

## The marketing analysis of competitiveness of fitness-clubs in Xi'an

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**Keywords:** fitness-clubs; marketing; competitiveness.

**Abstract:** The study uses the methods of paper analysis and case study to explain the corporate competitive theory to combine the statistics of Xi'an fitness-clubs. To carry out the marketing analysis of competitiveness of fitness-clubs of Xi'an. Results display that the opportunities and threats of the external environment of fitness-clubs of Xi'an are defined on the basis of the carried-out marketing analysis, satisfaction of Xi'an citizens with activity of fitness-clubs of the city from providing recreational services is found. The carried-out analysis of marketing activity of fitness-clubs of Xi'an gave the chance to find possible threats from competitors. This paper argues that Xi'an fitness-clubs should be established with fitness center as the center, and it is proposed to take the initiative to adapt to the development of Internet technology and new media platform.

### 1. Introduction

As society becomes even more competitive, busy and high-intensity work made it a growing desire for healthy, a huge market in fitness industry follows from it, as a result, many fitness companies have mushroomed in China. China's fitness business is born and developing in the history opportunities of social development. However, it is negatively influenced by the disorderly market competition.[1] In face of this kind of situation, our fitness business should apply any measures to create their own competitive advantages and guide China's overall fitness business to develop on the right track.

Improving service quality is the eternal theme of commercial fitness-clubs development. In recent years, Customer complaints manifest several new features such as high frequency, concentration, contagion, etc, which can Increased consumer distrust club industry as a whole.[2] The fierce market competition forces the sports organizations, rendering these services to investigate constantly market condition and needs of the consumers at all variety of supply and demand in the market of services in the recreational sphere.[3] The feature of market condition is considered, the competitive circle and activity of competitors is analyzed, and also weaknesses of the sports organization are estimated strong at the creation of competitive strategy. It causes need of application of marketing for this area.

### 2. Material and Methods of the research

This paper begins with the analysis of the competitive environment of Xi'an fitness-clubs industry using SWOT analysis. Using literature research methods, questionnaire survey methods, mathematical statistics methods, comparative research methods and other research methods, using the combination of theory and practice to promote the guiding ideology, promotion goals, promotion principles, and promotion of brand competitiveness of commercial fitness-clubs in Xi'an Tasks and safeguards have been systematically studied. The research was conducted on the basis of 15 fitness-clubs of Xi'an. Administrators acted as respondents—20 persons; those who are engaged in fitness-clubs – 60 persons.

### 3. Results of the research and their discussion

Today there are many concepts used for the definition of the organizations providing recreational

services. These are “fitness-club”, “fitness-center” or “fitness studio”, “recreation club”, etc. The market of sports-health-improving services is presented by 1306 such fitness-clubs in Xi’an. The competition in the market of recreational services increases promptly along with the intensive development of fitness-industry.

According to data of the research of R. A. Fatkhutdinov [4], the competition is rivalry on any segment of the market between the separate organizations/ which are interested in achievement of the same purpose. Such purpose, as a rule, is maximizing profit at the expense of gain of preferences of the consumer. To the main types of the competition are related: functional competition; specific competition; subject competition; price competition. To types of competitors are concerned: direct competitors; commodity competitors; implicit competitors [5].

The competitive strategy represents the economic actions, which are aimed at the providing growth of realization at the established price of the delivered recreational services. The carried-out analysis of functioning of fitness-clubs in modern market conditions showed that they, as well as any organization, are characterized by the marketing environment. It is known that the macro-environment is, first, the source of providing with resources, necessary for maintenance of their internal potential at the optimum level for achievement of the purposes, and, secondly, it is set of the factors influencing their activity. The microenvironment is the source of “vital force” of fitness-club and includes the potential which gives it the chance to exist and survive. The microenvironment is presented by the process of formation of necessary resources and their transformations into services, and also the subsequent renewal of resources.

The market researches, including the competitive analysis of the market of recreational services, and also studying of consumers and assessment of demand of the provided services in the market are organized within the marketing activity. As a result of such researches we defined opportunities and threats of the external environment of fitness-clubs of Xi’an (Table 1). It is visible by results of the conducted research that indicators which gained less than 60 points are threats for the development and implementation of the concept of marketing, and indicators which gained 60 and more points – possibilities of the marketing environment.

Table 1 Assessment of opportunities and threats of activity of fitness-clubs, according to poll of administration (n=20)

Assessment indicators	Amount	$\bar{X} \pm m$	%
Development of new sport	69	4.03±0.37	83.0
Expansion of the range of Service	61	4.21±0.12	71.1
Legislative changes	63	4.71±0.23	63.8
Improvement of quality of granting Service	71	2.31±0.26	79.0
Appearance of new competitors	36	1.82±0.35	90.1
The rate of inflation in the country	28	3.71±0.29	74.1
Change of preferences of the population	51	2.89±0.33	80.1
Change of level of the income of the population	47	4.03±0.37	83.0

The research conducted by us among Xi’an citizens – consumers of recreational services of fitness-clubs of the city assumed the detection of satisfaction with their activities for 4 indicators:

- price of recreational services;
- professionalism of personnel;
- comfort in club;
- work with consumers of services.

The assessment of these indicators was carried out by assignment of certain number of points to each fitness-club on the scale from 1 to 10 according to levels: 1–4 points (low), 5–7 points (average), 8–10 points (high).

The indicator «price on recreational services» was considered in the complex of various characteristics during the research. The main of them are concerned: variety and quality of the main (various forms of motor activity) and accompanying (physiotherapeutic procedures, recommendations about food and lifestyle, inspection of functional preparedness of the engaged,

cosmetic procedures etc.) services; features of the contingent of engaged – belonging to one or various social groups, age and sexual features; type of the subscription etc.

As showed our research, most of the interviewed Xi'an citizens (63%) consider that the price of recreational services in fitness-clubs of Xi'an corresponds to the offered services and the conditions created in them as 12 of 15 fitness-clubs received on this indicator of assessment of the average level. Other 37% –noted the high level, i.e. consider the prices of recreational services overestimated. Any of respondents didn't give mark of the low level. Above told characterizes satisfaction of the fitness-clubs of the city of Xi'an which are going in for price policy.

On the second indicator – «professionalism of personnel», estimates of respondents were distributed as follows: 7% noted low, 68% – average and 25% – high levels. If to consider distribution of estimates of respondents on clubs, then only two (“Mega” and “China Bally”), according to respondents, have high professionalism of personnel. Respondents estimated the level of professionalism of most clubs (12) among which consumers our research was conducted as average. The low level of professionalism of personnel respondents noted only in one fitness-club (“Rui li fitness club”). It should be noted that professionalism of personnel in many respects influences quality of the provided recreational services and is the important characteristic of activity which has to be strategic reference point of each fitness-club, in particular network.

Assessment of the comfort, which is created in fitness-club, is also the integral indicator of consumer satisfaction with recreational services. As results of the research showed, infrastructure providing, and also the accompanying services provided additional, the conditions created for classes, condition of material resources etc. of fitness-clubs “Surmount”, “Yat”, “China Bally”, “Tian liang sunshine”, “Meibo” are at the high level (33% of respondents). At the same time clubs “Sport center “Rui li fitness club”, “Real love” and “Chanjing”, according to poll (20%). , have the low level of comfort. Other 7 clubs , according to their consumers (47%). , have the average level of comfort.

Poll showed (30% of respondents) that only 4 fitness-clubs carry out the work with consumers of services at the high level. According to 23% of respondents, this indicator corresponds to the average level in 4 fitness-clubs. Nearly a half of respondents (47%) noted the low level of work with consumers of services in such fitness-clubs. It testifies to the undeveloped system of work with clients who have to provide the complex of special offers, instruments of information influence and the control device of level of satisfaction of the consumer with services (Table 2).

Table. 2 Consumer assessment of activities of 15 fitness-clubs of Xi'an for providing recreational services

Assessment indicators	Number of respondents %		
	Low level	Average level	High level
price of recreational services		63	37
professionalism of personnel	7	68	25
comfort in club	20	47	33
work with consumers of services	47	23	30

If to consider results of the conducted by us poll in total on all 4 indicators, then most of the interviewed Xi'an citizens estimate activity of fitness-clubs on average and on high levels. These fitness-clubs have the wide network in the city and are the chief leaders among fitness-clubs. Thanks to the wide network of fitness-clubs, these organizations are capable to offset possible financial losses of one fitness-clubs by the successful work of others. The network works as the uniform organization, that is has the system strategy, economic reference points, and unlike single fitness-club, has almost maximum coverage of the local market. Therefore these clubs need to develop each of the available resources in the context of development.

#### 4. Conclusions

The commercial fitness-clubs industry in Xi'an has internal advantages such as good policies, a superior economic environment, and a good social and cultural environment, as well as internal

weaknesses such as imperfect laws and regulations and lack of brand management and management capabilities. At the same time, the implementation of the national fitness strategy in China and the gradual emphasis on fitness leisure business and the implementation of the “Strong Brand Strategy in Xi’an” have provided external advantages for the development of commercial fitness-clubs in Xi’an.

The carried-out analysis of marketing activity of fitness-clubs of Xi’an gave the chance to reveal possible threats from competitors: the rate of inflation in the country; appearance of new competitors; change of level of the income of the population; change of preferences of the population.

This paper argues that Xi'an Fitness-clubs should be established with fitness center as the center, and it is proposed to take the initiative to adapt to the development of Internet technology and new media platform, for example, using Xi'an concept fitness APP to deepen fitness service for customers, The establishment of two-way interactive mechanism, the flexibility to carry out fitness services, a comprehensive focus on customers to carry out a series of business activities.

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