

# **A Marketing Mix Analysis for a Czech Fitness Centre**

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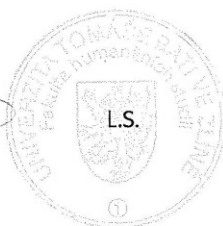
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## **ABSTRAKT**

Tato bakalářská práce je zaměřená na analýzy marketingového mixu obzvláště na služby jedné konkrétní firmy a to Effect studia, které se zaměřuje na fitness a zdravý životní styl. Cílem je analyzovat aspekty firemního marketingového mixu a také doporučit zlepšení za účelem vyššího zisku a lepšího udržení na trhu, který je plný konkurence. Teoretická část se zaměřuje na aspekty marketingového mixu a různými marketingovými analýzami, které poodhalí možnosti a zlepšení. Praktická část této práce je zaměřená na marketingový mix fitness centra a také na přímou konkurenci. Marketingové analýzy obou těchto fitness center mohou poodhalit rozdíly mezi nimi a skryté možnosti. Závěr této práce je zaměřený na doporučení pro prvně zmíněné fitness studio.

Klíčová slova: Marketingový mix, Marketingové analýzy, Fitness, Cílový zákazník, SWOT analýza, PEST analýza, Benchmarking, STP

## **ABSTRACT**

This thesis is oriented on analyses of marketing mix specifically on services of one particular company Effect studio which is dedicated to fitness and healthy life style. The aim is to analyse aspects of company's marketing mix and also to recommend improvements in order to be more profitable and sustainable on the market full of competition. The theoretical part is focusing on aspects of marketing mix and various marketing analyses which can find out the opportunities or improvements. The analytical part is dedicated to fitness's marketing mix and is also focused on direct competitor and its marketing analysis. Marketing analyses of both fitness centres may show the differences and hidden opportunities for each of them. The conclusion of this thesis is dedicated to recommendations for the fitness centre.

Keywords: Marketing Mix, Marketing Analyses, Fitness, Target customer, SWOT analysis, Benchmarking, PEST analysis, STP

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## INTRODUCTION

Nowadays, for every successful company it is crucial to create good relationship with customers, each successful company knows that marketing is crucial part of business. Therefore promotion should be based on pleasant relationship with customers or with potential customers who are satisfied with the company. Marketing analyses should lead the company if necessary because those analyses can show the opportunities and strengths and also how to reach the sustainable position on the market and which target group should the company focused on. Marketing mix brings all the possibilities for company to grow in order to be more profitable and better against its competition. Each aspect of marketing mix can improve the company's situation.

This name of the thesis is "A Marketing Mix Analysis for a Czech Fitness Centre." This thesis is dedicated to the marketing mix analysis of one fitness centre in the town called Vsetín in Moravia in the Czech Republic. It is a small fitness centre with a lot of possibilities. The thesis is divided into two parts theoretical and practical. The theoretical part is dedicated to the definitions of marketing mix and its aspects, target customer and market, marketing analyses for example SWOT analysis and others.

The analytical part is focusing on the marketing mix and marketing analyses of the one company which was already mentioned. In this part is also included the direct competitors and its weaknesses and strengths. Recommendations is the last chapter of the analytical part. Recommendations are dedicated to fitness centre called Effect studio in Vsetín.

## **I. THEORY**

## 1 PRINCIPLES OF MARKETING

Marketing is not only about selling techniques and advertisement as range public assuming. Selling techniques and advertisement are only two features of marketing, one of the most important but nonetheless only two of many others.

Older definition of marketing is set as tool to convince and sell, but today new meaning and more precise cares the definition of marketing as tool to satisfy needs of customer.

Selling and advertisement is only part of marketing mixture, marketing tools, which cooperate together to make whole and complete marketing and to actually thanks to marketing make a part in concrete market.

Having influence on concrete market takes a lot of effort and reaching to understand of customers' needs, wishes and desires. Successful companies usually know what their costumers' want and companies try to deal with new way of attract potential customers. Companies analyse the thinking of every customer individually and the process of understanding their customer can be clearly and more understandable for them. Also successful companies want to learn those differences among competition, trying to understand why competition have another target group of customer or how come that potential customer want to go to the competition. (Kotler et al, 2007, 280-281).

By means of product customers among market satisfy their wants and needs. Product carries the aim of satisfaction. Product can be not only physical object but any kind of goods which can satisfy the need or want. Products include also services. Services are activities with not tangible feature.

Marketing still tries to move to another goal of reaching more earnings from different transaction to create beneficial relationship among customer and with other subject such as distributors and external partners. Companies try to get into the marketing net. From the point of company marketing net includes every aspect which gets into contact with company.

The main difference between successful and not successful company might be the fact that successful companies have as marketing as a partner of general managers. Marketing department should be there when management creates strategies of selling but mostly marketing has only access to stimulate short-term demand.

Long-term aim is to provide value to customer to make a successful deal with customer and to know that he customer is satisfied. Long-term aim includes the ability to keep customer satisfied for more than one deal. (Kumar, 2008, page 29-33)

### **1.1 Target market**

Market is unique scope in which are customers real ones with demand or potential customers of specific product. For customers it is characteristic that they share their needs and wishes and can be satisfied through Exchange of demand and supply. The measure of a market depends on the number of people, which try to satisfied their needs, have their required sources on that, and their willing to offer those sources to get what they want and to satisfy their desires.

Marketers have to search for their customer, know their needs and suggest qualitative products and services, create the right pricing, promote selling and where to store the product. One of the main marketing activity is development of new product, search and communication, distribution. Consumers developer their marketing activities, knowledge of marketing, when they need their products, services, which they can effort. Employees of department store gain information from the knowledge of marketing and observe trends on the market, when they contact sellers and trying to create the most advantageous conditions. (McGran, 2012, 40).

### **1.2 Target Customer**

Relationship with customers is what marketing is mostly depend on. Correct marketing thinking and its unique usage is based on customers' wishes, achievement of their needs and conceive values for customer. Marketing could be divided into two sides. One side is where the customer is truly satisfied and on the other hand there is a profit out of customers' satisfaction. Marketing usually try to search new ways of getting new approach against potential customers and yet keep great relationship with present customers, making profit out of it and still try to achieve new set of satisfaction. Successful companies comply solicitude towards customers. Companies' share on the market will grow and with that their profits. (Kotler et al, 2014, 390).

Value for customer depends on the difference between customers' cost and the value through which customer gains after receiving the product.

Satisfaction of customers depends on how precise is fulfil customers' expectations about product or value of a company. If expectations are filled customer is pleased and happy about product and attitude of a company. There is a higher chance that customer will be buying again in the future. Successful companies are those who are promising to customers to satisfy their wants and needs. But on the other hand if customers are not enough satisfied or badly satisfied, customers can revalue their decisions. Customer creates her expectations not only by herself but also is influenced by hers friends, previous experiences, and of course makes comparing between the competitors on the market. (Kotler et al, 2014, 392).

### **1.3 Segmentation, Targeting and Positioning**

#### **1.3.1 Segmentation**

Markets are made up of consumers which can be divided into one or more groups according to their requirements, sources and their habits.

According to those segments companies can adapt their products to specific needs of consumers. Majority of companies are targeting to big groups of potential customer than on individuals. Segmentation can be divided into levels. First level is massive non differentiated marketing, in which companies do not target to specific needs of customers or to unique type of group, companies are targeting to range amount of people. Second level is segmented marketing which is more effective than the first one because company can propagate their products more effectively and also companies know better their customers, their wants and needs. Third level, micro segmentation marketing. Marketers know their customer so well, that customers will pay more for extra service or for satisfaction of their needs. (Kotler et. al., 2007, page 410)

#### **1.3.2 Targeting**

Targeting also known as Market Targeting which classify potential segments. In targeting there are two important aspect for each company. According to Mr Kotler segment attractiveness, there are segments on the market which are the most profitable and unique in its growth but not for every company it is suitable. There are segments consisting of too much competition for smaller company it can be crucial. Every company must collect data about the segments they want to enter or are related to, company must do research to know

advantages and disadvantages of required segments. Business strengths is the second aspect of Market targeting which shows that the proper segment for company is not the only aspect that can bring to the company a profit or strength among competition. Difficulties are in each segment may appear for every company for example the powerful ones may interfacing with difficulties of targeting the right target customers. Not each targeting of a specific group of consumer may ended profitable and company may have problems with attractiveness after inaccurate targeting. (Kotler et al, 2007, 416)

### **1.3.3 Positioning**

According to Mrs Vašítková positioning is contrast between company's product with the product of competition. If the service is different, there is chance that service can gain advantage against competition. Company through positioning is mainly dealing with providing its service to the target market and have to deal with recognition of features of the service. The concept of strategy of positioning is mainly two aspects, first is quality and second is price. Thanks to price customer can measure or at least assume the quality of the service. For example if the hotel has five stars out of five then there is chance that it would be more expensive, because the hotel is offering more services and usually have better quality. (Vašítková, 2008, 50-51)

Mr Kotler claimed that repositioning is change of the strategy of previously formed positioning. (Kotler et. al., 2014, 612) Repositioning is established after the previous positioning have been unsuccessful. Repositioning includes changes of nature of demand in order to achieve more profitable target market also it is adjustment of offered service. According to Mrs Vašítková there are three types of unsuccessful positioning. Insufficient positioning exists when competitions' product have not sufficient differentiation of product. Secondly, put emphasis only on one advantage of concrete product while omitting other advantages that the product can have is an exaggerated positioning. Lastly, reason why misleading positioning might be often not recognized is because this type is based on not clear communication among distribution. (Vašítková, 2008, 54-55)

## 2 MARKETING MIX OF 7P

According to Mr Manoj Kumar Jain Marketing is not only about selling and advertisement it have an influence on everybody among social classes. Thanks to marketing we have supply of product, goods, service. Nowadays, the market can offer customers' products with quick delivery, range differentiation of one product to satisfy customers' needs. Companies can change their product for satisfaction of potential customers. (Jain, 2013, 2) Thanks to development of research and innovation through marketing, the whole economy contains a huge part of marketing itself. Marketers are developing new ways of thinking of how to satisfy potential customer, how to more understand her wants and needs, taking technology era in advantage to know their customers well. (Kotler et al, 2014, 653-657).

### 2.1 Price

Marketing Mix involves main steps in order to create the demand of certain product. Price is one of the most important component of the marketing mix and price can be the most changeable. Price should be set right in other to attract target customers. A company should be aware of situation in target market, should know its competition. Furthermore, price includes not only profit, costs of the product but price in the marketing mix includes discounts, compensations and lastly conditions of the payment. (Kotler et al, 2007, 68-81)

A company can decide what kind of strategy is the most efficient to cover all the cost around the product and set the trade margin well. There are 3 well known pricing strategies. First is neutral pricing strategy in which the company sets the price according to their competition, not higher or lower. (Singh, 2012, 4-5)

The second strategy is called penetration. Penetration means that the price is lower than competitors'. This type of strategy cannot be hold for a long period of time. It depends if the company has covered all of the costs or must have after an introduction of the company to a market, higher the price.

The last one is skimming pricing strategy. If there is a niche in the market or in other words if there is a gap in the market. Company with its unique product can set higher price than other companies. Because there are two options whether there is no competition or small competition or the product is unique enough to create its own target market. (Vašítková, 2008, 40).



As it was mentioned, target market must be analysed to perfectly know its competition. Competition can have impact on service's price. If there is a range of competition, company must have lower its price to attract potential customer. Services is hard to measure among competition, it dependence on by whom it is the service provided. It must be profitable for company to offer service by its employees or by its external co-worker who can offer unique service to company's customers. (Vašítková et al, 2008, 52).

For company it is arduous because company cannot estimate the behaviour of potential customer and competition. Price can directly influenced the efficiency of the company. The most efficient method is to balance the price so the company can maximized its profit which can lead to success of the company. On the other hand, if company choose unfavourable pricing strategy it can lead to lower profits and actual failure of the company. (Kotler et al, 2014, 274).

### **2.1.1 Determination of the price**

Price may be set by many indicators. There are five indicators by what the price can be set. Firstly it is price orientated by costs of the product. In the practice, the company chooses the average scale of the profit which add up to the costs of the product. Two kinds of costs are involved, fixed costs and variable costs. Fixed costs are not directly connected with the product but mostly to the functioning of the whole company for instance electricity costs, wages for administrative employees etc. Meanwhile variable costs are directly connected with the product for example wages of workers who are in the factory etc. (Armstrong et al, 2005, 72).

Second indicator is competition. This method is oriented on the price of competition. Competitors with higher price are usually the ones with branded products. There can be two situations whether the company is new in the market or company finds the niche of the market. If it is the first situation then price of the product cannot be the same as if it was branded product. The price should be set in order to attract potential customer, however if the company finds gap in the market which is the second situation, it is possible to set the price higher than competition because either the company does not have a competition or very little. (Armstrong et al, 2005, 73).

Third indicator is typical for prestige products or branded product. Method is determined by the customer. In this method is the most important aspect the customer and the value of a product. For example many people would buy branded product from the company Apple

if it is new and innovative, customers are willing to buy that product for a higher price. But people do not demand buying product with similar features, similar price but difference is in the brand of the product.

Fourth indicator is demand in the market. Method is specified by the demand of the product. For this method is important knowledge of macroeconomic indicators such as GDP, inflation. If consumer are willing to spend their money or not in general. Other aspects are important as well for instance company must know the price of its substitutes, and the timing is crucial. Often is successful when companies are promoting their product before specific season, event, changes which includes most of consumer of the market. Last on is based on contract. Contract is the main indicator. The contract is between seller and buyer. The price is set and it is written in the contract, both of the parties agreed on the price. This last method is also used for exchange rates. (Kotler et al, 2014, 61).

According to Singh there are most used techniques of pricing:

- Differential or Flexible Pricing is one of them. This technique can achieve the reduction of variation particularly in demand. Flexible Pricing may be changed by the ability to pay for example professional services such as services of lawyers, services of consultant or it the price depends on variety of price time in other words during season the price may change for instance hotels during high season are more expensive than during the low season also flexible pricing may differ because of the relation with place for example seats in the front rows might be more expensive than other or VIP allowance during concert might be more expensive than basic allowance.
- Discount Pricing. Technique is common in the phase of introduction of the service where it is important to attract customers' attention and it may help to promote service during low demand.
- Diversionary Pricing. Technique is based on the aim to attract attention of customer by lowering the price of basic service so that customer will end up with buying more than just a basic services for instance lower price for basic meal but without drinks so the customer will spend more money on buying drinks or special meal such as desserts or appetizers.

- **Guaranteed Pricing.** This technique is connected with payment in the term of the timing of the payment. Usually the payment is after the service satisfied the customer needs. (Singh, n.d. 102-105)

## 2.2 Product

In the term of 4P, product is divided into intangible and tangible product. Intangible are called services and tangible are called goods. Services have common aspects, which are put into group of 4I, that means intangibility as was previously mentioned, inseparability, inventory and lastly inconsistency. (Hadraba, 2004, 22)

Inconsistency amount to the differentiation of the same service, means that one service can be provided differently by two subject for instance one service is massage which can be done differently by masseur whose is an expert or by beginner. This leads to another point that quality is important by whom is the service done. (Goi, 2009, 3)

### 2.2.1 Service

According to Philip Kotler “A service is an act of performance that one party can offer to another that is essentially intangible and does not result in the ownership of anything. Its production may or may not be tied to a physical product.” (Kotler et al, 2007, 490),

#### 2.2.1.1 *Nature of Services*

According to author Janečková intangibility is the most important nature of services. Service cannot be measured before purchasing in the meaning of getting a sample before purchasing. The earliest experience whether the service is good or not customer gets only after receiving the service or during. Customers cannot be sure about the quality of the service and that is why customers have an insecure feeling rather when they are buying product – goods. For customers it is hard to recognize among service’s competition whether it is good or not. Companies are willing to persuade customers that their service is the best one among its competition. Companies are promoting their service more thanks to well organized marketing communications. Crucial for them is to build a strong brand among competition and also company should focus on the quality of the service. (Janečková, 2000, 57)

Another nature of service is inseparability. Providing service is crucial part of its production. As Mrs. Janečková claimed the producer of the service which may be company and the customer must meet the exact time and exact place so that the service can be

realized. There are also exceptions where customer does not have to be part of whole procedure of the service. (Janečková, 2008, 63-69)

Heterogeneity is another feature of service. It is highly connected with the quality of the performance of the provider. Provider may not provide the same quality of the service every day. Heterogeneity is also connected with the variability of the service. If the result of variability is qualitative then the service might be successful and the quality feature may increase the role in the market for the service provider against its competition. Heterogeneity may also have an influence to emphasize the name of the provider or the specific brand. (Janečková, 2008, 69-71)

Perishability is a third nature of service, which is quite connected with the intangibility of the service. Because service cannot be stored in the warehouse or the service cannot be sold again the concrete service which was given previously by someone. Service cannot be returned as well. There some cases where service can be returned but usually in those cases service is replaced by another service with different quality or with another specific features.

No Transfer of Ownership is the last nature of the service. It is related with the feature of perishable and with its intangibility. According to Janečková customer is willing to buy the provision of the service not the service itself. Marketing leaders to attract potential customer are usually pointing out the advantages of having the right of the provision of the service. (Janečková, 2008, 72)

### **2.3 Place (Distribution)**

According to Jain correct place is a necessary for service and its provider. Usually customer have to visit service's place in order to reach the service and satisfy their needs. To be more accessible for bigger amount of potential customers, firms are considering to provide more placement than just one. For example restaurant Potrefena Husa, location which they choose is tactically set in order to be visible and also they provide many subsidiary for example in Zlín or in Prague. Mostly, service provider is able to go to the customer, in this case location of the service is not so important. There are cases where service providers are not shy to enter customer's location for instance to repair something, to provide health care. (Jain, 2013, 3-4)

Distribution may be divided into two parts. First one is direct distribution which is the most effective and sufficient and second type of distribution is non-direct which is effective depends on the target customer. Direct distribution is mostly common among services, service provider is the one who brings or offer the service directly to the customer while the other type is to use mediator, someone who can provide provider's service to another sector or to another area of potential customers. One of the non-direct distribution is a trend called Franchising. Franchising is giving rights to another person in order to expand. (Janečková, 2008, 127-130).

Franchises are also in the sphere of services for example restaurants, travel agencies, fitness centres. According to Mrs Janečková there is also another point of view. Service as itself cannot be fulfilled if there would be no tangible products. Services are if not always, then often connected with the movement of the tangible product which are part of the provision of the service or are distributing the service. (Janečková, 2008, 140)

## **2.4 Promotion**

According to Vašítková to correctly promote product – service it is necessary to accomplish analysis to completely understand the possibilities to promote. Company must be aware of characteristic of its position and financial possibilities and what is the position of the company's brand. Provider of the service should have analysed its competition and be aware of external factors. (Vašítková, 2008, 135-152)

One of the most well-known part of promotion is Advertisement which characterized as non-personal, mass advertisement used through press media, radio, televisions, pamphlets, billboards. Main feature of advertisement is the fact that it informs huge amount of the public even though the advertisement informed non target customers. Advertisement is not only to inform but also to influence thinking of the consumers, persuade customers and to remind that the service or product still exists and have many advantages for customers. Another tool is Personal selling which might be opposite of advertisement means that promotion might be set precisely to each customers. It has aim to complete sale between provider of the product and customer. Quality of the promoting may be more effective than advertisement and may have greater influence on customer to persuade her to buy service or its provision. (McGran et al, 2012, 42).

Public relations are next tools which are popular these days. It is as advertisement non personal contact which contains publishing positive information of the company or of the

service- product among the public. The key of public relation is to create a trust into company or organization who provides service. Another key aspects of public relations are creating company's identity, crucial communication and campaigns to create positive image among the public, also lobbying is important for public relations which is company's position in the field of executive body to inform about the company.

Direct marketing is created through emails, phone calls, magazines, newspapers. During direct marketing is direct connection with customer and provider of the service. Nowadays direct marketing is widely used thanks to technological innovations. Direct mail, Telemarketing, Televisual features are included in direct marketing. (Kotler et al, 2012, 159).

Communication of internet is nowadays spread as direct marketing because it can as well reach global extent. One of the advantage is the constantly visible and possibility that potential may notice company's advertisement. One of the biggest disadvantages might be the untrustworthy into company's product, because of the mass competition on the internet. Event marketing encourages better relationship with customers. To create a positive feeling about company usually company decides to set a sale or bonuses, but event marketing is created to give a customer experience. For instance inviting customer into some event made by company. Guerilla marketing usage of advertisement on various objects or places in order to attract attention of potential customer. This type of promotion have three rules, to attract attention of customers, to reach better position than competition and lastly to have greater reputation and have strong position on the market. Viral marketing is based on sending information through social media or through internet websites. Product placement is tactically placed product or name of the company – brand in different spheres than internet or newspapers. Usually product placement is set in movies, films, and sometimes product placement is not recognizable by customer at first. (Kotler et al, 2007, 159).

Advertising is create to make the potential customer be aware of firm's or individual services. The whole complex of promotion is to help to persuade the potential customers to buy or at least to attract them. As it was mentioned before, for service providers is difficult to successfully promote their service since the service is intangible product. To successfully promote service provider's take advantage of tangible product and used those product that are connected with intangible product. Advertising for services is mainly used in magazines, TV commercials or through internet. But there are cases where services are not promoted by magazines, because the type of the service does not have to be greatly

promoted for example lawyers, tax advisers, usually those service providers are publishing advertisement in order to inform customer because of some kind of change.

Personal selling is a specific part of the promotion because service is inseparable from the producer. In this case is more effective to facilitate the direct type of distribution because personal selling is likely sufficient when there is professional instead of salesman of the concrete service. (Singh, n.d., 88).

Personal selling holds a lot of advantages to satisfy the needs of customer and to provide the best service to customer because another type is important and it is word of mouth. If the customer would be satisfied and the service would be at high level, there is higher chance that the satisfied customer will tell the experience to someone else. And by this word of mouth there is higher chance that the potential customer would actually try provider's service. As it was mentioned, personal selling holds important features: selling, monitoring, servicing. (Kotler et al., 2014, 112-120).

As stated by Vašítková promotion have different tools of communication mix which are divided into groups, advertisement, personal selling, public relations, direct marketing, communication through internet. Nowadays there are of course trends of communication mix for example event marketing, Guerilla marketing, viral marketing and product placement. (Vašítková, 2008, 134-138)

## 2.5 People

As Mrs. Janečková mentioned during providing services or at least promoting the concrete service, there will be always interaction between potential customers, customers, service providers and their employees, distributors. People are the one who providing the service that is why people can directly influenced the quality of the service. Each firm or company providing services must motivate and also teach their employees. (Janečková, 2008, 127)

As reported by Vašítková in many cases the services cannot be provided by itself, employees of the concrete company are the ones who are offering and also providing the service. Not every service can be provided by anybody, usually employees attend occupational training. First line management is usually the one who is directly in the contact with customers, another level management usually not but their work is also crucial. Those who are not seen by customers are those employees who are not in the direct contact with the customers are for examples chambermaids, auxiliary staff. Customer can sometimes be part of the co-provision of the service for example fitness centre providing

fitness equipment in order to make profit out of those equipment it is necessary attendance of customer who is willing to pay charge to use the equipment. (Vašítková, 2008, 156-160) As it was mentioned, employees are crucial part of successful provision of the service, employees may bring another advantages not only providing the services but also assemble important information about customers. There are few aspects that can be provided by employees in addition. Management of the company needs to aware of customer's needs and wants and its changes. Customer during provision of the service must be fully satisfied. Employees may ask questions in the form of interview. Another aspect is observing and evaluation, this aspect is connected only to employees. Management of the company observes employees' behaviour or their occupational training as well. (Vašítková, 2008, 156-160)

## **2.6 Physical environment**

According to Janečková physical environment is the key part of the marketing mix of the service because the service cannot be measured before its purchasing. That is more difficult to persuade customer to buy the service. Physical environment is providing the proof of the features of the service such as quality, sufficiency. There are different types of physical environment for instance offices, buildings, fitness centres, or even a leaflets contains for example bonuses or inform about special offers of the services. For instance, fitness centres usually have leaflets with special offer of the month, using sales to attract potential customer by lowering the price of permanent pass during one concrete month. (Janečková, 2008, 130-137)

As stated by Vašítková there are no strict rules of how to make a structure of external display of a service because mostly it is importance of the style what company prefer and what the company thinks customer would prefer in order to feel comfortable in company's environment. Concepts of different styles may be different but one they have in common that each design concept of internal environment of company have an influence on customer. The atmosphere is set also thanks to the design. An induced atmosphere can evoke something to a customer. For instance elegance can evoke higher level of quality and atmosphere of professionals can evoke safety and trustworthy also cordiality may evoke comfortableness and feeling of welcome guest. Not only atmosphere is important but also arrangement of space. (Vašítková, 2008, 168-178)



## 2.7 Process

Process is related to the way of provision of the service, there are differences between public sector and private sector. For example if customer is waiting too long for service which is exclusively provided by public servant, the customer cannot be satisfied with the way of the provision. On the other hand, if customer is waiting for too long to take an order in the restaurant, the customer might also leave not satisfied.

According to Vašítková there is also another classification of process. Two natures of service inseparability and destructibility have important influence on process of provision of service. There are two kinds of services, one kind is service with high contact between customer and provider and the second kind is service with lower contact between customer and provider. For instance customer visits ATM machine to withdraw their money but to utilize this type of service it is necessary to contact employee of the company and establish bank account. To create an account this is the second type of service with higher contact with employee or provider. It can be found three types of classification of process. First type is characteristic by its low interaction between customer and provider of service easily employee can be substitute with electronic devices. (Vašítková, 2008, 180-190)

For this type is common higher automation rather than personal interaction known as mass services for financial services, tourism. Some of services might be repeated in that case it is known as customer-made and it can be seen in repair shop. Services provided by specialist are covered in type called professional service, usually this type requires qualification of provider and the service cannot be repeated the same way as previously. (Sigh, n.d. 145)

### **3 MARKETING ANALYSIS**

Marketing analysis exploring various aspects of different market features, it can be defined as business plan which includes various factors of company's interests. Marketing analysis includes various analyses. For company it is necessary to deal with at least one analysis because the marketing analysis stands for business plan and have functions of strategic planning for company. (Perreault et al, 2010, 88).

#### **3.1 Benchmarking**

Benchmarking was founded by company called Xerox Corporation. Benchmarking is used since 80's of the 20<sup>th</sup> century. This tool is a process that provides measurement and constant research about competition however companies use this method to reach their goals. For benchmarking it is crucial to be aware of competition about their strengths and weaknesses, possibilities.

Benchmarking is set by simple rules. Firstly it is important to know company's key position in the market, then competition's position on the market. It is observed on what principles competitions have based their position in the market. Benchmarking identifies competitions' weaknesses and strengths, based on weaknesses. Benchmarking takes advantage of research about competition. This process' punch line is establishment of position of one company and its competition. To know the weaknesses of the competition which leads to beat the competition and making greater position in the market. (Kumar, 2008, 63).

#### **3.2 PEST analysis**

According to Mr Kotler this analysis is required if the provider of service have decide to accomplish project on international or local level, it depends on what kind of target market it is. PEST analysis consists of research of four aspects: political, economic, social and technological analyses. Project might be for instance entering new market, introducing new product, or expansion of service or company itself. PEST analysis should be based on not biased facts including governmental facts, restrictions and decrees by legislative body. (Kotler et al, 2007, 93-105)

There are different variations of PEST analysis it usually depends on what is the analysis focusing on. First variation of PEST analysis can be PESTLE analysis adding Legal aspects

for the company and Environmental aspects. Another variation can be STEER which consists of social-cultural, technological, economic, ecological and lastly regulatory factors. PESTE analysis is not so common, mostly used is SWOT analysis. The main political aspect of analysis can be political stability (Zikmund, 2010, 1-5).

This aspect can be crucial for international companies. If the state does not have political stability it may cause existential problems for companies. The key aspect for also national companies is the amount of tax. It depends on many factors however companies must be sure if earnings are still profitable during a period of time when the taxes are high. Taxes are directly connected with another aspect which is an economic aspect of this analysis. There are also other features of economic aspect such as inflation, interest rates and recession.

Social aspect is closely connected with development of social groups in specific area. This information may be researched by companies who are willing to know the awareness of concrete information in this specific social group. Lastly the technological aspect of this analysis is situated in awareness of internet connectivity and so is awareness of new technologies for instance fitness studio should be aware of new equipment to keep up with modern equipment and new technologies of computer's programs as well. (Kotler et al, 2007, 106-107).

### **3.3 SWOT analysis**

As reported by Mrs Vašítková SWOT analysis is successful method of marketing strategy. This analysis consists of how concrete company can evaluate its strengths, weaknesses and if the company can recognize its opportunities and threats. To fulfil this analysis, company must observe external environment excluding employees, owners, distributors. (Vašítková, 2008, 58-68)

In this concept the influences on the company and its service is usually non suggestible, macro analysis for example contains an economic environment, political environment, social environment. To utilize opportunities and to accomplish better strengths for company it is necessary to know well the external environments. On the other hand, if not, company would not utilize all its possibilities to reach higher profits and to strengthen their position on the market. If the company is focusing on services then company must make a special effort to research also about cultural and social external environment of its

company. This external environment covers analysis of opportunities and threats. Analysis of strength and weaknesses is based on external micro analysis which consists of the closest surroundings of the company including customers, distributors, competition, intermediaries of marketing and lastly the public (Vašítková, 2008, 62-63).

## **II. ANALYSIS**

### 3.4 Introduction of Studio Effect in Vsetín

Fitness centre was introduced in 2012 on the market, this company is aiming on target group of customer including only women who want to stay in shape or to lose weight this company provides additional services. Effect studio is located in the centre of the town named Vsetín. Fitness centre is one of six fitness centre in the Vsetín, however Effect studio is the only one which only for women.

On the market there can be a lot of fitness centre dedicated only to women however in the city called Vsetín there was not one fitness centre of that kind. Studio Effect fitness centre is the one that fulfil the gap in the market. Thanks to this unique treatment of customer, this fitness centre has loyal customer base and nowadays after 5 years on the market it is highly recommended through word of mouth in this particular area. (Facebook, Effect Vsetín, 2013)

Studio Effect offers circuit training, usage of power plate, vibrating sauna, unique equipment for loose of weight in particular area such as belly and legs. It also offers lymphatic massages.

Services are divided to two sections. The potential customer decides whether she wants to lose weight or to keep in shape. It also depends for how long she will be visiting the studio for example for 10 lessons or for 20 lessons. The Studio is offering sales and special offers each month. Special offers are connected with months before summer during January, February and March. According to company's management, studio is not willing to create subsidiary therefore the advertisement should be intensively situated not only around the studio itself. On the most crowded street is not one huge advert of studio.

This company held by Mrs Baklíková is located in city called Vsetín, the address is Nemocniční 945, Vsetín. It is established since 2012, nowadays there is only one employee who is not qualified as fitness trainee nonetheless has a lot of experiences gained during this work at Studio Effect Vsetín.

## 4 MARKETING ANALYSES

### 4.1 SWOT Analysis

This analysis defines strengths, weaknesses, opportunities and threats of Studio Effect in the Vsetín. Some aspects might be specific some of them are generally connected with fitness market. Nonetheless for studio Effect it is balanced between weaknesses and opportunities. This fitness centre know its opportunities and if this centre succeed then this process will lead to profit and to strengthening its brand on the market.

The main strength is loyal customer base followed by unique service for women specially and lastly availability in the centre of the town 6 days per week. Among weaknesses is following features, need to improve training their employees, creating more events to attract attention of potential customer not only to fulfil the needs of loyal customer nonetheless it is also important. Studio Effect should focus on promoting including billboards, outdoor activities and not only depend on word of mouth of their customer. Opportunities are taking advantages of outdoor surroundings (cycleway, parks, pools), offering more services which are connected with the main service. The services which can be offered are following. Consultations for not only customers of the fitness centre. If the fitness centre is only for women it would be interesting to cooperate with companies which are offering services of beauty. Among threats are increasing competition, in the Vsetín sooner or later might appear another fitness especially for women or fitness centre which can offer with lower prices, the threats can be change of environment. Relocation of the company out of centre of the Vsetín.

### 4.2 PEST Analysis

Political aspects including restrictions, laws and other public notices may affect companies however market which is concerned of fitness centre might have different position. Fitness centre on the market to provide such service must obey laws and restrictions which are not limiting to provide such service. The amount of tax for providing this kind of service can be limiting.

Taxes are connected with economic aspect. For companies economic aspect take a crucial part whether the company is sustainable or not. Other economic features might be inflation, recession or interest rates. Fitness Studio must know if studio needs to lend money to buy equipment or not. If so for what kind of conditions it should be held for example for how

long the loan should be or for what kind of amount of money the loan should be so the company can be still profitable when the expenses would be higher than without the loan. Each market is influenced by social aspect. It is for fitness studio the advantage that customer have one feature in common which is the same healthy lifestyle. In this area there are potential customers who are aware of health consciousness. Lastly the technological aspect of this analysis is connected also with internet connectivity but mainly with automation.

### **4.3 Segmentation, Targeting and Positioning**

#### **4.3.1 Demographic segmentation**

The advantage of demographic segmentation is that is the company is willing to spend time with their customers and tries to understand their needs and wants, customer usually after that are likelihood to repeat and satisfy their needs and wants again at the same company. According to Mr Kotler if customers are satisfied with the purchase they are likely to tell positively about the purchase to their siblings and friends. (Kotler et.al, 2014, 597)

#### **4.3.2 Geographical segmentation**

Effect Studio has only on fitness centre and takes place in Vsetín. According to the executive director Mrs Baklíková Effect Studio is not considering establishing another subsidiary for example in this particular region of Vsetín. This fitness centre is mainly focusing on Vsetín are and its population. Effect Studio is focusing on women living in this area since this kind of fitness centre is only one. Nonetheless Effect studio is not willing to focusing on another cities which are close to Vsetín. (Effect Vsetín, 2017, 1)

#### **4.3.3 Targeting**

The target customers are women confronting their weight, usually women with over-weight or women with an obese issue. The Studio Effect is not planning other fitness centre, so the availability is limited. Potential customer can visit the studio for the first for free, after first visit potential customer will tell whether is willing to buy club card or not. Cards for customer may differ.

Nowadays Fitness market is popular among the public this trend is related to healthy life style, healthy habits including visiting fitness centres of all kinds. This trend is approaching



to consumers for willingness to lose weight or to keep in shape. There are few segments which are connected with fitness centres. (Market Segmentation Study Guide, 2017, 1)

- Keep relationships with others
- Losing weight
- Taking shape
- Peak performers
- Health Requirements
- Sport focus

#### ***4.3.3.1 Keep relationship with others***

This segment is fulfilled with customer who are usually moderately fit and are not usually interested in gym but mostly are interested in an exercise classes of some kind of specific sport. They are visiting the fitness centre to meet with their friends in order to satisfy their social needs. For example team of five people are visiting every Friday fitness centre to play squash. This situation is related with fitness centre because those customers have to visit the centre which includes specific space with equipment.

#### ***4.3.3.2 Losing Weight***

For fitness centres this segment is the main and is fulfilled with various types of customers, in this segment customers can be long term or short term depends on goals of each customer. Typical is visiting gym several times per week this type of customer may use another services. In this case it is favourable for fitness centre to train their staff for instance personal trainer in order to develop relationship with the customer. The customer will gain positive thoughts about the fitness centre and after a good results will probably recommend to somebody else.

#### ***4.3.3.3 Taking shape***

This segment is aiming to younger demographic segment however there is a mix of genders. This segment consists of customer who are willing to keep in a shape or to get back in the particular shape. Each visit of fitness centre may be followed by buying equipment. In this segment fitness centre which are offering exercise classes might be more successful than other fitness centres without exercise classes.

#### **4.3.3.4 Health requirements**

This aspect is dedicated to usually older demographic segment for the reason that customers are generally visiting fitness centre after advices provided by their doctors. This segment can be difficult to satisfy, important is for fitness centre to offer personal trainers and multiple choices of exercise programs provided by the staff of fitness centre.

#### **4.3.3.5 Sport focus**

This aspect of segment is quite well known fulfilled with customer who are dedicated to fitness or body building. Those customers do not taking advantage of exercise classes however are interested in equipment in the gym offered by the fitness centre. Also this type of customers are willing to taking advices from personal trainer who is there for them. (Market Segmentation Study Guide, 2017, 1)

## **4.4 Benchmarking**

In today's world there is huge influence of healthy style which connected not only with food but also with exercising. Nowadays fitness centre, outdoor activities are popular to keep up in this fast world. On the market no longer is popular fast food but organic food. Demand is focusing on healthy and fit lifestyle. This influence fitness centre and other organizations providing exercise for example yoga centre and organization providing spinning and other activities. Fitness centre should have positive approach to changes. Fitness centre may focus on the customer needs in the long period of time, create better relationships with them. Also the variety of activities should be counted.

Studio effect is distinguished by its focusing on women in this area and also positive approach from management of this company. To keep customer's attention it is important to know what customers want and how satisfy their needs. That is why this fitness studio before creating events and discounts asked loyal customer if the discounts is that what they want. It is important to ask customer to know exactly what customer's needs are and how to satisfy them in order to have loyal customer base and to create better relationship with them. To keep up with trends it is necessary to create websites and to be online on Facebook or Instagram. Usually Facebook page is connected with website of the studio.

## **4.5 Benchmarking Analysis of Studio Effect in Vsetín**

### **4.5.1 People**

Effect studio has great loyal customer base and according to their Facebook page and number of returning customers, customers are satisfied with the service and they are usually returning and promoted this fitness centre to others who may be interested. Big disadvantage of this aspect of 7P is that there is only one employee, few part-time job workers and management, however not employee and not workers who have part-time job there are trained to be personal trainers. Nonetheless their approach to customers is remarkably good that customers are satisfied and this brand is among the public known as great fitness centre for women in this area.

#### ***4.5.1.1 Customer Care***

First lesson is not charged in order to let the potential customer decide whether she wants to buy a card or not. During the first lesson it is taught by the fitness trainer what the weight loss plan and of what kind of features is one lesson set. One lesson lasts 45 minutes in which equipment is shown to the potential customer. After given advice from the trainer, the potential customer chooses on what she will be focusing on. For an extra charge, the trainer can set a healthy dietary regime. If the customer accepts the conditions and is willing to start exercising, the fitness trainer finds a customer card based on the information about the customer including measured size of chest, waist size, hips and the customer must be weighed in the interest of knowing the difference between the initial weight and the resulting weight after exercise. During this lesson, the trainer is telling the customer how to exercise properly to reach the most effectiveness from equipment. After this lesson, both sides agree on following lessons. During following lessons, the customer chooses whether she needs an advisor during her exercising or not.

#### ***4.5.1.2 Communication between customer and staff***

Staff have to be there for customers in interest of asking questions or helping customers with proper exercising. Other communication is mainly through emails as a newsletter monthly. Exceptionally, communication is through call phones to remind date and time of lesson to the customer. Gifts are given to customers when the company is celebrating their anniversary or to celebrate holidays for example Christmas or International Women's Day.

#### 4.5.2 Promotion

The disadvantage of Effect is that this company is not yet interested in cooperation with other companies meanwhile Contours in Zlín is cooperating with other companies relating to healthy lifestyle for instance companies providing beauty sessions or companies mainly focusing on healthy diet.

Effect in Vsetín has only one commercial premise there are no other affiliates. Nonetheless, Effect is located in the centre of the city with huge parking for free. This aspect promote Effect higher than other fitness centre in this city. The management of the fitness centre have created the websites which are linked also on their Facebook page. However this centre have its hidden reserves. According to their Facebook page they should more often creating new and status and adding more photos directly connected with their studio. Contribution on Facebook are usually connected with pictures of healthy food to keep motivated their fans on social media.

In the centre of the city is a park which can be dedicated to outdoor exercise held by fitness trainer or employee of the studio. To attract potential customer, studio can announce competition during this outdoor exercise. Also if the outdoor exercise would be during afternoon when there is higher frequency of potential customers it would increase the knowledge of the company among the public.

Making use of cycleway, customers may be invited to be part of competition for cyclists or to create a marathon. Marathon is a great event not only for one company but thanks to marathon there can be situated more than one company. Studio Effect can cooperate with sports brand which are situated in Vsetín, also can cooperate with insurance company which can provide health check up to measure for example BMI index. (Effect Vsetín, 2017,1)

#### 4.5.3 Product: Services for customers

This fitness studio provides circuit training and other exercise thanks to their equipment however that is all. No additional services are followed only for extra charge individually set dietary regime and if it is needed staff can provide advices depends on the specific issue. The service is easily presented because the customer have decide that she wants to do something healthy in order to stay fit or to lose weight. Staff introduce the functions of each equipment and give advice to the customer of how often and how properly she should exercise. It is possible for customer to use one-time entry however it is not favourable for a

long – term exercising. With long-term exercising is directly connected membership card or known as the loyalty card. The list of offered services by Effect fitness studio consists of circuit training, power plate, vacu power, vibrating sauna, equipment for so called slim belly and slim legs, equipment rolletic original, solarium. (Effect Vsetín, "Ceník", 2017, 1)

	10 exercising lessons	20 exercising lessons
Circuit training, Power plate	3 months	6 months
Vacu Power, Vibrating sauna	3 months	6 months
Slim Belly	-	2 months
Slim Legs	-	2 months
Solarium	1 year	-
Rolletic	1 year	

Table 1: The validity of the loyalty card

The opening hours are pleasant however only 6 days per week.

Opening hours	Open	Closed at
Monday - Friday	08:00	20:00
Saturday	08:00	15:00
Sunday	It depends on orders	

Table 2: The opening hours of Effect studio in Vsetín

According to Mrs Baklíková, the headquarters of this fitness centre, the most frequented time is from 15:00 to 19:00 during the day.

#### 4.5.4 Price of Services

Nonetheless Studio Effect has competition, there are other fitness centre which provides more activities in which women are also interested. That is why the price is regulated thanks to competition and also it is regulated by customer. Customers are the one who decide whether they are willing to spend that particularly amount of time and of course to spend specific amount of money. What may cause an issue that potential customer cannot one off entry, but they have to buy permanent pass with limited lessons and expiration dates.

	1 lesson	10 lessons	20 lessons
Circuit training	130 Czech crowns	1100 Czech crowns	1800 Czech crowns
Power Plate	120 Czech crowns	1000 Czech crowns	1800 Czech crowns
Vacu Power	140 Czech crowns	1200 Czech crowns	2000 Czech crowns
Vibrated sauna	140 Czech crowns	1200 Czech crowns	2000 Czech crowns

Table 3: The prices of the main services in Effect studio in Vsetín

	One-time entry	Permanent pass
Slim Belly	200 Czech crowns	1960 Czech crowns
Slim Legs	200 Czech crowns	1960 Czech crowns

Table 4: The prices of other services

#### 4.5.5 Physical Environment

Fitness studio takes place in the centre of the town with facility of car parking for free. Fitness studio has posting of their brand on the windows so the fitness studio can be visible for the passer-by. Internal premises are modern and new. The colour which is mostly used is pink and purple. Pink represents femininity, youth and innocence and evokes playfulness and it is very popular among their target group which are females. Pink can also represent fun vibes and creativity. Pink colour is combined with white colour and shades of pink. White colour evokes healthy feeling and discreetness.

#### 4.6 Benchmarking of direct competitor Contours in Zlín

Contours in Zlín is one of 24 subsidiaries of Contours in the Czech Republic which is a fitness centre who is focusing mainly on women. This fitness centre in Zlín was founded two years ago. This fitness is providing circuit training, lessons to improve the shape of customer's body, competitions for customers each month. Employees of this Fitness centre are qualified personal trainers or employers are healthy lifestyle advisors. Contours in Zlín has loyal customer base thanks to subsidiaries in other cities such as Prague, Ostrava, Uherské Hradiště. This fitness centre is also targeting its services for women only. (Contours, 2017, 1)

As Studio Effect, Contours is creating event each month. But one of the main weaknesses is the environment of this fitness studio. It is located in the centre of the Zlín which means that availability is great nonetheless internal environment is quite small for 10 and more

customers at one time. One of the main advantage is that this fitness centre has is the opening hours.

#### 4.6.1 People

As it was mentioned previously, staff is qualified most of the employees are personal trainers or healthy lifestyle advisors. This fitness studio has the same feature as Studio Effect because both of them have loyal customer base. The Contours in Zlín where employees are women who are interested in healthy life style, once a week employees are providing the exercise lessons it means that they have to be well prepared because each lesson is different. Exercise lessons are divided according to level of difficulty.

#### 4.6.2 Price

Price is set with taking the consideration of its competition. This fitness studio is not the cheapest in the town but it has unique features for instance this fitness centre is only for women with the possibility to attend exercise lessons without any supplementary charge.

Fee for activation for the first membership costs 250 Czech crowns but if the customer decides after the first lesson it is for free but if not and want to become a member after one week, customer have to pay the fee. (Contours, "Ceník", 2014, 1)

This table will show their opportunities for the customers.

	Payment in cash	Installment plan
1 month	1 800 Czech crowns	none
3 months	2 790 Czech crowns	none
6 months	4 870 Czech crowns	989,- per month
12 months	8 790 Czech crowns	898,- per month
24 months	none	789,- per month

Table 5: The prices of Contours studio in Zlín

#### 4.6.3 Promotion

Word of mouth is the main promotion. Satisfied customers are willing to return and use their service again. Each month they are offering special events or discounts to attract loyal customers and through loyal customers to attract potential customers. As a part of promotion it can be used their special discount. The special discount is mainly for potential customers, fitness centre offer them free lessons for the first week. After the first week they can create an account or not.

#### 4.6.4 Physical environment

Contours is located in the centre of the town without its car parking however there is municipal paid car parking. Nonetheless the fitness centre is in the building on the third floor it means that the promotion to be visible for passer-by is quite limited. Posters are on the building however it is set among other posters from other companies who are also in the same building so the advertisement is blended with others. The access to the fitness centre is plausible for customers. The interior has gym for equipment, changing room with bathroom for customers. There is also reception where each customer has to scan their membership card so the system can count how many times each customer visits this studio. This fitness studio chose pink and purple colours. Disadvantage is the premises are small, for instance the gym is full there are about 10 customers usually there are exercise lessons beside the gym. It would be beneficial for customers and for employees as well to find new and bigger premises unfortunately they would lose the position in the centre of the city which is a great advantage. (Contours "Jak to u nás chodí" 2014, 1).

#### 4.6.5 Product: Service of Contours in Zlín

Service compared to Studio Effect has one flaw. Studio Effect to their service offer two options either the customer can visit their fitness one-time entry or with permanent card for a long-term. However the Contours in Zlín does not have this one option to visit without the permanent card. As a member of this fitness centre the customer may use the gym and also to participate on exercise lessons provided by one of the employees. As it was mentioned before, exercise lessons are scheduled and there is variety of lessons, depends on the wish and wants of customers.

Membership of customer contains: opportunity to work out as long as customer wants and for how long she wants, personal trainer provides the guidance through the first lesson, personal card which includes data of customer (weight, BMI index etc.) and access to the internet website of your electronic membership online.

The opening hours is a big advantage in comparison with other fitness centre because it is open 7 days per week.



The opening hours	Open	Closed at
Monday, Wednesday, Friday	08:00	20:00
Tuesday, Thursday	07:00	20:00
Saturday	08:00	14:00
Sunday	14:00	20:00

Table 6: The opening hours of Contours fitness center in Zlín

#### 4.7 Summary of benchmarking of Studio Effect in Vsetín and its direct competitor Contours in Zlín

According to the tables of prices 1 month of circuit training costs 1800 Czech crowns, nonetheless Fitness centre offers 1 month and 3 weeks of circuit training costs 1800 Czech crowns. It is explicit that Fitness centre in Vsetín is offering cheaper circuit training than in Zlín. As it was previously mentioned, Contours hired qualified personal trainers compared to the fitness centre in Vsetín where employees are not qualified as personal trainers. Psychological environment looks alike, there is a usage of the same colours, both of the interiors are modern and evokes creativeness.

Services may differ. Contours in Zlín is offering circuit training and exercise lessons, the Studio Effect in Vsetín is offering circuit training but also various equipment which are helping with burning calories during exercising also they are offering vibrating sauna and solarium. It is obvious that Studio Effect provides more services in one fitness studio than Contours in Zlín.

Each of those fitness centres have their own Facebook page. The Contours in Zlín has rating 4.5 stars out of 5 on Facebook. The rating was created by 10 votes. The Effect studio in Vsetín reached 4.7 stars out of 5 by 17 votes. Undoubtedly, the social media does not have a great impact of promotion but as it was mentioned before the word of mouth does.

	Studio Effect in Vsetín	Contours in Zlín
Variety of services	3	2
Price	3	2
Opening hours	2	4
Discounts, Special offers	5	5
Promotion	1	1
Newsletter	YES	YES
Social media via Facebook	YES	YES
Approach to customers	3	3
Cross selling	YES	YES
Subsidiaries	NO (-3)	YES
Physical environment	3	1
In sum	17 Without possibility to visit in other towns, where are subsidiaries	18

Table 7: The table of benchmarking analysis

## **5 RECOMMENDATION**

According to SWOT analysis the weaknesses of Studio Effect in Vsetín are the low value of promotion, creating events for potential customers, to cooperate with other companies to use cross-selling as an advantage. The disadvantages might be nonqualified employees, it would be more efficient if this fitness centre's decision would be more efficient for instance to enlarge services which are related with its main service. Relating services may be healthy diet plan for individuals set by personal trainer, promoting cosmetics to attract more target groups of women. Nowadays, it is common to have a smartphone with apps of all kinds. This fitness centre may find another satisfied customer with app involving customer's progress, goals and validity of their membership card and advices of personal trainer for healthy lifestyle.

### **5.1 Promotion**

Social media are good for business to communicate with potential and loyal customers as well, nonetheless the studio effect's approach can be more efficient by promoting more its services through outdoor marketing and offering pamphlets with discounts. Outdoor marketing is used in low reach to attract target group, there are possibilities to rent a billboards which are in the centre of the city, to take advantage of cycleway and parks for promoting exercising lessons in this area.

### **5.2 Cross selling**

As it was mentioned before, Studio Effect is selling proteins and fat burners bars of other companies as a supplement of their service nonetheless the cross selling may go further. Cross selling can be variety of promoting or selling product which are related with fitness's service but from another company. The fitness centre may receive profit thanks to the promoting of products of another company. This fitness studio may promoting equipment especially made for home, clothes which are designed for fitness lifestyle and cosmetics products as well. This cross selling of course depends on the variety of companies in this area which would be willing to cooperate with this kind of fitness centre.

### **5.3 Website design**

Website design is clear, user friendly and provide all important information such as opening hours, address of the fitness centre, tables of prices and variedness of membership

and contact and link on social media as well. However this website should be added by references of satisfied customers and photos of customers taken before and after their workout in this fitness centre. Through emails the fitness centre is sending newsletters however on the website there is no option for history were all newsletters would be archived. The potential customer might be interested in history of events and discounts of this studio.

## CONCLUSION

Marketing became crucial part for successful companies in order to not only reach profit but also to have strong position on the market. For fitness centres the marketing is crucial for many reasons but mainly because fitness centres are providing personal services. In this case is it important to have priorities such as creating good or better relationship with customers not only attracting attention of potential customers but also to focus on loyal customers as well.

Nowadays it is easy for companies to keep up with trends however it may be difficult to survive on the market, be different from competition and to stay in the market profitable as long as possible. Luckily for fitness centres, some percentage of consumers are willing to be fit and stay healthy, not every potential customer has the opportunity to has its own equipment to exercise. Fitness studio can provide other services which are related with the main service.

The aim of this thesis was to evaluate the marketing mix of fitness studio Effect in Vsetín. The theoretical part was focused on basics of marketing, the aspects of marketing mix and basics of marketing analyses. The practical part was dedicated to the fitness studio Effect in Vsetín and its direct competitor fitness centre Contours in Zlín. The practical part consist of describing current situation of the Effect studio and its aspects of 7P and basic information. Other half was focused on its direct competitor. This part also consists of comparison of those two fitness studios. This analytic part showed that fitness studio Effect in Vsetín might be more focusing on promotion and training of its staff. To be more profitable this fitness studio may also take advantage of surroundings of Vsetín.

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