

Empirical Study of Fitness Industry Cases-Based on SWOT

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This paper aims to understand both the internal and external conditions of Qingdao Impulse Fitness Club, through the questionnaire survey, field visit, individual interviews and other methods, and to carry out research into the Club basing on SWOT analysis perspective. Then reveal the superiority and inferiority in macroenvironment and microenvironment of Qingdao Impulse Fitness Club by means of building Matrix, and formulate appropriate marketing programs for the Club.

Keywords: Sports Industry; Fitness Club; SWOT Analysis

Introduction

The proposals about further strengthening and improving the physical work in new period (August 2000) clear that, “vigorously develop the sports industry, actively cultivate the sports market for the expansion of domestic demand, promote employment, stimulate economic growth and achieve the development objectives of modernization”. Accelerating the development of sports industry is a specific embodiment of firmly establishing and completely implementing the scientific concept of development, and an urgent demand for promoting economic development and spiritual civilization under the socialist market economy. Qingdao, on the coast of Yellow Sea, lies in the southern tip of Shandong Peninsula, rapid economic development, is one of China’s 15 sub-provincial cities and a host city for the sailing event of the 2008 Olympic Games. With the holding of the Beijing Olympic Games, more and more attention on fitness are paid by majority of people, the concept—“spend money on health” has been accepted by more and more people (López- Sintas & García-Álvarez, 2006)

Under this circumstance, this paper applies SWOT analysis in management to the study of Qingdao Impulse fitness club, conduct scientific and comprehensive analysis on the advantages and disadvantages that existed in the macroenvironment and microenvironment, the opportunities and challenges that the fitness industry faced as well, obtain objective and accurate basis, formulate marketing strategies to promote the development of the fitness industry, so as to stimulate the development of the whole fitness club.

Methods

Subject

Qingdao Impulse Fitness Club.

Methods

Through documentary research, interviews, questionnaire

and other methods, and focus on the use of SWOT situation analysis to analyze the Qingdao Impulse Fitness Club. The so-called “SWOT analysis” refers to the subjects related with the competitive advantage (strength), competitive disadvantage (weakness), opportunity and threat, by means of investigation, and arranged together according to the matrix form, finally match each factor to each other for the purpose of analyzing and drawing a series of correspondent and policy-making conclusion (Kahn & Wansink, 2004; Luo, 2008; CO, 2005; Zhang, 2006).

Both main tasks are building matrix and formulating the plans that conduct SWOT analysis.

Results and Analysis

Analyse the Development S (Strengths) of the Qingdao Impulse Fitness Club

The External Environment Advantages

Qingdao is one of the 15 sub-provincial cities, the largest industrial city in Shandong province, the five counties and cities under the jurisdiction of Qingdao all entered to the 2009 National Top Hundred Counties, the average annual growth of GDP was more than 12%, the per capita disposable income of the urban residents increased obviously, the Engel coefficients were 0.445 and 0.450 respectively. That provides a solid economic base for the sports development in Qingdao, and becomes a major advantage for the development of the fitness club. Meanwhile, after the implement of weekends and the national holiday, the residents’ leisure time will increase to 115 days the whole year, and they can freely dispose nearly one third time of the year, which creates necessary conditions for developing the sports industry.

The Internal Environment Advantages

In Qingdao all variety of fitness clubs are flourishing, the number of club members increases every year, and the residents’ consumption awareness on sports increases as well. Af-

ter Qingdao became the host city for the sailing event of the 2008 Beijing Olympic Games, pace of development was accelerated, owing to the special geographical location, which has shown a good momentum of development in all types of fitness clubs and entertainment places, and becomes a new stage for integrating fitness industry into the recycling of the economic development. Fitness service places play a unique role in the heat of restoring mental health and fitness with its fashionable, trendy business items and modern, flexible service. According to the preliminary investigation in 2009: many fitness centers have been developed in form of hotels in Qingdao with a growing number, gradual expansion of the scale, gradual increasing of grade, and expansion of the business field.

There are four Qingdao Impulse Fitness clubs in urban areas and four in the county-level cities. The clubs in urban areas are mainly located in the center of the city, and the surrounded residential apartments, supermarkets and entertainment center, governments, office buildings and commerce centers, which provide a good population environment for the expansion of the fitness club members.

Seen from the survey of the new and old members in the Impulse Fitness club (Figure 1), the urban population in Qingdao is supposed to be 242 million, then according to a rough calculation, the club members made up 0.202 percent of the total population in 2007; 0.345 percent in 2008; and 0.574 percent in 2009.

The statistics shows that the club members increased rapidly in the year 2008, which was inseparable from the fifth anniversary of the clubs, economic consumption level and the sports fever that brought by the Olympic Games. The concept “spend money on health” is becoming maturer. The growth of the club members reflects the recovery of the sports consumption.

Table 2 shows the survey results of the consumer motivation: physical fitness, entertainment and spirit relief are the main consumer motivation, which take up 37.3% and 27.4% respectively. Most people go to the fitness club for the purpose of relaxing themselves and enjoying the excitement. At the same time, fitness club is also a helpful place to communicate with each other and reach commercial agreement.

This part of people are highly agree with the paid sports

consumption, which indicates that the concept “spend money on health” has been established as the residents have substantial income, the potential consumer group laid a foundation for exploring the fitness entertainment market in Qingdao.

Analyze the Weakness of Qingdao Fitness Club

Low Market Share, Obvious Occupational Characteristics of the Members

Table 1 show that the club members took up only 0.574% of the total population in 2009, which means the market share, is not high.

Figure 1 indicates: occupational distribution of the consumers in the club is significant, commerce and service workers take up 22.2%; political and administrative workers take up 18.1%; economic management workers 17.3%; workers in education and science take up 13.7%; students take up 12.1%; individual businessmen take up 10.9%; production and transportation workers only take up 2.3%.

It is understood that the fitness card delivered from the enterprise and public institution is one of the sources of the members. This shows that spontaneous awareness of participating in physical fitness is not high, which is inseparable from the government’s efforts in promoting the physical exercise. People are still in pursuit of the economic interests, and the paid consumption only exists in a small part of people.

Small-Sized Club, Limitation of Space Development

The club on Hong Kong Road is the latest and most luxurious gym among all the Impulse Fitness clubs, with the area of 3600 square meters. There is e-coach, “sky garden” and other

Table 1. Annual statistics of the members in the impulse fitness club (person).

Year	Total members number	Percentage of the total population in the city (%)
2007	4887	0.202
2008	8349	0.345
2009	13,896	0.574

Table 2. Consumer motivation of the members in the club.

	Social communication	Fitness	Seek excitement	Sports aesthetic	Entertainment	Hobbies & interest
%	7.6	40.5	2.7	8.2	27.4	14.6

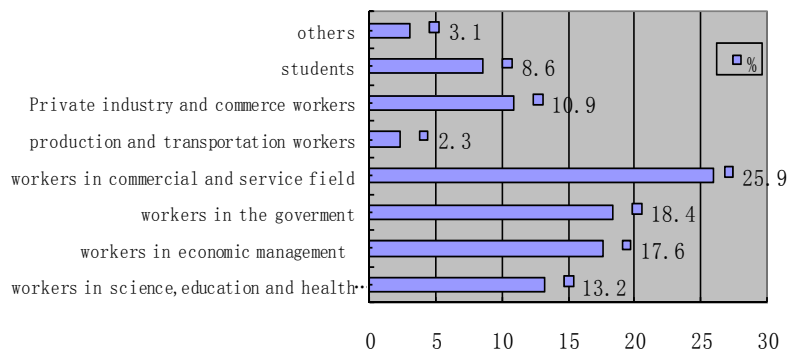


Figure 1. Consumers occupational distribution of Qingdao impulse fitness club.

special programs, and the swimming pool, squash and will provide the consumers with more choice of fitness programs. What's more, the following services also are available in the gym: business center, fitness packages, stored value bank, and fitness supplies. The real fitness area is only 2000 square meters, which would hinder the development of the club. Compared with the 5000 square meters of the Hangzhou Intensity International Fitness Club, the Impulse Fitness clubs only provide a fitness place for the members which limit the development of the club.

Single Fitness Programs, Unreasonable Curriculum in Amount and Time

Table 3 indicates: there is no exercise curriculum at daytime at weekends, the programs are relatively simple which couldn't attract members' interest. If the club can't fully meet the diverse needs of the members, let alone service marketing, build their own brand, and promote the development of the club.

The Overall Evaluation for the Club Service Is Not High

From the interview to the person in charge of the Club, the club set individual files and records for the members, however, it is found from the service evaluation survey: very satisfied take up 0.03%, satisfied take up 0.33%, the overall evaluation is not high (**Table 4**).

Analysis of the Opportunity that the Impulse Fitness Club Faced

The 16th National People's Congress of the CPC proposed the magnificent goal for the achievement of a "all-round well-off society" until 2020 and the successful holding of the 2008 Beijing Olympic Games provides an unprecedented opportunity for the sports fitness industry, and brings excellent developing opportunities for the sports industry as well. From an economic point of view, the national fitness will bring enormous business opportunities for the sports fitness market, attracting a large number of private capital investments in the fitness industry. Qingdao Impulse Fitness Club follows the trend of development. If they can seize the opportunity, these will certainly bring benefits to the club.

Table 3.
March 2010 curriculum of Qingdao impulse total fitness club (Hong Kong Road Branch).

Time	MON	TUE	WED	THU	FRI	SAT	SUN
10:30-11:30	Aerobic dance	Fit-dance	Fit yoga	Aero-B.D		Fit-Pilates	
16:00-17:00	Super spins	Body balance	Super spins	Fit yoga	Super spins	Body balance	Super spins
17:15-18:15	Aero-steps	Super spins	Fit yoga	Super spins	Muscle conditioning	Fit ball	Fit yoga
18:30-19:30	Super spins	Body attack	Super spins	Body balance	Super spins		
19:45-20:30	Fit yoga	Muscle condition	Fit-Pilates	Aero-Hi/lo			

Table 4.
Overall evaluations to the service quality of the club.

	Very satisfied	Satisfied	Ok	Dissatisfied	Very dissatisfied
Number	1	10	15	2	2
%	0.03	0.33	0.5	0.07	0.07

Analysis of the Threats that the Impulse Fitness Club Faced

Lack of Professionals in Sports Fitness

The data in **Table 5** indicates that totally there are 39 instructors in the four branch clubs which are respectively located on Hong Kong Road, Guizhou Road, Fuzhou Road and the Development Zone, which means the average number of each club is less than 10. Serious shortage of professional fitness instructors, what make the situation worse is the lack of nutritionist and masseurs. Lack of management professionals and coaches and low-level management have impeded the development of the club and the improvement of the operation quality.

The Disorderly Price Competition

In order to occupy the market, the disorderly "price war" is inevitable, which would surely hinder the development of the fitness industry. Meanwhile, influenced by the financial crisis, the consumption on sports decreased to some extent, the club must make new marketing plans cater to the current development, to avoid disorder price war (**Table 6**).

Conclusion

As shown in **Figure 2**: the analysis of the S (strengths) of the Qingdao Impulse Fitness Club shows that the rapid economic development, good social and cultural environment, and environmental characteristics of the population all provide objective conditions for the carry-out of the fitness club.

The analysis of the W (weaknesses) of the Qingdao Impulse Fitness Club indicates that the market share of the club is not high according to an annual membership statistics, members are with obvious occupational characteristics, and voluntary participation of consumer awareness is not high. Small club and simple fitness programs will impede the development of the club. Lack of deep investigation and service tracking to the club members, and fuzzy target market are the stumbling blocks for the long-term development of the club.

The analysis of the O (opportunity) of the Qingdao Impulse Fitness Club shows that the two main advantages are: 1) the

Table 5.
Statistics of the professionals in Qingdao impulse fitness club.

Name of the professional certificate	Number
Asian Senior Private Coach Certificate	8
National Fitness Instructor	12
National Fitness Instructor (Level 1)	12
Australia and International Private Coach Certificate	1
US AFAA group fitness certification	1
International redistricted senior nutritionist	1
Psychology counselor	1
Nutritionist	2
Masseur	1

Table 6.
Qingdao impulse fitness (urban clubs) 2007-2009 price.

Year	Common card (Yuan)	Luxurious card (Yuan)
2007	2280	5880
2008	2000	4880
2009	1250	4000

Development strategies of Qingdao impulse fitness club

Combination one: SO—Rely on advantages, use the opportunity

Implement the marketing strategy in membership growth: Build a Qingdao fitness brand, set up brand effect.

Combination two: WO—Use the opportunity, overcome the disadvantages

Implement reversed marketing strategy in sports industry, make use of the great potential advantages of the Olympic Games and the fitness market, expand the scale of the club, optimize the product strategy, and alter the service from undifferentiated market to differentiate.

Combination three: ST—Rely on advantages, avoid threats

Implement defensive marketing strategy: implement effective price marketing, adjust reasonable industrial structure in fitness club.

Combination four: WT—Reduce the weakness, avoid threats

Implement diversified marketing strategy: focus on the introduction and cultivation of the professionals, optimize the industrial structure, and diversify the fitness service.

Figure 2.
Qingdao impulse total fitness club SWOT strategy matrix.

opportunities of the “all-round well-off society” which is proposed during the 16th National People’s Congress of the CPC; 2) the opportunities that brought by the Beijing Olympic Games.

The analysis of the T (threats) of the Qingdao Impulse Fitness Club indicates that the club must overcome the threats while in the process of advantageous development. The threats the club faced are: lack of professionals, disorderly price competition among clubs, and the simple management programs could not attract consumer enthusiasm.

Recommendations

Change the sports marketing concept of the physical fitness in differentiating service, which is the pre-condition of building a good sports fitness market.

The core task of the fitness club is to improve the quality of the service, which is the foundation of the marketing campaign.

Pay attention to the image-building, which is the base of building fitness brand.

Take note of the flexibility and associability when formulate the marketing strategies.

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