Individual fitcentres usually offer very similar activities, therefore it is very important to take the right steps towards captivating the potential clientele. The smaller fitcentres often have many disadvantages in the area of marketing communication, especially because of their specific characteristics. The range of activities is determined mostly by weaker financial situation. Smaller fitcentres are frequently owned and simultaneously operated by their owners, who may not be experienced enough when it comes to the needed knowledge. However, there are also many advantages as well. For instance, smaller fitcentre enables the operator to be more customer-oriented. Thanks to the minimum number of intermediates between the target customer and the fitcentre is their contact more imminent, which leads to better accessibility of feedback that makes the communication much easier.

The successful marketing strategy should serve as an instruction how to proceed in communication with the present, or potential customers. The key element for the creation and development of marketing strategy are business goals of a company. The next important thing is to carefully observe customer's satisfaction, because satisfaction itself increases loyalty and frequency of their purchases. The overall quality and worked out

details of marketing strategy will reflect themselves in the number of clients, size of profit and subsequently in bigger earnings of the company owners.

Considering the fact, that sport was always a part of my life and that I have a passion for fitness already for several years, I decided to write my bachelor thesis on the topic that is closely connected to it. I drew my inspiration from two places – two fitness centres. The first fitcentre was the place, where I spent many years as a customer and later on I started to work there as well. I got to know how such business work from the inside and this fact was very helpful when I was creating my thesis. The second place is Fitness Sokol Olomouc – my personal task was to come up with such measures, which could help with increasing its popularity and turnout.

## 1 AIM OF THE THESIS - SPECIFICATION

The aim of this bachelor thesis is to implement such measures, which would improve quality of the offered services and increase satisfaction of the present customers, but also simultaneously increase the number of new visitors of the Fitness centre – Fitness Sokol in Olomouc.

The main aim is to find outThe author is looking to find answers to these three following research questions:

- a. What is the present state and quality of the offered/provided services?
- b. Does Fitness Sokol have needed tools for sustaining present customers?
- c. Does Fitness Sokol have a potencial to attract new clientele?

### 1.1 Thesis Methodology

Materials used as the main source of information included those freely accessible on the internet, concretely taken from newly created Facebook page Fitness Sokol Olomouc and the website [www.fitness-sokol.cz](http://www.fitness-sokol.cz). Additional information concerning future plans and details of the offered services come from the operators of FS – Dorota Dziková and Petr Osina.

Furthermore, the research that took place right inside the fitcentre during personal visit enabled more precise and close familiarization with its staff, functioning and customers, which was very helpful for creating my own idea of the level of the services offered there.

In addition to that, my own experience from previous work in Fitness centre named Posilovna Aktivsport Zlín helped to a better and more efficient orientation concerning fitness centres, their running and issues closely connected to them.

Considering the fact that many successful entrepreneurs and salesman found out, that the majority of great ideas come from the customers and that customers are essential part of the market, my thesis includes marketing research based on the questionnaire, which was formed and subsequently distributed among the customers of Fitness Sokol Olomouc.

Acquired results showed the customer's satisfaction or possible displeasure. Their answers served as an inspiration for creating better plans and ideas.

## **1.2 Thesis Contributions**

Undoubtedly, the theoretical contribution consists of broadened knowledge regarding the area of services and marketing, where the key to success lies in understanding customers and their needs. Moreover, another significant contribution is more precise and rich knowledge of the fitness sector, which additionally points out possible problems that are connected with fitness centres. This thesis can be used as a starting point for more similar researches as well.

The practical contribution lies in possible utilization of the plans for improvement of the current situation of Fitness Sokol, especially regarding increase in turnout, but also higher satisfaction of the present customers.

## **I. THEORY**

## 2 INTRODUCTION TO THE SERVICES

### 2.1 The Characteristics of Services

Services are separately identified as they have inside them a kind of unquantifiable element and they need a form of interaction with the customer or with their belongings. Services should, though not always, require the usage of material possessions, though the result is not always a change of ownership.<sup>1</sup>

Probably the best definition of services is by the American author, Kotler, who in his book writes:

*„Service is any kind of activity or ability which could be offered by one party to another party. Services are immaterial and at their core they are non-materialistic and do not create any material ownership. Providing services should, but does not always need to be, linked to a material product.”<sup>2</sup>*

Kotler also usefully delineates categories of services from which are constructed the marketing offers of companies:<sup>3</sup>

- 1) **Purely material products** – this means something such as soap, a shovel or a used car. This kind of product is not accompanied by any services. The customer will buy the product and will be using it.
- 2) **Material products with additional services** – goods with individual or added linked services. These kind of goods are more attractive for the consumer, giving a feeling that they have something extra for their money. We could be describing car purchase or buying a computer, where the company offers maintenance services and extended warranty above the standard requirements.
- 3) **Hybrid** – a kind of offer where the services and goods are equal. For example, in a restaurant the customer can expect the service and the food to be equally good.
- 4) **Services with a smaller reliance on a material product or a unique service in itself** - The customer will be offered as a part of the main service, other smaller

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<sup>1</sup> Janečková, Lidmila, and Miroslava Vašítková. 2001. *Marketing služeb*. 1<sup>st</sup> ed. Praha: Grada.

<sup>2</sup> Kotler, Philip. 2001. *Marketing Management*. 10<sup>th</sup> extended ed. Praha: Grada.

<sup>3</sup> Kotler, Philip. 2001. *Marketing Management*. 10<sup>th</sup> extended ed. Praha: Grada.

services or goods. For example, an airline, as well as offering first class transport by plane, also offers food, drink and reading material.

5) **Pure service** – examples include child-care, psychotherapy or massage.

Services change their characteristics depending on the following factors:<sup>4</sup>

- If they are focused on satisfying a person or business needs
- If they require the physical attendance of the customer
- If they depend more on devices and appliances rather than on people

## 2.2 The Properties of Services

We distinguish services and goods based on their individual characteristics. For basic service characteristics we can highlight the following:<sup>5</sup>

1) **Non-material or intangible** – this is the most characterised type of service. Differently from most goods, these services cannot be pre-judged by any physical aspect before purchase – for instance, by taste, smell, look or feel. The customer at the hairdresser can raise a request, but the outcome cannot be seen in advance and may not be as the customer envisaged. The same is true that a psychologist's client cannot judge ahead of the session whether the treatment will help them, or not.

To help customers minimise any insecurity they might feel before purchasing services, they follow a known specification of quality. This is often based on the positive reviews of other customers. It is true that a disappointed customer will speak about their bad experience to twice as many people than if their experience had been positive. Judgement should be based on other aspects such as; education, the facilities on offer, materials, behaviour and most often, money, which plays a prime role. The company should try to create a very strong brand and maintain a good reputation through reliability, quality and a personal approach.

2) **Inseparability** – the production and use of the goods cannot be separated – the dress is made and the customer will buy it later. Production of

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<sup>4</sup> Armstrong, Michael, and Tina Stephens. 2008. *Management a Leadership*. Praha: Grada.

<sup>5</sup> Kotler, Philip. 2007. *Moderní marketing: 4<sup>th</sup> European edition*. Praha: Grada.



services cannot be separated from their usage. The service is often produced with an active participation of the customers, so they become a part of it. The customer is not necessarily participative in the delivery of some services, such as cooking food in a canteen, or in the case of professional services – the actions of advocates. On the other hand, participation is required when visiting the doctor.

Regarding their inseparability, services are firstly sold, then produced and consumed without being previously seen. Management must understand how important the relationship is between the producer and the customer.

- 3) **Heterogeneity** – this is also known as variability and the instability of services, a characteristic linked to different quality. If it is not standardised, the quality of one and the same service can be very different depending on who, when and how the service is delivered. The behaviour of the provider and their customers is impossible to anticipate and the quality of the service is impossible to judge beforehand. For example, a lecture which takes place after a break in the morning or during a tired afternoon or how one hairdresser might be better than their colleagues. As is true in other areas, it is also true to say that a company is only as good as its weakest part. For example, a language school with a good reputation could be negatively affected by one less able lecturer. The final quality of the service will influence the position of the company in the competing market. Management should very carefully choose employees, motivate them, teach them and establish new norms.
- 4) **Transience** – this is a feature of service coming from its non-material nature. For example, services cannot be stored, re-sold or returned. The warranty of provided services is only possible in certain cases. Customers can receive an alternative in the form of a discount or refund. To provide an example, if the customers are unsatisfied after their first English lecture, they will receive the money back. There might also be a situation where a customer might not be able to receive a service due to over or under-capacity. This might happen with group training or a film being shown in the cinema.
- 5) **Impossibility of ownership** – linked with the services' intangibility and transience. With the production of some services there is not any rule of ownership being transferred to the customer, they are only buying the right to receive the service.

## 2.3 Classification of Services

The service sphere is relatively wide and covers a huge amount of different activities ranging from simple processes to those managed by computers. In the service sector many different types of organisations are active, from individuals through small companies to multi-national organisations, such as multi-branch hotels (Four Seasons), international travel agencies (Fischer) auditors and consultants (Price Waterhouse Cooper) <sup>6</sup>

Due to their variations, services are divided into many other different categories. Divisions of these categories make it easier to deploy different marketing tools to assist improved analysis of services.

According to the economists, Foot and Hatt, services are divided, depending on their branches according to their sectors:<sup>7</sup>

- **Tertiary** – presently the largest sector in the world economy which covers all branches of human activity which have at their core the offering of services. For example, health-care, transport, shopping, crafting, education, hospitality and others. We can think of restaurants, hotels, hairdressers, cosmetics, garage services and others.
- **Quaternary** – described as ‘‘the knowledge sector’’ which is based on knowledge formed from scientific research and in the wider sense covering every service based on education and information, including teaching, consultancy and ICT. This is based on Higher Education which requires highly qualified employees. This sector is growing in most developed countries and offers innovations which can be used in other sectors – primarily in industry. This also enables increased efficiency and effectiveness in other sectors of work.
- **Quinary** – this is a rarely known sector covering activity linked by any kind of change or enhancement for customers. Examples are health-care, education, consultancy and recreation.

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<sup>6</sup> Janečková, Lidmila, and Miroslava Vašítková. 2001. *Marketing služeb*. 1<sup>st</sup> ed. Praha: Grada.

<sup>7</sup> Vašítková, Miroslava. 2008. *Marketing služeb: Efektivně a moderně*. 1<sup>st</sup> ed. Praha: Grada.

Services can also be classified as marketable and non-marketable. The former is exchanged in the market-place for money and the latter is defined by non-marketable mechanisms.<sup>8</sup>

### 2.3.1 Marketable services

These include restaurants, private schools, car hire. Customers exchange their money for offered services.

- a) Customer services used by individuals or households, satisfying their needs – examples include hairdressers and cosmetics.
- b) Services for companies and organisations which find other uses for the original service – an example might be the development of software programmes.<sup>9</sup>

### 2.3.2 Non-marketable services

These cover public services provided by the state. Services are provided for everyone without distinction. Fees are charged indirectly through tax, not charged at all or part of the cost is subsidised by the state. Such services include hospitals, public schools, police, as well as street-lighting and transport communications.

Apart from the basic classification of services, each organisation sees the importance of using the classification which provides information for the optimal planning of processes and, particularly, the effective use of marketing tools. The author Lovelock highlights five classifications which assist organisational marketing strategy formulation:<sup>10</sup>

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1. **The character of service performance** – this refers to tangible goods and with a type of customer of whom the organisation is required to ask what is their benefit and if the attention to their customer needs are required.

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<sup>8</sup> Kotler, Philip. 2007. *Moderní marketing: 4<sup>th</sup> European edition*. Praha: Grada.

<sup>9</sup> Kotler, Philip. 2007. *Moderní marketing: 4<sup>th</sup> European edition*. Praha: Grada.

<sup>10</sup> Kotler, Philip. 2007. *Moderní marketing: 4<sup>th</sup> European edition*. Praha: Grada.

<sup>11</sup> Lovelock, Christopher H.. 1983. "Classifying Services to Gain Strategic Marketing Insights". *Journal of Marketing*, Vol. 47, no. 3 (Summer). American Marketing Association: 9–20. Accessed February 30, 2016, doi:10.2307/1251193.

2. **Contact with the customer** – this depends if it is a one-off service or repeated. It can also be defined as requiring high, middle or low customer contact. The advantage of having high customer contact lies in the subsequent use of received knowledge in planned processes and adaptation to the customer's needs.
3. **Adaptation of services** – where it is possible, being able to adapt to demands from different customers. The service provider must compare the costs for adaptation against the ordinary or standard service.
4. **The character of the demand** – the fluctuation of demand over time, seasonal demand, peaks and troughs. If the request for service is higher than that being offered then customers may seek service from competitors.
5. **The distribution of services** – what kind of service is the customer receiving?
  - a) The customer comes to the provider (psychologists)
  - b) The provider comes to the customer (service personnel)
  - c) Contact occurs at a distance (nutritional consultancy)

## 2.4 Marketing of Services

According to a definition, marketing means a managed process focused on identification, estimated needs and satisfying those needs for individuals and groups. For analysis the necessary market research with all its methods and tools are required.<sup>12</sup>

Ordinary people see marketing in the form of advertising or simply as a means of increasing the visibility of an organisation or its services. People see these tools at every stage and this is why, in many cases, they are seen as intrusive. However, every organisation is attempting to be different in their own competitive arena and seeking new customers. In this respect is about choosing the correct methods and tools.

Every organisation has a goal to create, win and retain customers by producing attractive services to meet their demands in conditions which benefit the customer. It is also important to make the conditions lucrative for the organisation itself, which means, in practice, that income will be higher than expenditure and conditions are stable and long-term. The margins of competitors is another factor in reaching decisions to guide the actions of the organisation.

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<sup>12</sup> Janečková, Lidmila, and Miroslava Vašítková. 2001. *Marketing služeb*. 1<sup>st</sup> ed. Praha: Grada.

The planning of these decisions and activities is not possible without establishing an organisational strategy with targets and plans to achieve them. It is impossible to make decisions spontaneously without understanding customers, marketing needs and one's own targets.

**Marketing Orientation:**<sup>13 14</sup>

- Orientation for profit – the organisation will establish the target to be reached to recover the return on its investment or to receive a specified profit.
- Orientation for competition – the organisation tries to understand its present and potential competitors, their strengths and weaknesses. Establishing different strategies including those based on price.
- Orientation for the customer – the organisation seeks to discover the desires of current and future customers. It attempts to provide increasingly higher value whilst simultaneously lowering expenditure to achieve its own ends.

To have a stable and high-quality functioning organization, it is necessary to coordinate these orientations and use all the resources in well integrated manner.

**Trends influencing marketing:**

- The changeable age-groups of customers
- The changeable structure of households
- The changeable roles in households (including the buying potential of women)
- Increasing awareness of minorities
- Changing social, cultural and life-style developments
- Changing life-priorities

According to many experts, people now live in increasing surplus – education, money, time, accessibility in relation to the amount of goods and services. These are now used more for self-enrichment, changing stereotypes, offering deeper emotions and self-

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<sup>13</sup> Morrison, Alastair M. 1995. *Marketing pohostinství a cestovního ruchu*. 1<sup>st</sup> ed. Praha: Victoria Publishing.

<sup>14</sup> Morrison, Alastair M. 2002. *Hospitality and Travel Marketing*. Albany, NY: Delmar Thomson Learning.

improvement in what is known as the “pleasure seeking life.” The whole picture of society is changing.

The function of marketing has three key components:<sup>15</sup>

1. **Marketing mix** – made of elements which are important in establishing and creating the marketing strategy for an organisation.
2. **Market strength** – external opportunities or threats influencing marketing activity and implementation.
  - a) Customers – their habits, motivations and buying behaviour.
  - b) Behaviour sectors – applied to shop assistants, traders and providers.
  - c) Competition – the influence of the competition on the behaviour of an organisation.
  - d) Control and regulation – the control and direction of marketing in relation to the marketing and competition practice.
3. **Harmonisation of the process** – the target of linking the marketing mix and internal company organisation with external marketing strengths. The marketing mix is significantly in the hands of the managers of the company even though the market strength is extremely changeable and impossible to influence.

## 2.5 The Marketing Mix of Services

The most important element of marketing is a collection of marketing tools, which are used by managers to create the character of service offers. A manager can change the order and intensity of individual elements in the mix, but they must maintain the core target of bringing some benefit to the organisation and satisfy their customers’ needs. According to Kotler, these are known as the four P’s:<sup>16 17</sup>

- 1) **Product** – the most important tool in terms of the marketing mix. „*The marketing mix is something like pastry for a cake, where only the quality of individual*

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<sup>15</sup> Payne, Adrian. 1996. *Marketing služeb*. 1<sup>st</sup> ed. Praha: Grada

<sup>16</sup> Janečková, Lidmila, and Miroslava Vašítková. 2001. *Marketing služeb*. 1<sup>st</sup> ed. Praha: Grada.

<sup>17</sup> Vašítková, Miroslava. 2008. *Marketing služeb: Efektivně a moderně*. 1<sup>st</sup> ed. Praha: Grada.

*ingredients can guarantee a satisfactory outcome. The product is the basic ingredient without which the cake cannot be baked.”*<sup>18</sup>

The offered product or service should satisfy the customer's material and other needs. The organisation has a target based on quality. Decisions about the product or service are linked to their development and life-cycle.

- 2) **Price** – sale price and conditions. The manager is influenced in setting the price by production expenditure and provision as well as the ordinary price in the market and those charged by competitors.
- 3) **Promotion** – marketing communications working to support sales.
- 4) **Place** – distribution and the availability of a product or service. Attempts towards a simplification of access for customers to the service are made.

The application of this basic model of the marketing mix is inadequate for the service provision, mostly due to the characterisation of services, which is why another three elements were added to the classic marketing mix model. An additional Three Ps offer a wider marketing mix, allowing the effective production of marketing plans for organisations providing services. The following three elements were added:

- 5) **People** – this element comprises customers and employees and the interaction between them. The organisation could, through the work of employees, increase the value of the product and thereby gain a competitive advantage.
- 6) **Process** – the way of production and service provision. Managing the process allows the possibility of increased quality.
- 7) **Physical evidence** – materialisation of services. This covers the area of service provision and the material goods assisting that provision. It focuses on the importance of internal and external premises which create the image of the company and may differ from their competitors. This aspect also refers to minority physical attributes such as the uniforms of employees and the appearance of company internet pages.

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<sup>18</sup> Boučková, Jana. 2007. *Základy Marketingu*. Praha: Oeconomica.

### 2.5.1 Life Cycle of Services

This is linked to the first tool in the marketing mix, product.

- **Evolutionary phase** – this is a time when ideas are formed of what the company will bring to the market. This phase only involves the company in expenditure (e.g. building and equipping a fitness centre).
- **Introductory phase** – this involves generating requests for services and the important task of increasing awareness amongst potential customers which will bring other expenditure (e.g. the fitness centre has its first clients and needs to extend its services).
- **Phase of growth** – the organisation is increasing sales, producing an income and building its image.
- **Mature phase** – the organisation is running well with a strong client base. Competitors emerge and force the company to more expenditure. This is the peak phase for all companies.
- **Phase of decline** – interest for services is in decline and the product brings less income. Increase of expenditure over income often leads to services being withdrawn.<sup>19</sup>

### 2.5.2 Sales Support

Linked to the third element in the marketing mix - promotion. Support is introduced to achieve short-term targets mostly through vouchers, sales events and competitions. The key is to use these forms of support sparingly, according to need, rather than all the time. Such support is used primarily for the following reasons:<sup>20</sup>

- To increase off-peak seasonal sales
- To attract customers to a new service or product
- To increase awareness about a new service or product

Using different forms of sales support should not involve a company in a price battle with competitors which can be seen as a mistake. Price competition is the result of the

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<sup>19</sup> Vašítková, Miroslava. 2008. *Marketing služeb: Efektivně a moderně*. 1<sup>st</sup> ed. Praha: Grada.

<sup>20</sup> Vašítková, Miroslava. 2008. *Marketing služeb: Efektivně a moderně*. 1<sup>st</sup> ed. Praha: Grada.



demand for a higher role in the market without the influence of abundant offers over the number of customer demands. Lowering a price below that offered by a competitor who is expected to be unable to respond to such an action is a possible action. The money battle has no winner. The only satisfied party will be the customer who saves money even though they may need to change a label to do so. Companies lose their good name, customers and money and that is why many try to differentiate themselves, not by money, but by quality.

### **Techniques for sales support**<sup>21 22</sup>

- Special advertising merchandise – pencils, key-rings, mugs and other objects sporting the company logo.
- Samples to increase sales
- Performance shows
- Vouchers offering a service or a discount
- Sales for short periods for specific services or products to introduce them to the market
- Bonuses to reward frequent purchases. For example, a collection of soft toys in a supermarket available when shoppers spend more than 1,000 kc.
- Competitions – customers can win products or a large discount, giving a victorious feeling to winners. These competitions are often linked to other promotions. For example the winning entrant may have to compose a song, picture or poem about the company or product.
- Loyalty programmes based on long-term customer shopping at that store

### **2.5.3 The Human Factor**

This is a vital aspect in ensuring business satisfaction. The quality of employees is reflected in the quality of the services offered. Employees really are the front-line of any business, especially those who are in direct contact with customers and they can influence the experience and satisfaction linked to the service provision. Someone will definitely remember a bad experience in a bar or restaurant or elsewhere. Unfortunately, in this way a poor employee can create an image and permanent memory in the mind of the customer

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<sup>21</sup> Vašítková, Miroslava. 2008. *Marketing služeb: Efektivně a moderně*. 1<sup>st</sup> ed. Praha: Grada.

<sup>22</sup> Janečková, Lidmila, and Miroslava Vašítková. 2001. *Marketing služeb*. 1<sup>st</sup> ed. Praha: Grada.

which might put them off the company forever and which will then spread to the acquaintances that they tell. All offers, adverts and sales efforts cannot combat poor service or low quality products.<sup>23</sup>

The satisfactory marketing of services is closely linked to the correct attitude of employees based on the high expectations of their employers who should also work to meet the needs of their work-force. The key aspects of recruitment, motivation and personnel management are dealt with by internal marketing.<sup>24</sup>

**Employee benefits** - provision of the certain type of rewards to all employees who are employed by the company; also possible to take into consideration functions, positions and work performances of the employee (mostly important regarding division of bonuses).

The correct process of building good quality employee relations begins with the employer conducting an entrance interview. This should be followed by involving others in the work-force who are friendly and exhibit moderate behaviour with an ability to empathise. The basis is to develop, teach and guide employees.

A good strategy for employee motivation is the key for staff stability and improving the effectiveness of their performance and general job satisfaction which leads in turn to increased loyalty to the company. Motivation can be enhanced through benefits, promotion, different discounts and other means. There is nothing more simple and effective than praise and compliments via direct communication.<sup>25</sup>

#### 2.5.4 Maintaining Customers

Even though it is vital for companies to keep their customers, greater attention is often given to attracting new customers. This is a mistake which results in many companies losing the higher benefits and decreased expenditure which comes with a secure customer base. A client who is happy and satisfied will also bring good ideas which can develop the organisation. The lesser demands of loyal customers require decreased expenditure and they offer opportunities for regular income and a good source of positive references.

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<sup>23</sup> Morrison, Alastair M. 1995. *Marketing pohostinství a cestovního ruchu*. 1<sup>st</sup> ed. Praha: Victoria Publishing.

<sup>24</sup> Armstrong, Michael, and Tina Stephens. 2008. *Management a Leadership*. Praha: Grada.

<sup>25</sup> Armstrong, Michael, and Tina Stephens. 2008. *Management a Leadership*. Praha: Grada.

Additionally, every unhappy customer who leaves will, at some point, move to a competitor, so retaining customers is a key question for most companies.<sup>26</sup>

Foster introduced a number of factors which should persuade all in business how important it is to care for and retain customers:<sup>27</sup>

- Customers will speak about a bad experience to twice as many people as after a positive experience
- Typically, an unhappy customer will share their problem with between 8 and 10 others
- Service companies rely on their current customers for 85 -95% of their income
- 80% of good ideas come from customers
- It is six times more expensive to attract new customers than maintain existing links

## 2.6 The Specific Marketing Mix in Sport

The application of the marketing mix directly on sport is different from the classical model because of the specifics which are linked to particular sports.

- **Product** – from a macro-economic perspective, sport is, in terms of unity, a mixed product as it can be seen in different forms of economic elements; free (hiking), publicly funded (school PE halls), mixed funding (partly donated equipment for a football club) and marketed (fitness centres)
- **Price** – production expenses are usually difficult to calculate, the price of sport non-material products (for example special individual sessions) are made by estimating costs, by convention, regard for competitors and the rate of demand.

Many commercial sports facilities use inter-linked, subsidised investment. An example might be a gym or fitness centre which might lose money on the sales of sports goods, but expenditure for the gym is covered by entry fees so that a profit will be achieved by providing special group sessions. The principle of inter-linked prices for product packages where all elements are united is a frequently used model.

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<sup>26</sup> Srpová, Jitka, and Václav Řehoř. 2010. *Základy podnikání: Teoretické poznatky, příklady a zkušenosti českých podnikatelů*. 1st ed. Praha: Grada.

<sup>27</sup> Foster, Timothy R. V. 2002. *Jak získat a udržet zákazníka*. 1<sup>st</sup> ed. Praha: Computer Press.

- **Distribution** – the question is how can customers reach providers at the right time? Greatly important factors are: the placement of the company, parking possibilities and convenient links to a designated place
- **Promotion** – sports companies of all kinds need the support of sales by themselves. They need their own logo, image, prestige and public-perception linked to other promotional advertising elements. In most cases this is not a huge advertising campaign as it is for washing powder or cars. The main instrument is the results in the sport itself and its good name. A good image is spread by word of mouth and recommendations.<sup>28</sup>

## 2.7 Customer Relationship Management (CRM)

CRM is linked to customer communication which might result in a very important advantage over competitors and as a source of income. The conditions of entry to the service markets and the maintenance of their position is becoming more difficult due to globalisation meaning service companies need to find new ways to attract customers. Generally the standards of product quality are expected to be high, but the standards of effectiveness and precision are essential, low price does not give a guarantee of satisfaction. How can competitors be overtaken? The answer is CRM.

Customer Relations Management is a form of behaviour system for companies to connect them to their customers where the target is improved understanding of the customer and their needs, which will ultimately lead to the company fulfilling their purpose. The company finds a higher value in their customers and seeks to develop strategies and actions to meet their needs, leading in turn to greater loyalty and more frequent shopping. Rather than using the ERP system which involves “the planning of company sources” based on full integration and the automation of processes, the CRM system tries to be flexible and effectively react to changing demands of customers and the wider market.<sup>29</sup>

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<sup>28</sup> Beech, John, and Simon Chadwick. 2007. *The Marketing of Sport*. Harlow, England: Prentice-Hall.

<sup>29</sup> Foster, Timothy R. V. 2002. *Jak získat a udržet zákazníka*. 1<sup>st</sup> ed. Praha: Computer Press.

The company does not need to be recognised as customer focused when they want to find out more about clients and to meet their wishes. The satisfaction of the linked customer should be important for every company whether via CRM or other means. It is important to realise all possible required changes to meet the demands of CRM – changes of product, processes, recruiting new employees and requalification of existing staff etc.

For full use of CRM potential it is important to use the required data for customer channels to evaluate and process them and subsequently to implement them in new marketing processes.

### **2.7.1 Creating relationships and receiving information**

For a change to happen it is important to know which way to go. The thoughts, wishes, needs and other information relating to clients is very important data when trying to gain new customers. Often a person will receive a database of clients which might seem to be more difficult at first view. It is important to be concerned about money, time and the legality of the received data.

The company should have the chosen targets and awareness about marketing needs ahead which would help them to focus only on information which is of real interest. Once this is established, it is a question of following the correct analytical path and adopting purposeful research or ordering additional research from external specialists.

The relationship with the customer has to be understood from the perspective of the customers themselves. For them the relationship is based primarily on trust. If they ask for something which the company offers, they will expect to receive it.

## **2.8 Market Research**

This refers to the organised activity for the specific collection, analysis and interpretation of information needed for the following: <sup>30</sup>

- Understanding the market
- Identification of marketing needs

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<sup>30</sup> Kotler, Philip. 2001. *Marketing Management*. 10<sup>th</sup> extended ed. Praha: Grada.

- Identification of opportunities
- Setting a marketing strategy

Market research helps the company react to changes in the market and customer demands.

### 2.8.1 Forms of Research

- *According to time terms* - provides current depiction of the market functioning. Dealing with statistic observation of the market means speaking about „market survey“ and an interest in certain dynamic process or aspect of the market, which has tendencies to change concerns „market research“, which represents long-term up to permanent activities.
- *According to acquiring information* – the difference between primary and secondary research, where the start of the project is connected with the secondary research and later followed by acquiring data via primary research.

Primary research collects data directly from the market, therefore provides current overview, nevertheless there can be found disadvantages connected with financial difficulties and special methods.

Secondary research works with data that are freely accessible and can originate either from interdepartmental sources or sources obtained outside the organization. This is quite affordable way how to obtain the needed data, but unfortunately there are disadvantages connected with possible incompleteness or missing topicality.

- *According to subject of the research* – the subject can be for instance macroenvironment, market or enterprise, but there must be clearly determined research questions and goals. The most frequent subject of the research is the market, because it comprises of many other subjects – suppliers, intermediaries,

customers and competition. However, the customer is often seen as the main research subject.<sup>31 32</sup>

### 2.8.2 The phases of research

- **Preparation** – established by identification of the problem and the setting of targets while another stimulus is the analysis of the situation and the subsequent creation of an action plan for a research project.
- **Realisation** – is the collection of information and formulation of a database followed by analysis then interpretation of the research results.<sup>33</sup>

### 2.8.3 The collection of information

- 1) **Experimental methods** – these can be divided into the information gathered in artificially created conditions or the other type being material sourced out in the field, mostly without the awareness of the research subject thereby creating natural responses. This is mostly used to check hypotheses and it often touches on reality.
- 2) **Observation** – a form of indirect contact which is run through the deliberate monitoring and recording of actions. There is no link to the collection of information or the deliberate altering of reality.
- 3) **Questioning** – the main method of collecting information where typically a verbal contact with respondents is organised via recording media; questionnaires, dictaphones etc. This helps to illustrate and compare different answers. Questioning should occur personally or in a written form. Nowadays it is possible to conduct such activities via the internet.

Questionnaires provide a wide spectrum of possibilities in how to put the questions and there has to be attention given to its creation including its type form, interpretation and the order of the questions. Questions must be clear and understandable, they must have clear informative value and be in a simple form without any sign of prejudice. Other important aspects include question order –

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<sup>31</sup> Kotler, Philip. 2001. *Marketing Management*. 10<sup>th</sup> extended ed. Praha: Grada.

<sup>32</sup> Vašítková, Miroslava. 2008. *Marketing služeb: Efektivně a moderně*. 1<sup>st</sup> ed. Praha: Grada.

<sup>33</sup> Kotler, Philip, and Kevin Lane Keller. 2009. *Marketing Management*. Upper Saddle River, NJ: Pearson Prentice Hall.

they should move from simple to more complex to encourage participation without it being off-putting.<sup>34 35</sup>

## 2.9 Planning Marketing Strategy

Marketing must acknowledge a dynamic, ever changeable market and the continuous process of the changing marketing environment in individual companies. Planning helps to establish company targets and strategies for their achievement. This has to be shared with all parts of the company. Each company should be working on plans for the future to avoid them being shocked by changing market conditions and thus avoid decline.

According to the definition it is about maintaining the balance between targets of organisations and changing opportunities in the market. The target of strategy planning is the adaptation of company behaviour and actions to the needs of the customer which will aid the company's development.<sup>36</sup>

The planning of marketing strategy involves four main stages:<sup>37</sup>

- 1. Analysis of the current position in the market** - analyzes strengths and weaknesses of the company as well as external factors affecting the organisation. Collection of such information is covered by the use of the SWOT analysis. Marketing segmentation also provides a division of the market according to the strengths of groups of customers with characteristic behaviour and demands.
- 2. Establishing targets and mission statements** - answers the question, where the company is going and what do they want to achieve. When creating the targets it is important to establish plans for their achievement. The first target should be a clearly defined mission for the company, which means establishing the main purpose of the company.
- 3. Introduction** – concerns the planning and achievement of company strategies which go through operational planning which define the plans by their elements in the marketing mix.
- 4. Check-up** – this examines progress made against the targets in the plan and how it has succeeded in achieving their goals.

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<sup>34</sup> Kotler, Philip, and Kevin Lane Keller. 2009. *Marketing Management*. Upper Saddle River, NJ: Pearson Prentice Hall.

<sup>35</sup> Kotler, Philip. 2001. *Marketing Management*. 10<sup>th</sup> extended ed. Praha: Grada.

<sup>36</sup> Kotler, Philip. 2007. *Moderní marketing: 4<sup>th</sup> European edition*. Praha: Grada.

<sup>37</sup> Horáková, Helena. 2003. *Strategický marketing*. Praha: Grada.



### 2.9.1 Segmentation of the market

Some companies are unable to satisfy the needs of customers, they cannot compete in the market and this is why it is important to choose the correct ‘target segment’ of the market. The segmentation of markets are based on the following criteria, which help to evaluate the target segments:<sup>38</sup>

- Geographic – providing services at a specific place
- Demographic – services provided according to age, gender and situation
- Socio-economic – based on profession, income and social status
- Psychographical – with regard to the preferences of groups of consumers
- Time – the period when customers buy the services (summer holidays, Christmas cleaning, Spring tyre changes)

There are many other criteria which we could point out such as cultural traditions or motives leading to purchasing.

The selection of the market segment should provide a picture about expenditure for its return, market potential, size and concrete profit. Some segments are able to offer improved possibilities than others. It is important not simply to view market segments from the point of view of sales amounts or profit potential, but also for the information it gives on the point of view of competitors in the same segment.

### 2.9.2 SWOT analysis

This offers a summary of the internal and external factors influencing customer satisfaction or on the specified intention of the company (i.e to provide services). The target of analysis is to choose elements on which to focus the company’s marketing strategy. It is made up of:

- Strengths
- Weaknesses
- Opportunities

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<sup>38</sup> Vašítková, Miroslava. 2008. *Marketing služeb: Efektivně a moderně*. 1<sup>st</sup> ed. Praha: Grada.

- Threats

### 2.9.3 Analysis of trends

The analysis of the macro-environment and the external environment of the company is useful to larger companies actively concerned with changing trends. Knowledge and a perspective on changing trends is also useful for smaller companies as ignorance in this respect harms the same companies, dependent as they are on the sales environment and changing service provision. Domestic services (utilities, painters and decorators, builders) are not greatly influenced by the external environment. For example, a small travel agency needs to understand the economic situation in the populace in order to have a view on exchange rates, destinations with over-capacity and also to know about increasing interest in new destinations.<sup>39</sup>

### 2.9.4 Creation of strategy

Companies choose the correct marketing strategy to achieve specific targets. The strategy begins with assistance from the results of market research which offer important information on the target market, competition and potential clients. The most frequently used strategies are:<sup>40 41 42</sup>

- **Strategy aimed at achieving a competitive advantage** – this should begin through low expenditure, differentiation or specialisation.

Lowering expenditure depends in some way on the size of the company (usage of internal economics, fast food canteen facilities etc) and can also negatively influence the quality of provided services.

The company tries via differentiation to achieve improved results in areas which are seen by customers as being important.

The company could put all its efforts into the segment which will then be its priority and on which it will focus its attention, this is known as specialisation.

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<sup>39</sup> Vašítková, Miroslava. 2008. *Marketing služeb: Efektivně a moderně*. 1<sup>st</sup> ed. Praha: Grada.

<sup>40</sup> Ferrel, O. C., and Michael D. Hartline. 2005. *Marketing Strategy*. Mason, OH: Thomson/South-Western.

<sup>41</sup> Vašítková, Miroslava. 2008. *Marketing služeb: Efektivně a moderně*. 1<sup>st</sup> ed. Praha: Grada.

<sup>42</sup> Horáková, Helena. 2003. *Strategický marketing*. Praha: Grada.

- **Controlling the market** – classification according to the market share where in the market we are discussing the following roles; leader (largest share, introducing market changes, but it is important to have new customers and to be constantly improving), challenger (offensive attitude to playing against the leader and attention to their suppliers), followers (following the leader, uses knowledge of competitors and deliberately does not attack the leader), micro-segmenters (small companies focused on filling gaps in the market where there are no large competitors).
- **Positioning strategy** – this describes the provision of differentiated offers of service from the competition. Differentiation exists in the form of price or the quality of the chosen service.

Price is what draws the service nearer to the customer and what should be used for remittance and what the customer should roughly expect for their money, for example the Hotel Plaza which provides a higher service for a higher price. There are exceptions to this when high prices are linked to low quality and vice versa. In the first instance it is about a short term strategy using current possibilities in the market which provide a quick profit before an equally quick exit from the market. The second instance includes companies which are unable to attract customers or they enter the market with new services.

- **Strategy according to marketing mix**
  1. Product strategy - the company tries to attract by its product and get the market share and satisfy the customer.
  2. Price strategy – the company focuses on price and establishes a price which makes the service attractive
  3. Distribution strategy – this focuses on satisfactory distribution of service for the customer leading to increased efficiency and greater volume of trade.
  4. Communication strategy – the promotion of services and customer information

## 2.10 The Fitness Sector

### 2.10.1 The term ‘Fitness’

This involves sporting activity and a general life-style which has a target to improve the physical condition and enhance body image. In the modern age, because of the influence of the media, this is often linked to the term ‘body-building’ where body image is at the forefront. At the same time, many people work at making themselves lose weight, achieve better conditioning or build muscle. To change the body, it needs frequent and sufficient stimulation. Very often home exercise without facilities is not enough and for this reason people visit fitness centres and try to change their life-style.

### 2.10.2 History and development

Changes after 1989 helped in this country to aid the mass commercialisation of Western good including in the Fitness sector. People began to run businesses of all kinds when they saw huge gaps in the market and opportunities to get rich. The first fitness centres began as ‘free’ businesses which only meant that the owner had to be over 18. This situation prevailed until 2000 when free business was changed to include conditions (education and professionalism). In 2008 it changed once more to allow free businesses, but with no possibility to lecture or teach. Due to the period of totalitarianism (in the Czech Republic) we can see a 40 year difference regarding fitness centres when compared with those in the West.<sup>43</sup>

Raising awareness of fitness centres was greatly aided by the famous Austrian sports personality, Arnold Schwarzenegger, who created a boom and became a model for future generations. Exercise magazines offering advice on correct diets and information about sports personalities (*Muscle* and *Fitness* magazines) came to the Czech Republic in 1991 and became a kind of Bible for many enthusiasts.<sup>44</sup>

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<sup>43</sup> Stackeová, Daniela. 2008. „Fitness – trendy a perspektivy“. Univerzita Karlova Praha, Fakulta tělesné výchovy a sportu. Accessed March 03, 2016, from <http://www.ftvs.cuni.cz/eknihy/sborniky/2003-11-20/rjf/03-002>.

<sup>44</sup> Časopis MUSCLE&FITNESS – hlavní stránka. (n.d.). Retrieved March 03, 2016, from <http://www.muscle-fitness.cz/>.

Club membership started to spread forty years ago, with its beginning in England, as a way to cover expenditure and innovation in equipment and because of the inequality in results. Club membership provides a fitness centre with regular income based on monthly advance payment by customers even though they may not actually attend. It uses membership as an advantage for clients by giving them discount on various services. Many centres prefer easier ways to regulate membership via a permit linked to a limited period which provides a similar advantage to club membership.<sup>45</sup>

According to European Union research – Eurobarometer – sport in the Czech Republic is still developing. We may be behind many other countries, but this could be because of the situation mentioned previously. 31% of Czechs regularly take part in sport with 35% not doing any sport at all. This is in comparison with Sweden in the top spot with 55% taking part and only 9% avoiding any sport at all. In Slovakia 28% take part and 41% have no sport at all. We can conclude from research that generally the larger the country the more active is its population.<sup>46</sup>

It is possible to expect further developments of fitness centres which can be seen in the expansion of foreign fitness brands in the larger Czech cities, Prague and Brno, with the arrival of the legendary Gold's Gym. Abroad there is a strong tradition of club membership which has still not yet spread to the Czech Republic. The reason for this is very often a concern by fitness providers that they may lose their customers. Most fitness centres in the CR are not seen by their owners as a business as they might be in the West. Most Czech owners in small towns run the centres as a hobby with a passion for the sport and profit is a secondary concern.

In recent times there has been a growing trend for low cost fitness centres which cut out the need for high investment in expensive equipment such as multi-function bench presses and they concentrate mostly on free weights. This is strongly supported by a changed understanding of the sport where most experienced sports people recognise the

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<sup>45</sup> Redakce “Příbram žije”. 2014, August 27. *Proč se ve fitness zavádějí klubová členství*. Retrieved March 03, 2016, from <http://www.pribramzije.cz/proc-se-ve-fitness-zavadeji-klubova-clenstvi/>.

<sup>46</sup> European Commission - Press release. 2014, March 24. *Eurobarometr: Pravidelně sportuje méně než polovina občanů EU*. (n.d.). Retrieved March 04, 2016, from [http://europa.eu/rapid/press-release\\_IP-14-300\\_cs.htm](http://europa.eu/rapid/press-release_IP-14-300_cs.htm)

greater importance of motion and compound exercises rather than sitting on a machine which might offer greater benefit to those who are in poorer physical shape.

As is very often the case with pre-ordered housing, where one can choose a house from a catalogue, the same is true of fitness centres offering a prescribed package to potential owners. There is also the possibility to use an entry system based on software linked to chips which are given to clients. The company saves money on personnel costs as the chip records all data and there is less need for staff to do so.<sup>47</sup>

In the Czech Republic there is already great competition as nearly all small towns have their own fitness centres – and in some cases, more than one – and others are starting up. For owners it is important to establish their target group. Visiting fitness centres has not, for a long time, been a matter of individual sports, but many people visit fitness centres for the social contact which they crave. This puts an onus on qualified staff to have multiple functions; trainer, nutritionist, psychologist, pedagogue and business person.

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<sup>47</sup> Anytime Fitness Franchise Opportunities. (n.d.). Retrieved March 05, 2016, from <http://www.anytimefitnessfranchise.com/>.

## **II. ANALYSIS**

### 3 ANALYSIS INTRODUCTION

#### 3.1 The Introduction of Fitness Sokol Olomouc

Firstly it is necessary to introduce the very idea behind the term „Sokol“, which does not characterize a ferocious bird, but an organization named after it, using its shape as their symbol.

Sokol is the oldest Czech sporting organization established in 1862 by Miroslav Tyrš and Jindřich Fugner. The concept of this organization is concentrated on physical and moral education in Czech patriotic way. The members of this society progressively grew, which eventually led to the creation of the first gymnasiums called „sokolovny“, where gathering of its members took place. The exact gymnasium was established between years 1869 and 1870 in Olomouc. In the meantime, many events happened and since 1994 Sokol Olomouc repeatedly began to operate and fulfil some of its previous roles and activities. The organization brought about a renewal of several sporting units (wrestling, trampoline, gymnastics, volleyball) and units of versatility (health exercising, exercising for elderly, schoolchildren, parents and children). Nowadays is Sokol Olomouc alternately used by several surrounding schools and also by instructors offering the variety of lessons including Muay Thai, gymnastics, boxing and more.<sup>48</sup>

The whole building offers not only many gymnasiums and outdoor premises, but also an old gym used for weight training and improving the physical condition of athletes and a few public members. The term gym is used deliberately because it says more about its outdated equipment. The operator, who managed the gym some ten years was appointed by management of Sokol Olomouc, but unfortunately he did not take necessary steps to renovate and improve its concept and marketing strategy. The gym was handed over to Dorota Dziková and Petr Osina, the two young fitness enthusiasts, in September 2015. They started to change things around and eventually created fitness centre. The whole indoor premises got new youthful look and new equipment was bought as well. The

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<sup>48</sup> Jandášek, Ladislav, and Jan Pelikán. 1946. *Stručné dějiny Sokolstva 1862- 1912*. Praha: Československá obec sokolská.



official name and logo of the fitcentre referring to the whole building and club were created after that.

At present moment the new operators (not owners) are trying to improve a slightly damaged and out-of-the-way name and attract some new members. The fitness centre offers not only classic way of joining the gym, but also a wide range of group lectures focusing on more segments. These lectures are usually connected with a hobby of both operators called crossfit. This type of training primarily aims at building of physical condition and muscular endurance.

### 3.1.1 Facility

**Organizational structure** – is about a lease of premises and equipment, which is enabled and properly approved by the management of Gymnastic club Sokol Olomouc.

The building of Sokol Olomouc is situated right in the centre of the city in 17. Listopad street and across the shopping centre Galerie Šantovka. Student's residence, a hotel, law faculty and Lower square are located nearby and all of these places can show and offer significant number of potential customers.

Fitness centre Sokol is situated in a floor area of 80m<sup>2</sup>, which is not a significant space when compared to other world's fitness centres, but in spite of that the customers are not deprived of demanded basic equipment including several additional devices. At present moment the fitness centre does not easily become crowded with people, therefore even in the most visited opening hours there is no potential mutual restriction among the customers.

The reception, where the keys to the locker room are given out, is located right behind the entrance door. Moreover, there is a need to pay 50 CZK as a deposit in case of loss of the key. Both men's and women's locker rooms are spatial and separated and also have showers. Toilets are situated in the corridor and are separated as well. The very fitness centre together with bar where the customer must pay the entrance fee can be found behind the reception. Parking is available on the outdoor premises next to the building.

### 3.1.2 Current marketing strategy

The present-day marketing strategy of Fitness Sokol is mostly based on intuition and is concentrating on demand of the customers, competitor's supply and topical conditions of the market. It is important to mention that the most significant values for the operators are friendly, almost homely atmosphere and passion for sport. That is one of the reasons why they decided to run the fitness centre and the question concerning business was not seen as a priority. They share the same idea focused on goals which can be reached while applying the right marketing strategy.

The most important aim is to address and attract more customers, which lead to expansion of the offered group lectures and to enrolment of a new trainer. The lectures called Mobility and Best friend belong among the newest ones and so called customer's starter package is in the pipeline.<sup>49</sup>

## 3.2 Marketing Mix

The analysis of the marketing mix enables a definition of individual elements related to entrepreneurship of a subject, therefore in the following steps I am going to apply a broadened marketing mix which is usually consisted of eight elements.

The main source is firstly information freely accessible on the internet completed with information obtained from the operators.

### 3.2.1 Product

In the area of supply of services exists a differentiation between the basic product and the supplementary one. The basic product represents the main reason for a purchase and the supplementary product is offered along the basic one and adds a specific value to it.

The basic product of the fitness centre is to offer an entrance inside. The entrance is not time-limited, meaning the customer does not have only one hour, which is typical for massages or spas. It can be used only once in the same day and it is limited for only one

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<sup>49</sup> Fitness Sokol Olomouc – Domů. (n.d.). Retrieved February 24, 2016, from <http://www.fitness-sokol.cz/>.

person. The entrance includes free usage of the equipment of the fitcentre as long as no one else uses it at the moment.

As for the supplementary products, the fitness industry usually provides customers with wide range of varieties. In this case it is represented by the possibility of attending group lectures, purchasing products and refreshments from various sports brands such as Nutrend or Superior 14, personal trainers and valuable advices and information.

### **The overview of provided group lectures:**

Customer must make a reservation at the bar or on the website [fitbus.reservio.com](http://fitbus.reservio.com).

- *Battery Workout – training focused on the improvement of physical condition, muscular growth and centre of the body*
- *Girls Exclusive – training sessions only for women*
- *Cross Training – training concentrating on the basis of crossfit*
- *Interval Training – training of muscular endurance performed in intervals*
- *Best Friend – training in pairs, competitions in the best execution*
- *Mobility – training focused on stretching and improvement of mobility*

The program called Fitness start which is in the pipeline concentrates on beginners and contains a package consisted of three training sessions for concessionary price 600 CZK. These three trainings are completely different and therefore provide the clients with a choice according to their taste. Trainings take place only with a trainer present and with no one else watching or attending.

There are three available trainers who are ready to help and guide everyone who needs it and there is also a possibility to make an arrangement and let them coach you personally for 300 CZK per hour. As for the equipment, multifunctional exercise equipment with eight seater capacity, single-handed dumbbells (1-50 kg), horizontal bars, multipress, squat rack, classic equipment designed for strenghtening chest, back, legs and arms are ready for use. Another indispensable part of the fitness centre is weightlifting platform and robust bench press used mostly by powerlifters. A smaller cardio fitness room offers a treadmill, stepper, cross simulator and spinning bike.

### 3.2.2 Price

Price which is determined by the operators reflects several important factors of the fitness centre such as positioning, but also interior equipment and environment. Another valid factors that should be taken into account are the seasonal ones. Many enterprises adjust their price according to the seasonal changes. Particularly the months before summer holidays and the months after new year are known for increased interest in customer's sphere. Despite these seasonal differences the fitness centre does not set higher price and it stays invariable throughout the whole year. Fitness Sokol similarly to other fitness centres lowers the price for students. This trend became very popular and effective especially in bigger cities such as Olomouc, where the number of students coming for varying stays goes beyond 20,000 per year.

#### **Current price list:**

- One-time entrance – 70 CZK/65 CZK student
- Advance on locker – 50 CZK
- Group lectures – 80 CZK/person
- Monthly permanent pass – 650 CZK/600 CZK student
- Permanent pass good for 10 entries – 750 CZK
- Permanent pass good for 15 entries – 1100 CZK

### 3.2.3 Place – Distribution

The fitness centre offers services only in the place of business, therefore its customers have to go there to obtain the product. In case of group lectures it is necessary to reserve a place and pay in advance. The reservation can be made via internet site [fitbus.reservio.com](http://fitbus.reservio.com).

Opening hours – unfortunately dependent on opening hours of the whole building

- Monday – Friday: 12:00-20:00
- Weekends: closed

### 3.2.4 Marketing communication

The main customer base in the new operation is mostly formed by a few former permanent clients and their friends and also by friends of the new operators. The clientele

increased in numbers thanks to positive personal recommendations which were the result of high-quality changes. It can be said that the most important factor affecting the positive feedback of customers is their satisfaction with offered services.

The main element of the communication mix is internet. Internet domain sokololomouc.cz provides information about the entire Sokol Olomouc, but unfortunately the given information about the fitness centre from the previous operators are not up to date. Therefore the current operators decided to create a new website fitness-sokol.cz, which will provide entire new info about the fitness centre including price list, opening hours, addresses and contacts.

Fitness Sokol also uses Facebook page named Fitness Sokol Olomouc as a tool for communication with the customers, where everyone can find a current offer of services, price list, addresses and also newsletter and information. This Facebook page which was created last year can be also used for sending private messages directly to the operators.

Olomouckadrbna.cz, a website created primarily for the Olomouc city residents represents another source that shares information about the fitness centre. This website posts an advertising banner of the fit centre together with an interview done with one of the operators, Dorota Dzikova, who represents the fit centre also by winning a national competition in power lifting.

### **3.2.5 People**

Dorota Dzikova and Petr Osina are the two operators responsible for running the fitness centre, which was entrusted to them in 2015. They were selected and approved by the management of Sokol Olomouc who was appointed to supervise the arrangements. The operators also took on the role of trainers and lecturers together with their close friend.

Together they take shifts four hours long at the bar and take turns according to the current group lectures which take place during the afternoon till the evening. They are planning to get another temporary worker in the first half of 2016.

### **3.2.6 Packaging**

Packaging introduces the idea of bundling related products or services together. To be more specific, some fitness centres for example offer free usage of towels and unlimited

consumption of water as an extra bonus for the customers. Fitness Sokol offers free water for the time being. Furthermore, the fitness centres in Zlín and Kroměříž are situated in the buildings where swimming pools can be found, therefore their operators used this potential to add free entrance to the swimming pool as a bonus for the customers.

### **3.2.7 Partnership**

Majority of fitness centers cooperate with a certain brand offering nutritive supplements suitable for sportsmen. Those brands sell their products for concessionary prices and fit centres offer them to the customers at the bar. Nutrend, which is a Czech company represents the most demanded brand on the market and provides fit centre owners with the best conditions available, such as accessibility, reliability, lowered prices, quality and steady dominance on the market. Except for Nutrend, Fitcentrum Sokol also cooperates with newly established company called Superior14, which makes nutritive supplements for sportsmen too.

## **3.3 Environmental Analysis**

Given the selected sector and size of the company I am going to analyze primarily its microenvironment which is consisted of customers, competition and suppliers.

Data necessary for the creation of the environmental analysis were obtained on freely accessible websites, by getting statements from the operators, by making a field survey and creating a questionnaire.

### **3.3.1 Competition**

The Olomouc city covers an area of ten thousand hectares and numbers more than fifteen official fitness centres. Most of them are scattered over several urban areas, so the city centre and its one kilometre radius does not have so many options similar to Fitness Sokol. To be exact, there are only four different fit centres, moreover few of them cannot be seen as a direct competition because they offer totally different services and products and have certain segmentation of customers (Contours – only women allowed).

- Contours
- LR Fitness
- Prestige-Fitness

### 3.3.1.1 Contours

Contours represents network of branches based on club membership and specialized only for women. One local branch can be found approximately three hundred metres away from Fitness Sokol. Training has a form of circuit high-intensity exercising on sixteen stations in total – eight power-lifting stations and eight aerobic ones. Weight training equipment in Contours is built specifically to meet women’s needs.

For the first visit it is necessary to make a reservation on the website contours.cz via form called „trial hour“, which includes help from the professional trainer for free. Then the client has to buy a club membership for the minimum of three months and from that point the client can visit the fitness centre anytime without the trainer’s help.

Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
7 a.m. – 9 p.m.	6:30 a.m. – 8 p.m.	7 a.m. – 9 p.m.	6:30 a.m. – 8 p.m.	7 a.m. – 8 p.m.	9 a.m. – 2 p.m.	2 p.m. – 8 p.m.

Table 1 Contours – opening hours (thesis author)

Price list	In cash	Standing order	Instalments
<b>3 months</b>	2890 CZK		
<b>6 months</b>	4890 CZK	939 CZK/month	989 CZK/month
<b>12 months</b>	8990 CZK	853 CZK/month	898 CZK/month
<b>24 months</b>	15990 CZK	751 CZK/month	789 CZK/month

Table 2 Contours – price list (thesis author)

If you decide to become a member on the first visit, you do not have to pay an activation fee 250 CZK, furthermore seniors, students and people who have insurance with VZP can use 10% discount. The membership includes dietary and exercising recommendations, children’s room, group lectures, supervision over your personal diary (reporting progress), etc.

Contours offers even more services such as massages, infrasauna, VacuElite, Spotee.cz, full body analysis and nutritional consultation. Moreover, the members are

provided with some minor discount when using these services. More information together with detailed price list are available on the website [contours.cz/fitness/olomouc](http://contours.cz/fitness/olomouc).<sup>50</sup>

### Weaknesses

- **Marketing strategy „Only women allowed“** – can be seen as both strength and weakness; fitness centres usually visited more by men; potential loss of profit; first and unfortunately not last condition of the fitness centre.
- **Only circuit training** – some women can feel the lack of classic fitness machines, dumbbells and weights; clients can feel certain limitations.
- **Club membership** – many people cannot afford major one-time investments like three month membership or plan their time schedule far ahead; club membership suggests a form of commitment for the client.
- **Price list** – the need of club membership means very high price in comparison to other fitness centres; neither equipment nor offered services match with the price.

### Strengths

- **Marketing strategy „Only women allowed“** – women can sometimes feel intimidated or ashamed when exercising in front of men; this strategy excludes this situation and provides women with prestige and exceptionality.
- **Personal approach** – very noticeable positive attitude towards women clients; wide range of additional services.
- **Above-standart opening hours** – clients can visit the fitness centre during the whole day, even before they must go to work; visible flexibility.

#### 3.3.1.2 LR Fitness

LR Fitness owned by Lenka Růžičková is located on the 8th May Street above the Upper Olomouc Square. It is approximately one or one and a half kilometres away from Fitness Sokol and offers specific services very different from classic fit centres. Potential customers cannot find typical exercising machines or dumbbells and weight, instead they will come across vibrating platforms called Power Plate and cardio machines using method

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<sup>50</sup> Welcome to Contours | Contours. (n.d.). Retrieved March 13, 2016, from <http://contours.cz/en>.



named Airpressure Bodyforming bolstered by wearing vacuum pants or belts for better blood circulation. The service using this method is called Slim Belly or Slim Legs.

One entrance is good for one lecture thirty minutes long, either on Power Plate or using Airpressure Bodyforming. It is possible to buy ten or even twenty entrances all at once and they are valid during the entire year. Another possible way to become a customer is to buy a permanent pass valid only for one month with twelve or twenty-four entries, which is designed for more active and motivated clients and offers more lectures for the same price. LR Fitness website does not include opening hours, but only telephone number of the owner/worker and more detailed price list and information.<sup>51</sup>

1 Lecture	200 CZK
10 Lectures	1200 CZK
20 Lectures	2200 CZK
Monthly permanent pass for 12 entries	1200 CZK
Monthly permanent pass for 24 entries	2200 CZK
Slim Belly /Legs – 3 lectures per week	490 CZK
Slim Belly/Legs study – 12 lectures per month with continuous monitoring	1960 CZK

Table 3 LR Fitness – price list (thesis author)

### Strengths

- Good location of the fitcentre
- Personal approach and care for the clients
- Segmentation can also provide certain benefits – for example environment without competition

### Weaknesses

- Significant limits as for the offered services and equipment – distinctive segmentation of the customers is possible consequence
- Services are offered for relatively high prices which can lead to another segmentation – only well-of customers
- Opening hours depend on previous arrangements made with the owner

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<sup>51</sup> Fitness vybavené slim belly, power plate, inbody 230, certifikované výživové poradenství. (n.d.). Retrieved March 13, 2016, from <http://www.lrfitness.cz/>.

### 3.3.1.3 Prestige-Fitness

Prestige-Fitness is situated on the outskirts of the city centre, but still in one and a half kilometre radius from Fitness Sokol. Website connected with Prestige-Fitness introduces it as Help CZ. The fitcentre can be found in the extensive basement of high-rise building RCO across from Olomouc main railway station. The offered services are more comparable with the services provided by Fitness Sokol, therefore it can be labeled as a direct competition.

Premises are divided into four zones:

- **Functional** – this zone is the newest one and offers many equipment specialized for functional training (kettlebells, horizontal bars, Bosu pads, wall bars and others).
- **Weight training** – includes basic machines for all muscles and even several additional machines.
- **Cardio** – treadmills, elliptical machines, steppers and many others.
- **Stretching** – tools and equipment for the improvement of mobility.

Fitcentre cooperates with Nutrend company and customers can buy their product at the bar. There are six trainers available together with infinite number of group lectures, such as Ladies Workout, Dance Workout, Pilates, Power Joga, Deep Work, Bodystyling, Tabata, Rehabilitation exercises, Sports aerobic, Cchi-kung, Total Body Work, Booty Workout, Cardio Aerobic, H.E.A.T., Cross Training, Spinning and Trampolines. Some lectures take place in Small hall and some in Big hall, which are additional premises separated from the main gym. Several lectures also take place inside the fitcentre and these zones are closed for the public at particular times. Except for the trainings the fit centre offers various types of massages and solarium.

Table 4 Prestige-Fitness – opening hours (thesis author)

MON-SUN	6 a.m. – 9 p.m.
WEEKENDS	9 a.m. – 9 p.m.

Table 5 Prestige Fitness – price list (thesis author)

Price list (CZK)	One-time entry	Tariff „student/senior“ discount 20%	Tariff „basic“ discount 15%	Tariff „top & corporate“ discount 30%
<b>Fitness – unlimited time</b>	100 CZK	80 CZK	85 CZK	70 CZK
<b>Fitness – zlevněný pro students/seniors/ztp till 4 p.m.</b>	60 CZK	60 CZK	60 CZK	60 CZK
<b>Monthly permanent pass</b>	890 CZK	690 CZK		
<b>Permanent pass for three months</b>	2490 CZK			
<b>HELP club card</b>		Minimum deposit 500 CZK	Minimum deposit 1500 CZK	Minimum deposit 3000 CZK

Fitcentrum offers club membership that has a form of credit card and clients use the credit card to differentiate themselves according to the groups they belong to. Every group has a specific discount on provided services. Group lectures are only for those who own the card with the minimum of one hundred CZK on it. The prices of lectures are ranging from eighty to one hundred CZK without including tariff discount. Detailed overview of all prices is available on [helptobefit.cz](http://helptobefit.cz)<sup>52</sup>

### Weaknesses

- This particular fitcentre is more connected with direct competition – certain offered services can be found also in other fitcentres
- Worse accessibility and location of the fitcentre
- Worse personal approach

### Strengths

- Long opening hours

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<sup>52</sup> Help to be fit. (n.d.). Retrieved March 13, 2016, from <http://www.helptobefit.cz/>.

- Miscellaneous variety of services
- Convenient pricing and special discount offers
- Separation into individual, sufficiently equipped zones
- No segmentation of customers

<i>Direct comparison</i>	<b>Fitness Sokol</b>	<b>Help CZ (Prestige-Fitness)</b>
<b>Classic entry price</b>	70 CZK	100 CZK
<b>Discount entry price</b>	65 CZK	80 CZK
<b>Monthly permanent pass price</b>	650 CZK	890 CZK
<b>Monthly discounted permanent pass price</b>	600 CZK	690 CZK
<b>Club membership</b>	No	Yes
<b>Sortiment suppliers</b>	Nutrend, Superior14	Nutrend
<b>Number of group lectures</b>	6	17
<b>Group lecture price</b>	80 CZK	80-100 CZK
<b>Separation of exercising zones</b>	No	Yes
<b>Personal trainer services</b>	300 CZK	350 CZK
<b>Number of personal trainers</b>	3	6
<b>Size of the exercising zones</b>	Smaller	Medium
<b>Number of Facebook fans</b>	~790	~1500
<b>Opening hours</b>	12 a.m. – 8 p.m. closed on weekends	6 a.m. – 9 p.m. , weekends 9a.m. – 9 p.m.
<b>Parking</b>	Next to the building on the outdoor premises	Underground parking nearby

Table 6 Comparison of FS and Prestige Fitness (thesis author)

### 3.4 Fitness Sokol SWOT Analysis

The following table introduces factors influencing Fitness Sokol Olomouc.

Strengths	Weaknesses
<ul style="list-style-type: none"> <li>- Homely atmosphere, more personal approach</li> <li>- Location of the fit centre</li> <li>- Two different goods suppliers</li> <li>- Possibility of outdoor group lectures</li> <li>- Sports achievements and participations of the members</li> </ul>	<ul style="list-style-type: none"> <li>- Promotion</li> <li>- Smaller premises and limited equipment</li> <li>- Exercising zones and group lectures not separated</li> <li>- Dependence on opening hours determined by the management of Sokol</li> <li>- No privileges connected with club membership</li> </ul>
Opportunities	Threats
<ul style="list-style-type: none"> <li>- Downfall of rival companies</li> <li>- New alternations and better conditions from the management</li> <li>- Participations and achievements in the sports tournament</li> <li>- Growing public interest concerning active life style</li> </ul>	<ul style="list-style-type: none"> <li>- New competition in the same area</li> <li>- New conditions or restrictions from the management</li> <li>- Higher failure rate of the equipment</li> <li>- Decreased public interest for exercising</li> </ul>

Table 7 Fitness Sokol SWOT analysis (thesis author)

### 3.4.1 Strengths

Among the strengths of Fitness Sokol belong homely atmosphere and more personal approach towards customers, which is partly possible thanks to smaller premises and smaller amount of customers visiting the fit centre, therefore every customer gets more time and attention from the staff who can more easily meet extra needs of every single visitor.

Location of the fit centre is advantageous for the supply of new potential customers because it is located between halls of residence, university, shopping centre, park and the centre of the city and enables great accessibility by foot or driving car or bike.

Customer has an opportunity to choose from two major distributors – companies Nutrend and Superior14, which gets Fitness Sokol the upper hand in the market because other centres offer supplements from only one distributor.

Outdoor concrete premises also belong to the building and can be used as a place for organizing certain group lectures in case of nice and sunny days.

The operators actively participate in sports events and tournaments which can be very effectively used for promotion and betterment of the image of Fitness Sokol. These sports achievements are very crucial indicators for the customers that show both capability and

credibility of the trainers and it can be seen as a real advantage for the fitcentre, because customers may take them into consideration when deciding about getting help from a professional trainer.

### **3.4.2 Weaknesses**

Promotion and marketing communication of the fitness centre are still quite insufficient and there are no banners, signs or indicators outside the building, so many people passing by do not really know about the fact that there is a fitness centre in the area. Those who know about it do not have know that new operators are now running the gym and doing better job than the old ones.

Some customers may find the gym size inconvenient, because the smaller the gym is, the lesser amount of equipment can be fit in. Therefore people have to communicate to one another and agree to take turns when using the equipment.

Fitness centre offers two zones – cardio zone and weightlifting zone, but unfortunately these zones can not be separated due to the size of the gym and many customers, especially women who use the cardio zone more frequently than men can find it uncomfortable.

The owner of all fitcentre premises is organization called Sokol, therefore the operators must obey every demand they receive. The biggest weakness are opening hours that are determined by the opening hours of the whole building, which can lead to loss of customers who would like to go exercising later in the evening. Another rather unpleasant situation occurs when customers come inside and pay the entrance, because they also have to pay refundable prepayment before they get a key to a locker. It would be better to cancel this obligation.

Fitcentre does not offer club membership and customers can not use loyalty bonuses in form of a discount. The operators may lose guaranteed profits.

### **3.4.3 Opportunities**

The first possible opportunity is certainly a downfall of their competition, because the customers usually choose the closest available and similar fitcentre instead.

The next opportunity lies in hands of the Sokol management. If they decide to prolong the opening hours of the whole building, the fitness centre can do the same and gain more potential customers.

Opportunities are also connected with sports achievements of Fitness Sokol operators. Their success makes better image for the gym and more people will see their name and photographs on the internet or in the newspaper. Promotion of this kind can for example attract companies offering advantageous cooperation contracts.

Constantly growing public interest in healthy and active lifestyle can be seen as an opportunity as well. This can lead to more customers and bigger profit.

#### **3.4.4 Threats**

Major threat lies in the nearest competition offering similar goods and activities or possibly cheaper entry, which can end in loss of customers who would surely prefer lower prices.

Another danger is connected with Sokol management who has the right to dictate conditions and the fitness centre has a responsibility to meet those requirements. The possible problems which may occur are for example even shorter opening hours, no loud music allowed, property reconstructions, etc.

Every equipment used by people is slowly worn down and it is very difficult to estimate the exact time when it actually stops working. For instance, some complex fitness machines repairs can cost several thousands and expenses so big can disrupt the whole running of Fitness Sokol. Many fitness centres leave their non-functional equipment be and it can become a contributing factor when customers decide to exchange the gym for something better.

People nowadays are very aware of growing interest in becoming healthier, sexier and stronger, but there is always a possibility that this trend may reverse itself and more people will simply lose their interest and stop exercising or visiting gyms which will lead to no profits. There will not be place in the market for new fitness centres because there will not be a reason to invest in something which is no longer desirable.

## 4 QUESTIONNAIRE SURVEY

The first and most important aim of the survey was to find out whether the Fitness Sokol customers are satisfied with provided services. The secondary aim concentrated on getting to know them better in order to apply suitable marketing strategy and communication.

The questionnaire comprises of sixteen questions in total from which ten are closed (the respondent can choose only one given option), three are open (the respondent can freely formulate his or her own answer), two are half-closed and one is closed with more possible answers to mark. The questionnaire was created on the website [www.survio.com](http://www.survio.com) and subsequently the Fitness Sokol operators were asked for cooperation, therefore they helped out by placing the questionnaire on their Facebook page „Fitness Sokol Olomouc“. This website currently numbers around eight hundred fans. The questionnaire was posted there repeatedly from 1st of March till 20th of March so I could gather sufficient number of answers.

The total number of respondents stopped at sixty-six and the return rate is seventy-three percent, which implies that the questionnaire was not finished by twenty-seven percent of the respondents. The return rate is given by how many people only saw the questionnaire and how many of them actually completed it. The time required for completion ranges somewhere between five and ten minutes.



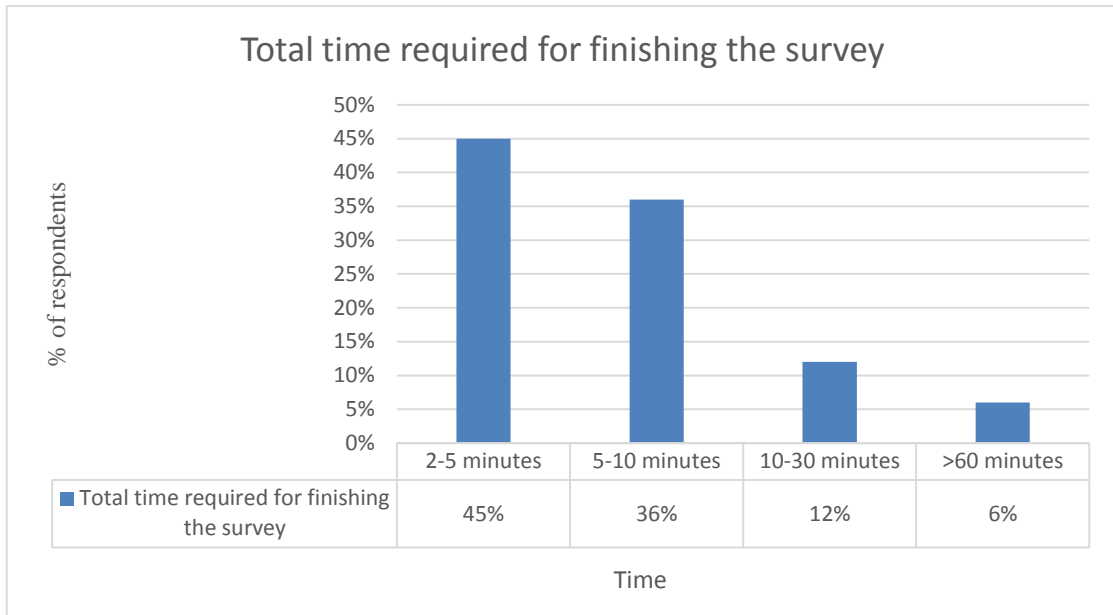


Figure 1 Total time required for finishing the survey (thesis author)

The results show that majority of respondents needed around five minutes to complete the questionnaire. The longer times imply that respondents were simultaneously busy with some other activity on the internet.

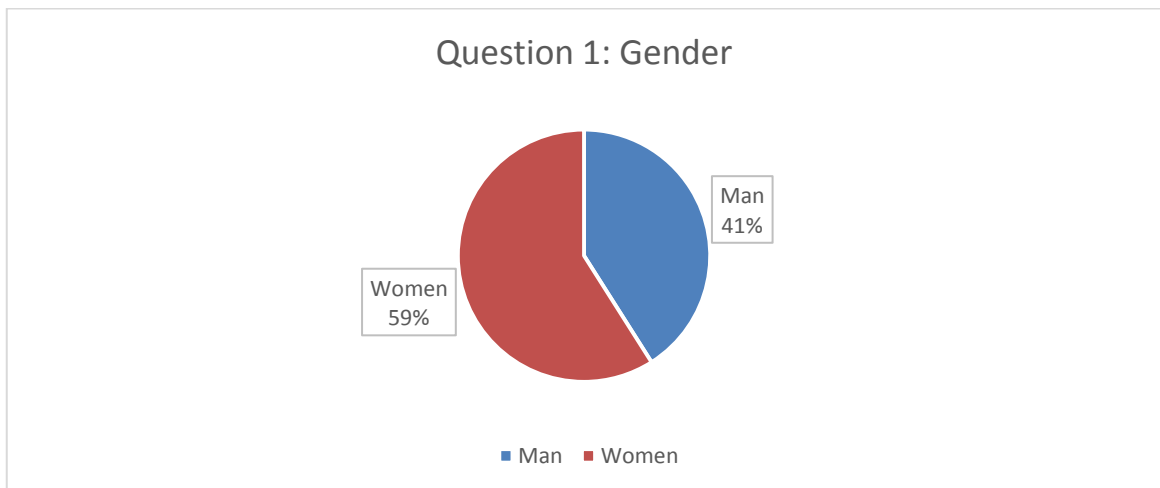


Figure 2 Question 1: Gender (thesis author)

The first question focused on gender of respondents. The results show that fifty-nine percent of all are women and only forty-one percent are men, however it is not possible to draw a conclusion from it. Not every respondent is necessary a customer of the fitness centre, even if it is expected. The structure of all potential respondents is based on very

helpful function concerning page statistics provided by Facebook, which shows that this page has 62% of women fans and 38% of men fans. But there are also more factors influencing the structure, such as a research done by STEM/MARK which concluded that women spend more time on Facebook and are generally more willing to help with questionnaires.<sup>53</sup>

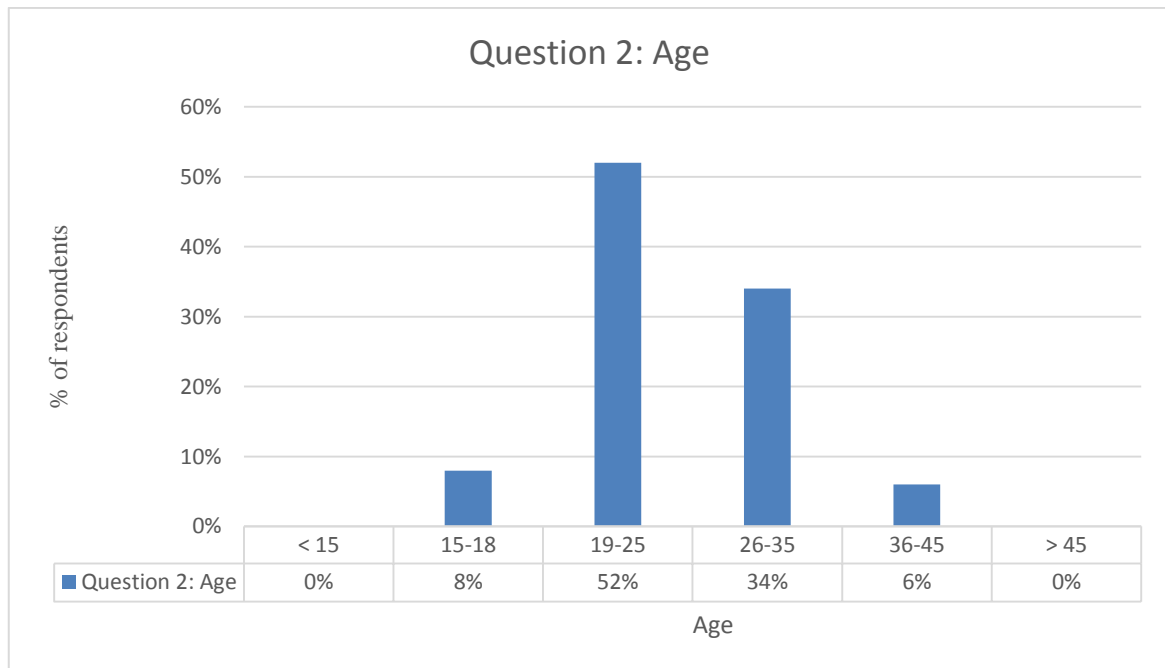


Figure 3 Question 2: Age (thesis author)

The second question focused on age of respondents. Most of them were are 19 to 25 years old, which is 52%. The second age group ranges between 26 to 35 years old, which is concretely 34%. The third range is between 15 and 18 years old, which is only 8% and the last one is between 36 to 45 years and that is only 6%. There was no one older than 45 years answering. Taking these results into consideration, we can paint a picture showing age structure of the fitness centre visitors. Majority of the respondents and their age points at growing trend demanding physical beauty. Young people nowadays try really hard to look their best and fit in. The lower age group ranging between 15 to 18 years old is somewhat surprising, because it displays the main difference between the customer and the respondent. While Fitness Sokol has high number of the customers who are 15-18 years

<sup>53</sup> Průzkum agentury STEM/MARK pro společnost Cetelem. Převzato z [www.stemmark.cz](http://www.stemmark.cz) 22.3.2016

old, there was a very low number of them responding to the questionnaire, which shows that this age group does not engage very well and people that young sometimes tend to express a lack of interest.

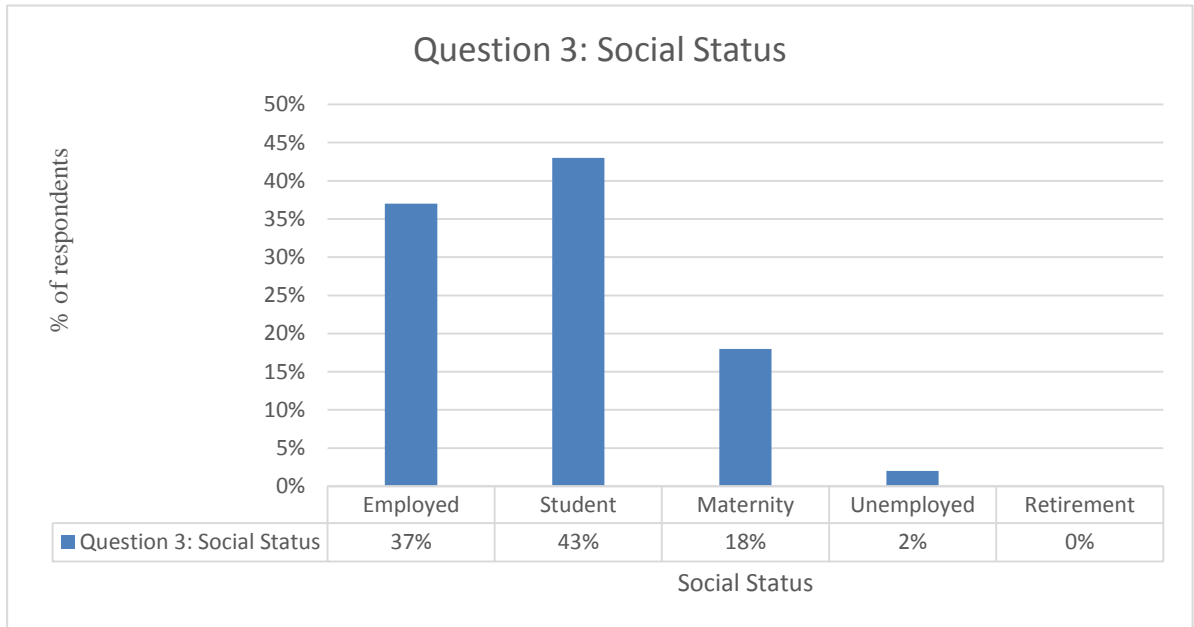


Figure 4 Question 3: Social Status (thesis author)

The third question conveniently completes information acquired from the second one and helps to find out even more details about the customer. It offers certain view on financial situation of the customer, his or her behaviour, desires and needs. Fitcentre uses the data to better and adapt itself more successfully and also to come up with more suitable marketing strategy and communication.

The highest ratio of 43% is the number of students followed by employed people, which is 37%, women/men on maternity leave, which is 18%, unemployed, which is 2% and retirees (including disabled), which is 0%. The high number of students can be justified by the location of the fitcentre and also by the trend described in the second question. Meanwhile students fit in age category from fifteen to twenty-five years old, the majority of employed respondents are from twenty-six to thirty-five years old. Parental leave is also a considerable part of the results. Nowadays it is more common for fathers to stay at home with a child which in some cases leads to increased activity on social

networks where they take their mind off things or look for information that help with exercising or health or just simply look for social activities. If the right marketing communication will be applied, the fitcentre can benefit from this situation even more effectively.

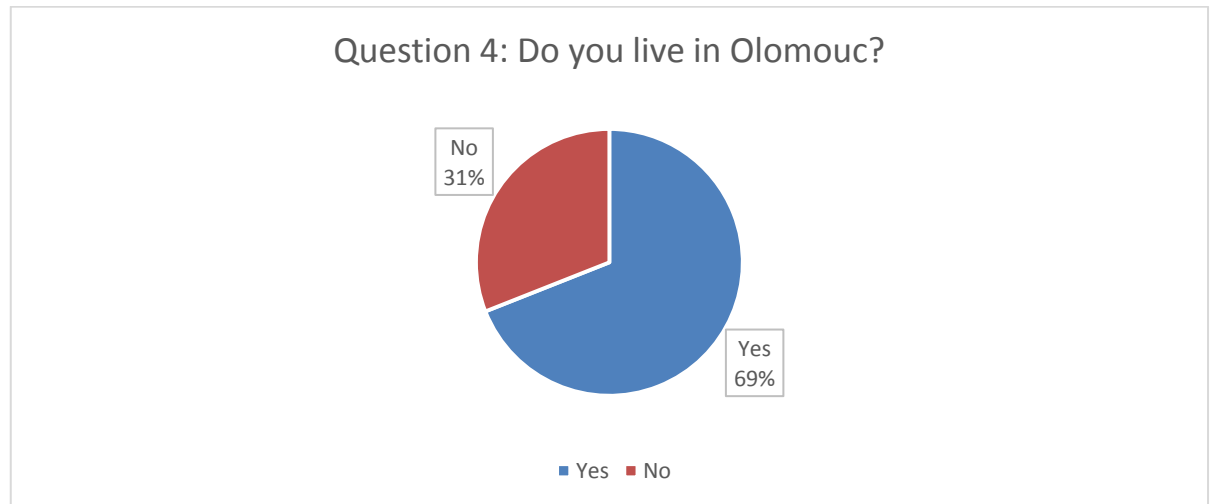


Figure 5 Question 4: Do you live in Olomouc? (thesis author)

The fourth question tries to find out the ratio of respondents living in Olomouc city. It is anticipated that those living in Olomouc have easier and better access to Fitness Sokol and therefore they represent more active group of customers who bring higher profits. For instance, the group lectures usually take place later in the afternoon, so it is more likely that they are visited mainly by Olomouc city residents. However, the second group reached quite high result as well. We can almost certainly assume that most of them are students commuting to school and the previous question shows that students are substantially represented group. Even this result can be used towards making positive outcomes.

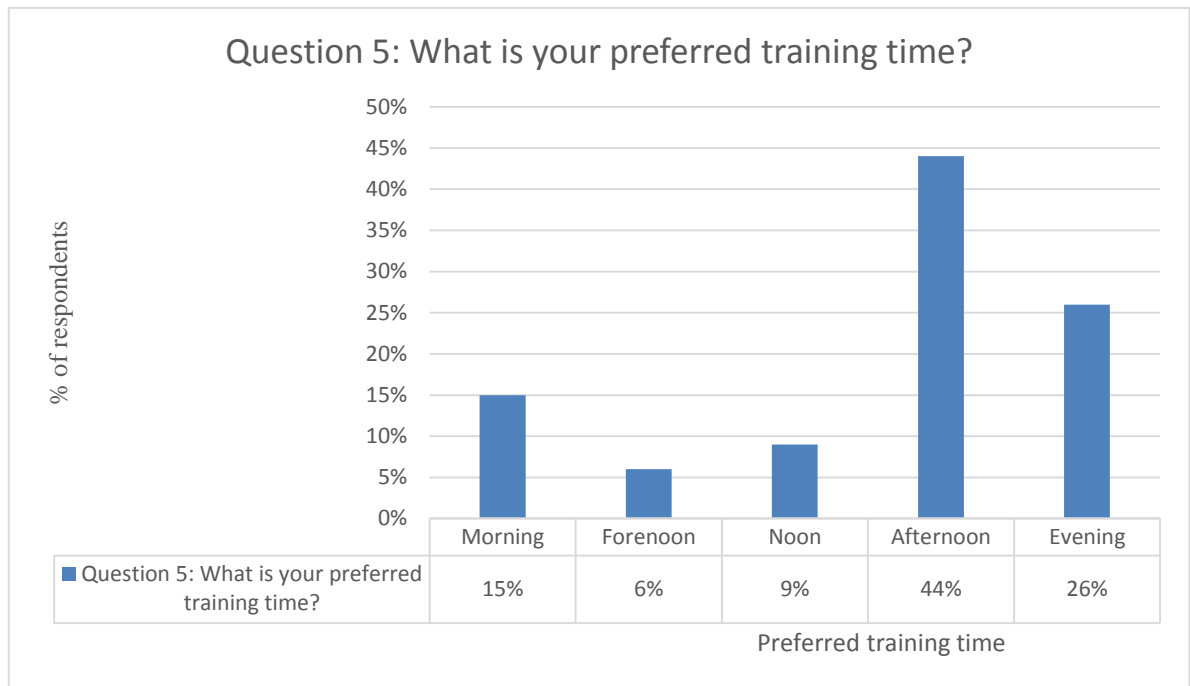


Figure 6 Question 5: What is your preferred training time? (thesis author)

The fifth question investigates the most popular time for working out chosen by customers and looks for a discrepancy between this time and opening hours of the fitcentre. The results can be useful when evaluating how many customers would welcome change in the opening hours.

We can see that considerable percentage of people would like to go in the morning even if they can not. Majority of people visit the fitcentre in the afternoon or evening, because this is the time when they finish working, therefore the group lectures also take place in this interval.

**Question 6:** Where did you learn about the existence of FS (Fitness Sokol)?

Purpose of the sixth question is to find out from where people learn about Fitness Sokol. The results can serve as an important base for expanding or strengthening distribution channels.

The results show that the strongest channel is internet together with recommendations from a friend. However, the term internet is a summary of several channels simultaneously placed on the internet. For instance, it is a principle like „list of companies“ on searching

websites such as „google.cz“ or „seznam.cz“, furthermore advertisements and mutual recommendations or suggestions of fan pages on social networks (especially Facebook) or directly the website fitness-sokol.cz and the article included on the website olomouckadrba.cz. Several cases of recommendation came from Dorota, the operator of the fitcentre. Minute part was formed by the respondents who accidentally came across the fitcentre thanks to its location.

The fitcentre should focus on sustaining quality, so the positive propagation and expansion of the internet channel could successfully continue.

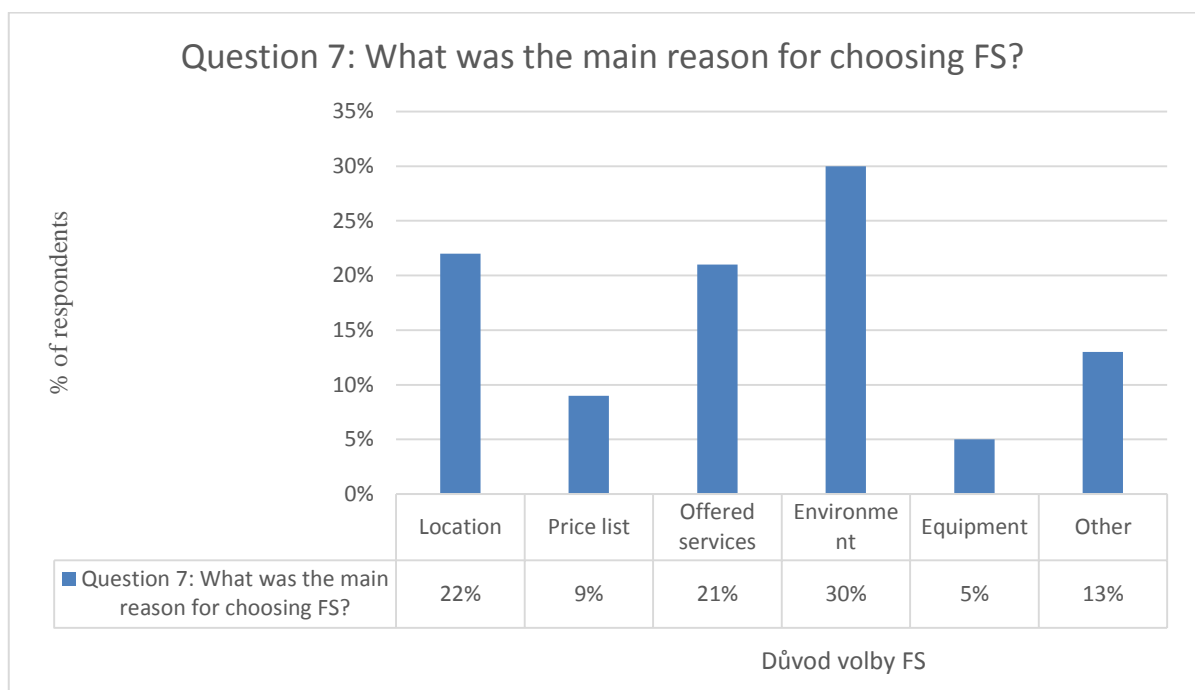


Figure 7 Question 7: What was the main reason for choosing FS? (thesis author)

Purpose of the seventh question is to figure out customer’s motive when it comes to visiting this particular fitness centre. The question also reveals strengths and weaknesses and distinction between Fitness Sokol and other fitcentres which can be used by FS management.

As for the results, they show customers value pleasant environment of Fitness Sokol most. The second most important factor influencing the choice of selecting FS is its location which proved to be one of its essential strengths. The offer of services interested 21% of customers, which means that personal trainings and varied group lectures are more than sufficient. The term „other“ included reasons such as „great team“, „friends“ or

„amazing operators“ and all of those listed reasons are closely connected with the environment of Fitness Sokol. The customers really want to feel good and this fact is even more important than the equipment itself which got only 5% of the votes. Surprisingly more respondents chose a pricelist as the reason to visit, therefore it is possible to assume the prices are adjusted nicely and lowly in comparison to other fitness centres.

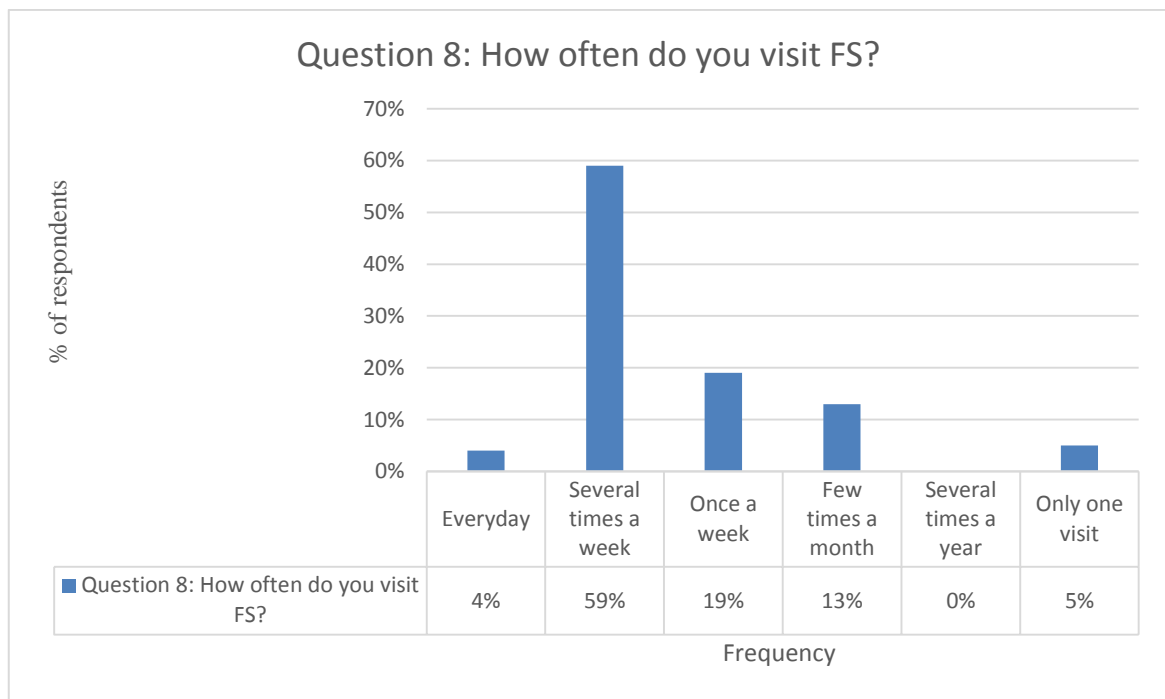


Figure 8 Question 8: How often do you visit FS? (thesis author)

The eighth question provides an overview of average turnout of the fitness centre. The highest number of customers (59%) go to Fitcentre several times a week and that is the most frequented figure, therefore it can be said that FS has plenty of loyal customers. Even the second highest figure (19%), which is considerably different from the first one, also show at least some regularity. Visiting Fitness Sokol only few times a month (13%) points out to customer’s choice from other diverse options on the market or other priorities. The fitcentre was visited only once by 5% of the respondents, so FS probably did not meet their expectations. On the other hand, placement of the questionnaire on the fan page somehow goes against this statement. The overall results show that many respondents are also loyal customers and it would be good to keep it that way and continue to motivate them.

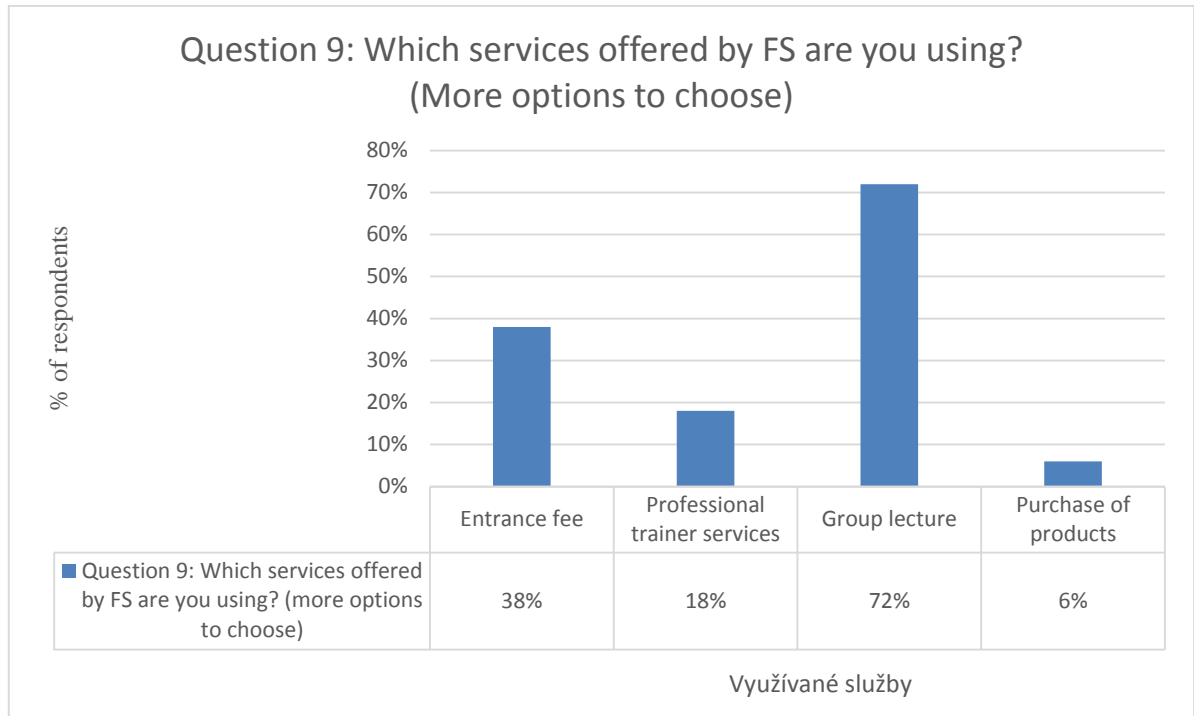


Figure 9 Question 9: Which services offered by FS are you using? (thesis author)

The purpose of the ninth question is to find out which one of the offered services is preferred the most. It was expected that the main offered service – entrance fee to the gym will be the most wanted one, but unexpectedly the first place was taken by group lectures. Majority of respondents chose attending group lectures over going to the gym. Group lectures are very popular, therefore it is necessary to take its great potential and develop the idea more profoundly to benefit from it even more. Aside from paying the gym entry fee, almost half of the respondents used or is currently using help from professional trainer. Purchase of products sold at the gym’s bar can be classified only as occasional matter.



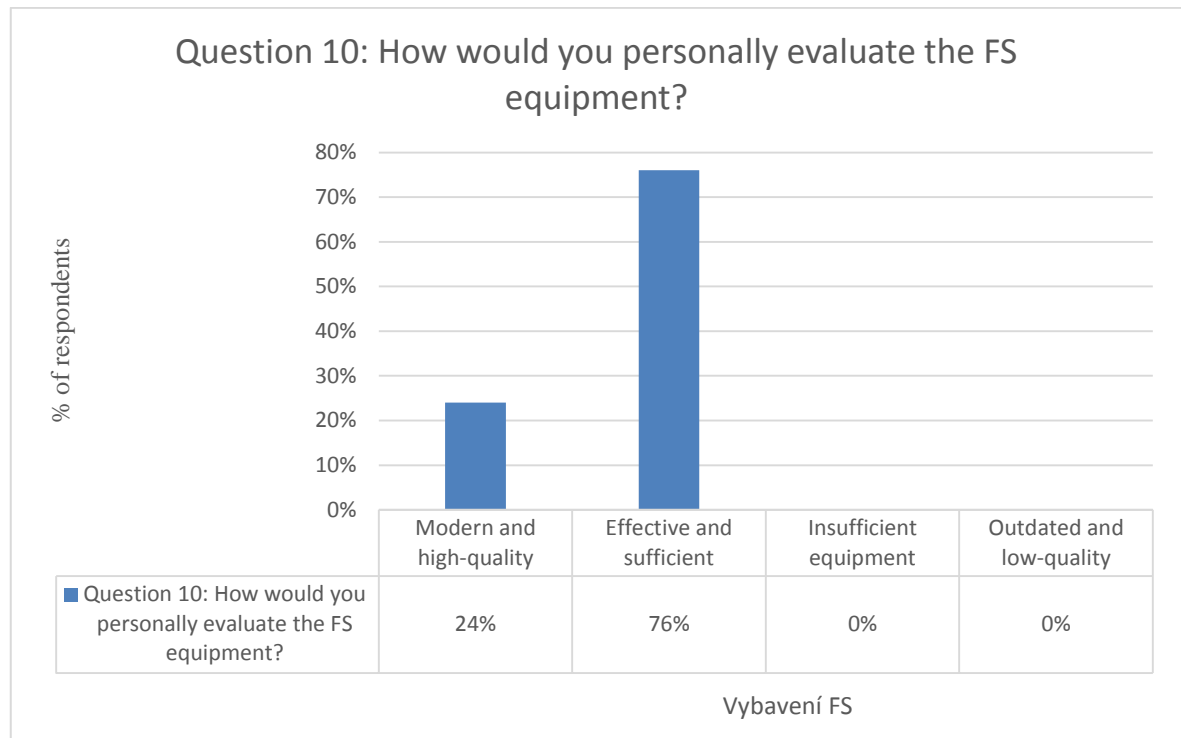


Figure 10 Question 10: How would you personally evaluate the FS equipment?  
(thesis author)

Both preceding and the tenth question reveal the fact that equipment can not be considered as major priority of the customers as well as the operators of FS. Very high percentage of the respondents, exactly 76% see the equipment as effective and sufficient enough. Only 24% described it as modern and high-quality one, moreover the two remaining rather negative parameters were not picked at all. Thus it is possible to assume, that customers are satisfied with the state of the equipment and there is nothing significant missing.

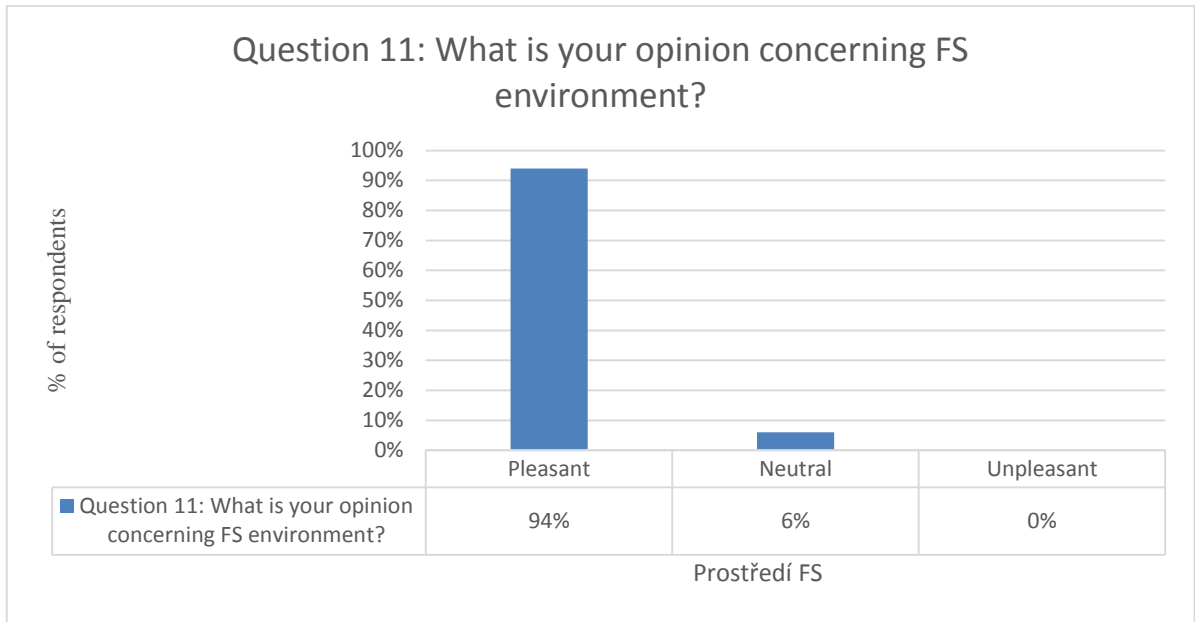


Figure 11 Question 11: What is your opinion concerning FS environment? (thesis author)

Feeling comfortable when exercising is more important than one might think. The customers feel more happy and energized, which can lead to better approach and greater physical results. These feelings together motivate the customers and they are coming back more often, which leads to greater spending. Unequivocal 94% of the respondents answered, that they felt or feel very nice there. Only 6% feel absolutely neutral, and that is always better than not feeling good. The results are definitely a great success for FS and the operators should do their best to keep it that way in the future.

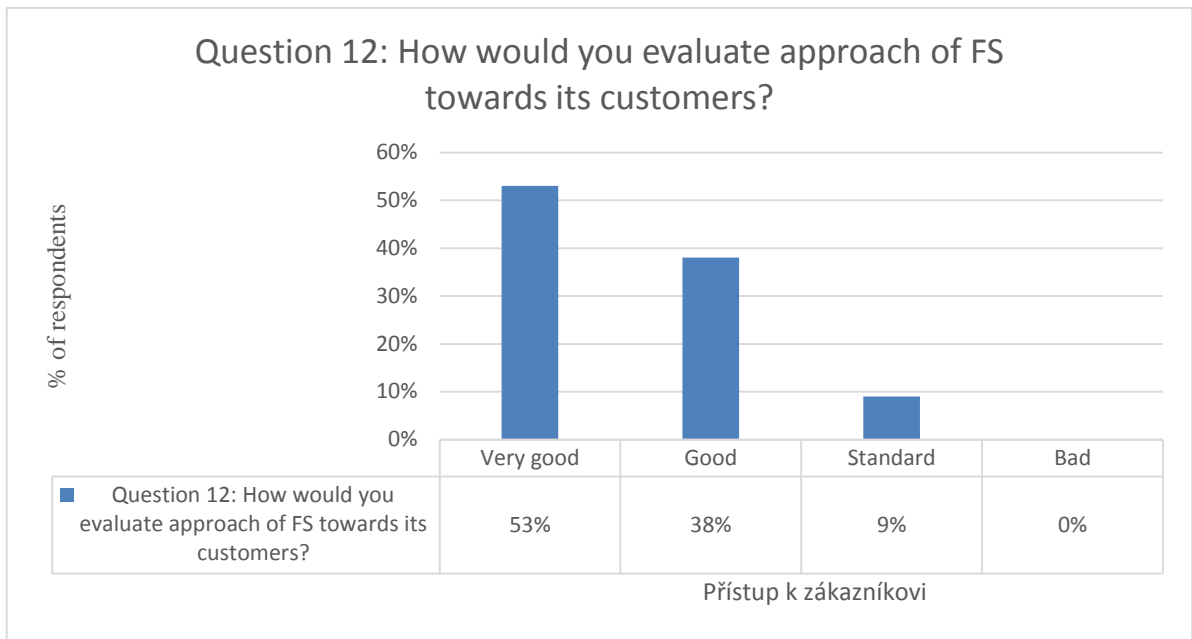


Figure 12 Question 12: How would you evaluate approach of FS towards its customers? (thesis author)

The purpose of the twelfth question is to obtain a feedback from the customers concerning the approach of FS staff towards them. Two possible answers are positive, one is neutral and the last one is negative. The majority of the respondents (55%) chose the option „very good“, 38% see the approach as „good“ and 9% thinks that it is the „standard“. There was no one who thought that the approach is „bad“, therefore the overall results are more than satisfactory and show that FS is doing a great job as for the customer care.

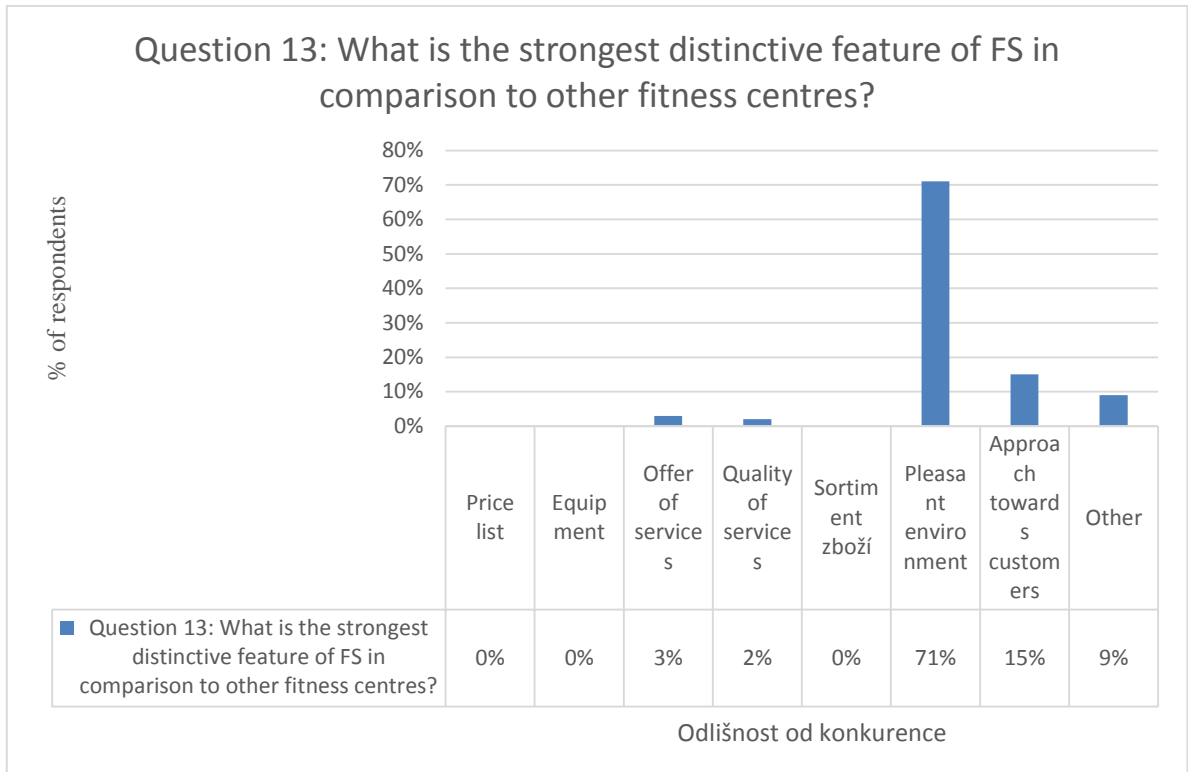


Figure 13 Question 13: What is the strongest distinctive feature of FS in comparison to other fitness centres? (thesis author)

The purpose of the thirteenth question is to find out what are the factors that make FS different from its competition and which means FS uses to attract new customers and successfully keep the present ones. According to the results, FS deviates from its competition primarily by having likeable staff and pleasant environment. The results support the fact that many customers developed very positive relationship and feel great there. The term „other“ contained mostly sympathies towards the operators and friendly team and some customers also mentioned that they have friends there. To conclude, even this question shows how essential it is to create a pleasant and friendly atmosphere and pay attention to customers and their needs.

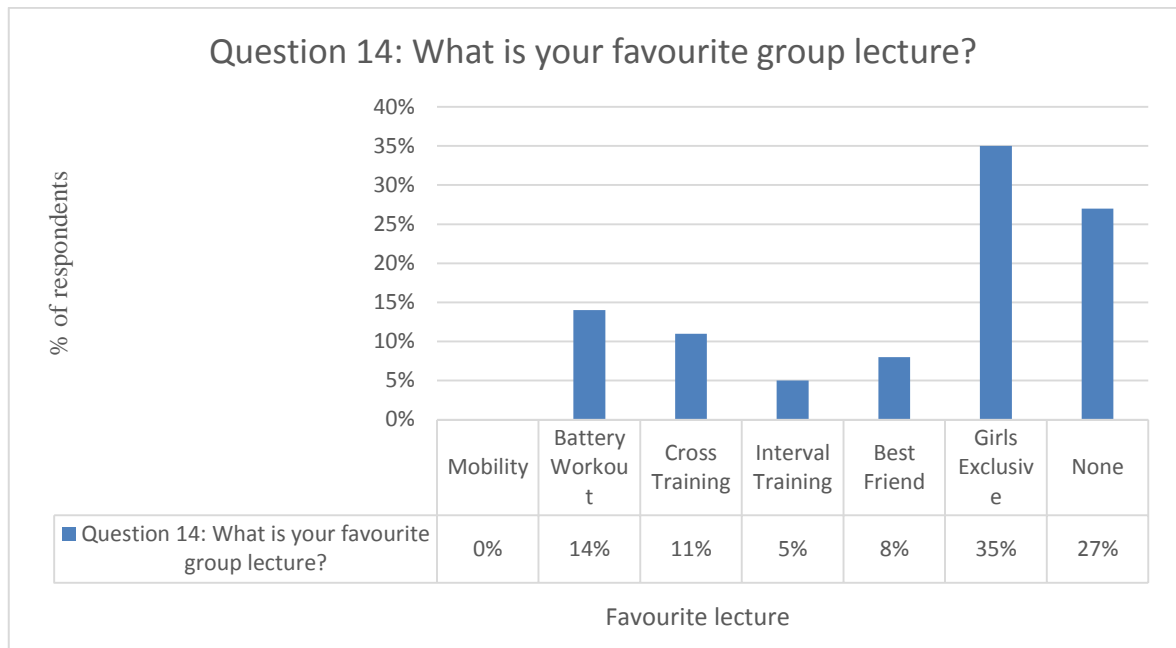


Figure 14 Question 14: What is your favourite group lecture? (thesis author)

The fourteenth question was created to lighten the questionnaire, but simultaneously to find the possible weakness in this type of service. To be more precise, its aim is to explore popularity of the individual group lectures. According to the respondents, the group lecture called „Girls Exclusive“, which is a form of exercise with special moves designed only for women, won the popularity contest. The included moves are comprised mainly of using your own body weight to strengthen muscles. It can be assumed, that more than half of the women chose this lecture as their favourite one. Except for the form of the exercise, women can also appreciate the segmentation and no men around.

Less respondents, concretely 27% stated, that they do not have any favourite group lecture, however many of them have not attended the lectures yet, so it is probably the reason why the percentage was quite high. Another group lecture called „Mobility“, concentrating on stretching the body did not get any representation, therefore the operators should think about leaving it out and they should come up with more wanted and valued one.

**Question 15:** What do you like about FS (what do you appreciate)?

This question is open, mainly for absolute leeway when it comes to respondents and their answers, and it also ensures many diverse opinions and feelings, therefore can be seen

as one of the most important questions from the entire questionnaire. The question is concise and direct, thus the respondent is not limited in any way. It also has the highest potential. The answers should provide overall view on FS from the customer's perspective.

The most frequently occurring answers were those regarding pleasant environment, great group of people and personal approach. Other answers emphasized the location of FS and reasonable prices.

**Question 16:** Is there anything about FS that you do not like? (what are the changes you wish for)?

Similarly, as it was in the preceding question, this one has to be open as well in order to find out the weaknesses or mistakes, which could be hidden and limit the operators of FS and their business without them even knowing about it.

The most frequent answers were concentrating on opening hours with the emphasis on the weekends and then complains about the smaller premises of the Fitcentre. The answers also revealed bad condition of some exercising equipment and the lack of various events organized by FS.

#### **4.1 Summary of Acquired Data**

Concerning respondents, women clearly dominated over men, moreover the same results were gathered on Facebook fan page of FS. It is only possible to assume, that the same number of women and men is also among customers. The customers are mostly students, according to their age almost certainly college students, furthermore there are working people and the number of customers on maternity leave is increasing. The next important finding concerns customers and their need to feel good and comfortable while exercising, which proved to be the most significant factor. Nevertheless, the main problem is always attracting new customers, even though FS has a lot of qualities in comparison to its competition. The main reasons for choosing FS according to customers are its location, offer of services and pleasant atmosphere. As for the equipment, the majority of customers do not see any problems or weaknesses in it, besides they really enjoy group lectures, which ended up as the most visited and wanted event organized by FS. Smaller premises and opening hours are the two factors that slow down the possible growth and success of FS and unfortunately it is not possible to change them any time soon. However, FS could

do better when it comes to solving ways how to attract new customers, which is the question of better and more efficient marketing strategy and communication.

## 5 DOPORUČENÍ

The mission is to determine suitable marketing strategy for FS, which will be based on the results acquired from questionnaire and SWOT analysis of FS and will meet the requirements and possibilities of the operators.

In general, the interim running of Fitness Sokol since September of 2015 can be described as successful, therefore it is not necessary to change the routine and reshape the entire strategy. Instead, it would be better to take only some partial attributes and work on changing the details in order to succeed even more.

### 5.1 Visions and Objectives

Visions for the operators of FS, as a long-term prospect of entrepreneurial activities, primarily represent desire to be popular with customers, successful and very well-known fitcentre in the region.

Its rather smaller size is planned to be compensated by miscellaneous offer of services and pleasant environment. The main strategic goals, except for the maintenance of this standard, are approaching new potential customers and also expanding permanent clientele.

### 5.2 Proposed Steps

Apart from making steps towards supporting marketing communication of FS, there are other proposed ones concerning organizational activities. These activities have to be planned over a longer period of time and the management of the Sokol organization has to be involved when it comes to negotiation about concrete changes.

#### **Organizational activities**

- Diversification of the group lectures
  - *miscellaneous and distinctive offer of the group lectures*
- Negotiation with Fitness Sokol management concerning an adjustment of opening hours
  - *over the weekend*
  - *over the week*



- Negotiation with Fitness Sokol management concerning notice boards and banners on the building and its surroundings
  - *directional and informational boards with a specific location of Fitness Sokol inside the building*
  - *banners and advertising posters*

### **Communication activities**

- **Social media**
  - *Active approach on the Facebook fan page of FS*

It concerns inserting more posts and overall better marketing communication on this network. However, these posts should not necessarily be only important ones, such as news and needed info, as it was until now, but sometimes it would be a good idea to share something funny or approved photographs of clients who are undergoing body transformation, but also present photographs from the gym with smiling members of the staff, invitations to the group lectures, or simply just saying have a nice day to everyone. This step can be applied immediately and should be used continuously and for a long time.

**Aims and objectives:** The purpose of this step is particularly to strengthen the customer-business relationship. It can offer more awareness for the customers as well, furthermore it can lead to more effective involvement in the running of Fitness Sokol and building relationships among the customers. The operators can use this tool as a more extensive way how to promote Fitness Sokol and its partners.

- **Printed media**
  - *The placement of an advertisement, making use of the PR articles in regional press (such as Olomoucký deník)*

In case of regional media, concretely Olomoucký deník, which comes out every day, the price for one hundred characters is around 150CZK. The most suitable term for using this kind of marketing communication could be the months before the summer season starts – people want to lose weight and change their bodies, which gives a great opportunity to create an advertisement called „Lose weight or form your figure to feel great in swimwear“.

- *The placement of an advertisement, the use of PR articles in the student's magazines (Časopis Studenta, Easy Magazine and others)*

Student magazines that come out once a month are not so commercial and it is easier to arrange the placement of an advert, or possibly use contacts among clients and students, therefore the indicative price will be lower, around 100CZK for the same number of characters as in more commercial printed materials. The best time for using this kind of media would be during the beginning of an academic year, more precisely in September or possibly in October or January.

- *The use of flyers (e.g. [www.eprinting.cz](http://www.eprinting.cz))*

Flyers can be printed in a private capacity or commercially. The mentioned website offers printing flyers in A6 format for 350CZK for one hundred pieces, which is a sufficient amount for covering the nearest surroundings. Flyers are usually thrown into mailbox by hired temporary workers who are paid around 60CZK per hour, or by Czech Post (100CZK per day). This method, great for sale support, will be successful during the weaker months, when the profits tend to be lower (June, July).

**Aims and objectives:** The purpose of this step is to spread the awareness of FS among the public, inform about news and campaigns, but most importantly to support the sales outside the season. It is convenient to use the media, which address every age category.

- **Regional radio broadcast**

- *Commercial spots in the radio (e.g. Rádio Haná in Olomouc)*

The commercial spot ten seconds long in Rádio Haná in the broadcasting time between 12-15h costs 1000CZK. It requires a preparation before its realization and suitably planned application. This method is rather costly and less effective, therefore it can be used for sharing important information, news and campaigns, for example twice a year when the profits tend to fluctuate more (June-August).

**Aims and objectives:** The aim is to inform the public about important news and campaigns, such as sports events planned for the youth on the outdoor playground of Sokol organized by Fitness Sokol. It is essential to choose the right broadcasting time for addressing as much listeners as possible. (morning, forenoon, afternoon)

- **The creation of Fitness Sokol sports events and campaigns**

- *Indoor i outdoor sportovní akce a soutěže*
- *Indoor and outdoor sports events and competitions*

For instance, this can be a power-endurance competition inside Fitcentre with the prize for the winner in form of a discount on the sortiment or a discount on the permanent pass to FS. These events can be short and small, therefore very cheap, but simultaneously quite frequent. One-year budget is set on 1000CZK.

**Aims and objectives:** The aim is to promote FS, gain new clients and strengthen relationships with present ones. The customers will feel as if they are a part of the whole FS idea and that they are cared for with special attention.

- **Sales support**

- *creation of discount offers, time-limited special offers, special bundles*

Discounts and offers involve especially services provided by FS. Fitness Sokol buys the sortiment from its business partners. The offers can involve for instance special gift certificates or off-price permanent passes for a limited period of time. They can be used throughout the entire year, but preferably in the periods with weaker profit (June, July, August) and in the beginning of the season (September, January).

**Aims and objectives:** *The aim is to support sales and gain new clientele.*

- **Capitalize on Fitness Sokol logo (logo placement)**

- *Manufacturing of stickers with FS logo (e.g. eprinting.cz)*

The stickers can be stucked on convenient surfaces in the city centre or on the back of the customer's cars, etc.

- *Manufacturing advertising items*

FS can manufacture for example shirts with the logo (powerprint.cz) and silicon bracelets (idsys.cz). The manufacture would take place on a one-time basis and the distribution would concern only the closest circle around FS, which could ensure an element of prestige.

**Aims and objectives:** Promotion of Fitness Sokol

- **Presentation of FS on sports events**

- *Presence of the FS athletes on sports events and competitions*

The operators, who are also successful athletes, together with other potential members chosen from the clientele help with the promotion of FS. Participation on these sorts of events demands a long physical and psychological preparation throughout the entire year. While participating, it is possible to better the promotion even more by wearing the team shirts with the FS logo. In the past the operators of FS took part in Czech triathlon championship, where they managed to win twice. Random events take place throughout the whole year.

- *Sponsorship and involvement in sports events*

In concerns potential sponsorship of smaller sports events (with the budget around 2000CZK per year). It can also involve borrowing equipment, provision of trainers, refereeing in competitions, or supplying prizes for the winners from the FS sortiment and services.

**Aims and objectives:** *Promotion of Fitness Sokol*

### 5.2.1 Cost analysis

Name of the measure	Costs	Costs in total
Social media	0 CZK	0 CZK
Printed media – Regional press	150 CZK every week in June	600 CZK
Printed media – Student magazines	100 CZK monthly during three months	300 CZK
Printed media – Flyers	350 CZK/100 pcs production + 100 CZK distribution (budget for two months)	900 CZK
Regional broadcasting	1000 CZK/10 second spot twice a year	2000 CZK
Organization of sports events and competitions	1000 CZK budget per year	1000 CZK
Sales support	0 CZK	0 CZK
Use of FS logo - stickers	700 CZK/100 pcs of stickers	700 CZK
Use of FS logo – shirts and bracelets	2500 CZK/10 pcs + 900 CZK/100 pcs	3400 CZK
Presentation of FS on sports events	2000 CZK budget per year	2000 CZK
<b>IN TOTAL</b>		10900 CZK (per year)

### 5.2.2 Time analysis

Name of the measure	Time requirements	Frequency of the measure usage (per year)
Social media	A day for the preparation	Continuously throughout the year
Printed media – Regional press	A month for the preparation and realization	June
Printed media – Student magazines	A month for the preparation and realization	September, October, January
Printed media – Flyers	A month for the preparation and realization	June, July
Regional broadcasting	A month for the preparation and realization	Twice a year
Organization of sports events and competitions	A month for the preparation and realization	Continuously throughout the year
Sales support	A week for the preparation and realization	Continuously throughout the year
Use of FS logo - stickers	A month for the preparation and realization	Once a year
Use of FS logo – shirts and bracelets	A month for the preparation and realization	Once a year
Presentation of FS on sports events	A month up to a year for the preparation	Continuously throughout the year

A significant part of the measures can be used throughout the entire year and the rest of the measures is reflected according to the seasonal changes. The months like January and September are generally considered as the beginning of the visiting season which ends in June or in December. It is caused mainly by the students who usually form the majority of fitness centres customers. Therefore, it does not make sense to use student magazines as the place for advertisement over the course of the summer. On the contrary, the most convenient time to do so would be the beginning of the school/academic year. As for the regional press or advertising via radio station, it is better to support profitably weaker months – summer and Christmas.

### 5.2.3 Risk analysis

Name of the measure	Risk	Level of risk	Probability of occurrence	Risk elimination
Social media	<ol style="list-style-type: none"> <li>1. Overwhelmed users</li> <li>2. Chaotic arrangement of posts → users may overlook the</li> </ol>	<ol style="list-style-type: none"> <li>1. Medium</li> <li>2. High</li> </ol>	<ol style="list-style-type: none"> <li>1. Medium</li> <li>2. Medium</li> </ol>	<ol style="list-style-type: none"> <li>1. Function allowing restriction of displayed posts</li> <li>2. Function for highlighting</li> </ol>

	important ones			posts
Printed media – Regional press	Unsuitable or unnoticed placement of advertising	Low	Medium	Thorough planning of placement
Printed media – Student magazines	Unsuitable or unnoticed placement of advertising	Low	Medium	Thorough planning of placement
Printed media - Flyers	Insufficiently interesting and engaging medium	Medium	High	Extraordinary shape of flyers, font, choice of colours
Regional broadcasting	Uninteresting spots are quickly forgotten	Medium	High	Elaborated, catchy and memorable spot
Organization of sports events and competitions	Possible participation of cheating contestants	Medium	Low	Supervision of individual contestants and their performances (referee)
Sales support	Clients waiting to purchase only discounted range of products	Low	Medium	Irregular use of sales support (discounted products, competitions, etc.)
Use of FS logo - stickers	Unsuitable usage of stickers	Medium	Medium	Production of easily removable stickers; responsible propagation
Use of FS logo – shirts and bracelets	Cash on delivery packages not collected	Low	Medium	Allow only personal collection
Presentation of FS on sports events	Presentation of bad results or in the wrong place	Low	Low	Training and checking contestants as well as events

## 6 CONCLUSION

The aim of this bachelor thesis was to propose measures that would lead to the rise in turnout and satisfaction of the Fitness Sokol Olomouc customers. To answer all three research questions, I made a marketing research among FS customers done by using quantitative method. Subsequently I created a questionnaire which was completed online via [www.surveymonkey.com](http://www.surveymonkey.com). The link to the questionnaire was repeatedly posted on the official Facebook fan page of Fitness Sokol Olomouc, mainly to achieve as high representative sample as possible. The purpose of the questionnaire survey usage was to ascertain, whether the customer are satisfied with the level of offered services.

The results helped to finding out, whether FS is able to maintain the level of quality and its present customers, moreover if FS has the ability to attract new clients who are missing so far. Answers from the respondents served as an inspiration how to improve the situation, which should lead to maximum satisfaction and widening of the clientele. Among other things, the questionnaire shows strengths and weaknesses of FS that could have stayed hidden before and the operators might have overlooked them. Individual measures concerning the weaknesses are based on the present state and functioning of FS and its possibilities. To conclude, the time analysis, cost analysis and risk analysis of these measures were done.

The marketing research shows, that the present customers are satisfied with the offered services of FS and with their quality as well. It is safe to assume, that FS provides high-quality and complex services and is able to maintain the customers thanks to this state. Therefore I decided to focus on such marketing measures, which would help to attract new clientele, although some of them serve as a tool how to strengthen relationships and satisfaction among the present customers, moreover there are measures which help with sales support, especially in the summer months when the turnout usually declines.

Intention of this thesis together with the final results was presented to the operators and they decided to work on some of the measures in the future. I hope that the suggested measures will lead towards increase in turnout and satisfaction of the Fitness Sokol Olomouc clientele. To conclude, I would like to recommend evaluation after a certain period of time to find out, if the measures were implemented sufficiently and brought required effect.

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## 10 LIST OF ABBREVIATIONS

**FS** = Fitness Sokol

**CR** = Czech Republic

**CRM** = Customer Relationship Management

## **11 APPENDICES**

P I. A survey – Evaluation of Fitness Sokol Olomouc

## **APPENDIX P I: A survey - Hodnocení fitness centra Fitness sokol olomouc**

Dobrý den,

prosím o několik minut z Vašeho času na vyplnění následujícího zjednodušeného dotazníku, který bude sloužit pro mou bakalářskou práci. Děkuji mnohokrát! Dominik Navrátil

- 1) Vaše pohlaví?
  - Muž
  - Žena
- 2) Vaše věkové rozpětí?
  - Méně jak 15
  - 15-18
  - 19-25
  - 26-35
  - 36-45
  - 45 a více
- 3) Váš sociální status?
  - Zaměstnaný
  - Nezaměstnaný
  - Student
  - Důchodce
  - Na mateřské
- 4) Bydlíte v Olomouci?
  - Ano
  - Ne
- 5) Jaký je Váš obecně PREFEROVANÝ tréninkový čas?
  - Ráno
  - Dopoledne
  - Po poledni
  - Odpoledne
  - Večer
- 6) Jak jste se o Fitness Sokol (dále FS) dozvěděl/a?
- 7) Z jakého důvodu PŘEDEVŠÍM jste si vybral právě FS?
  - Umístění
  - Ceník
  - Nabídka služeb
  - Atmosféra
  - Vybavení
  - Jiný –
- 8) Jak často navštěvujete FS?
  - Každý den
  - Několikrát týdně
  - Jednou týdně
  - Několikrát za měsíc
  - Několikrát za rok
  - Byl/a jsem zde jen jednou
- 9) Jaké služby FS využíváte? (*Lze zvolit více možností*)
  - Vstup do posilovny
  - Osobní trénink s trenérem
  - Skupinové lekce
  - Nákup některého ze sortimentu
- 10) Jak byste osobně nejvýstižněji ohodnotil/a vybavení FS?

- Moderní a kvalitní
  - Účelné a dostačující
  - Nedostačující nabídka vybavení
  - Zastaralé a nekvalitní
- 11) Jak hodnotíte atmosféru FS?**
- Příjemná
  - Normální (Neutrální)
  - Nepříjemná
- 12) Jak hodnotíte přístup FS k zákazníkovi (k Vám)?**
- Velmi dobrý
  - Dobrý
  - Standartní
  - Špatný
- 13) V čem si myslíte, že se FS ZEJMÉNA odlišuje od konkurence?**
- Ceník
  - Vybavení
  - Nabídka služeb
  - Kvalita služeb
  - Sortiment zboží
  - Příjemná atmosféra
  - Přístup k zákazníkovi
  - Jiný -
- 14) Vaše nejoblíbenější skupinová lekce?**
- Mobility
  - Battery Workout
  - Cross Training
  - Interval Training
  - Best Friend
  - Girls Exclusive
  - Žádnou nemám
- 15) Co se Vám na FS líbí (co oceňujete)?**
- 16) Co se Vám na FS nelíbí (co by se mohlo změnit)?**