



# IST

Fallstudienreihe

Innovation, Servicedienstleistungen und Technologie

Case Studies on

Innovation, Services and Technology

**The new fitness world**

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## **The new fitness world**

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## 1. Case study

Fitness studios have gradually become part of today's modern industrial society. In addition to a sports complex, they are also a social meeting point, where the slogan "see and be seen" sometimes takes precedence over the initial thought of staying fit with sports.

On the whole it can be noted that the fitness market is very competitive and that new customer acquisition is relatively difficult due to the level of market saturation. Reigning on the market are large chain clubs such as the prestigious "Puls" or the low-cost "McFit".

Depending on their strategic market positioning, fitness studios generally offer a large range of services. In addition to the regular exercising rooms, different fitness programs and courses such as Spinning or Pilates also attract new customers, in particular women. This is confirmed by the fact that over 60% of the participants in these courses are ladies.

Customer satisfaction depends most of all on staff friendliness and competence. Hence, a specific course, for example Tae Bo, could be either packed or not depending on whom the trainer is. That in turn speaks in favor of engaging professional and certified trainers. Certifications are therefore very important, because only those trainers, who have passed an examination and obtained their licenses for a specific program, have the corresponding qualification to teach courses, such as Tae Bo.

Fitness studios in the luxury segment offer their customers much more comfort beyond the training facilities. For example, sauna areas and tanning booths have already become a must, as have snack and beverages bars, which offer all the ingredients for a healthy diet. Among them are, for example, "fitness supporting" protein supplements, which enhance and accelerate muscle formation. These additional offers aim at attracting customers to the fitness studio more often and for longer periods, and at generating additional profits along with the monthly membership fee.

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In order to guarantee customer comfort, in particular at luxury fitness studios, training and wellness areas are organized and furnished very lavishly. Parquet floors or indirect light aim at making customers feel like at home. Large TV screens are located close to individual exercise machines to allow customers to watch their favorite shows while riding a bicycle or jogging. A decent offer is also topped off with the newest issues of popular magazines and newspapers. All of this explains why in the end, some customers spend more time at the fitness studio than at home. Furthermore, in time people develop friendships with fellows and enjoy a friendly chat and a drink or two at the bar after training.

Back to the core training ideas of fitness studios: a significant advantage of luxury clubs is the large choice of courses and machines, which allow for good exercising even at peak times. In contrast, members at low-cost fitness clubs have to take into account the fact that machines may not be available at all peak times, thus limiting their training schedules.

Last but not least, several exclusive fitness clubs for ladies opened their doors to female customers with the promise for relaxed exercising without annoying gawking by male “athletes”.

## **2. Task**

As a graduate student, you are employed at the luxury fitness studio chain “Puls” as an assistant to the CEO. Your first task is to develop a quality management concept which would allow you to maintain and improve your current service quality, and furthermore allow you to conquer new service areas.

### **2.1 SERVQUAL-Method**

You are already familiar with the SERVQUAL-method developed by Zeithaml et. al. with which you can measure service quality. You can still remember that developing a standardized questionnaire for your fitness studio chain is an integral part of the SERVQUAL-method application. Please explain the SERVQUAL-method and apply it to the case study by developing a questionnaire based on the information given.

The SERVQUAL-method is subject to many points of criticism. Please name the ones you can think of and explain how they could affect the situation presented in the case study.

### **2.2 Service Level Agreements**

In the next step, as a service oriented fitness studio chain, you want to discover new business opportunities and offer your customers quality-oriented membership rates. What you have in mind is a new service-dependent fitness fee based on service level agreements, which would offer customers a discount or a free voucher should quality not match expectations. Using the concept of service level agreements, please develop such a model for membership fees.

Focus on the problems and limits of service level agreements and illustrate these using case-study related examples.

### **3. Bibilography**

#### **3.1 Sources on the SERVQUAL-Method**

Burr, Wolfgang, Stephan, Michael (2006), Dienstleistungsmanagement, Stuttgart 2006, S.175-178

#### **3.2 Sources on Service Level Agreements**

Burr, Wolfgang, Stephan, Michael (2006), Dienstleistungsmanagement, Stuttgart 2006, S. 178-181

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