

## EMOTIONAL APPROACH TO FITNESS CLUB BRAND DESIGN

*Oksana Belokovalenko*  
*Belgorod State University, Russian*  
*E-mail: mingaz.ll@yahoo.com*

*Boris Tkhorikov*  
*Belgorod State University, Russian*  
*E-mail: boristkhov@mail.ru*

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### ABSTRACT

*Public demand in recent decades for healthy lifestyles, improving its quality, and preservation of active longevity has found an echo in the form of the dynamic development of the global fitness industry. Our country is no exception, and since the 1990s, domestic fitness has made a rapid spurt from zero position: according to the national community of professional participants in the sport and fitness industry, fitness in Russia regularly engages up to 7 million people. The study's primary aim is to present the author's statement of possible scenarios for the development of the fitness industry, highlighting the factors that can transform consumer demands in the post-covid economy. The hypothesis is put forward that the competitiveness and economic stability of fitness clubs in the medium term will be determined by the level of customer retention rate and by increasing their loyalty, the effective formation of which is possible by stimulating through marketing communications a positive mental and emotional response in target audiences to the potential and actual satisfaction of specific primary biological needs through fitness services. To prove the hypothesis, the corresponding methodology of fitness club brand design based on the emotional approach of M. Lindstrom and K. Roberts was developed. Its verification and testing were carried out. The results obtained testify to the correctness of the author's statements and actualized the continuation of research in the field of emotional branding.*

**Keywords:** *Forecasting, fitness industry, fitness club, brand management, emotional brand*

### 1. INTRODUCTION

However, due to the spread of new coronavirus infection, the fitness industry, which is at the stage of development, faced the most critical threat to this life cycle milestone: a decrease

in customer traffic. This led to a 70% drop in sales and a 25% decline in attendance in 2020 (Firmansyah & Mochklas, 2018; Choi & Kim, 2020). According to various expert estimates, no more than 30% of fitness clubs will enter 2023; the rest will be closed. At the same time, the potential demand for fitness services is only increasing.

It has not reached its peak, including due to the accentuation of the role of self-organizing for individuals in the third paradigm of natural science, which provides for the distribution of public goods and resources on the basis of the personal level of human capital, being unthinkable without proper physical health and functional activity (Foroughi et al., 2019; Gibson, 2020). Consequently, the increasing importance of fitness services as tools for achieving life priorities will formalize and increase consumer demands.

In turn, this scenario will only intensify the crisis in the domestic fitness industry due to the imperfection of the applied marketing tools and business models focused mainly on the constant increase of the client base and ignoring the possibilities of intensive development, including those based on the loyalty of the target audience through the emotional customization of the services offered (Jankovic & Jaksic-Stojanovic, 2019; Johnson & Campbell, 2021).

In the perspective conditions, after 2025-2030, it would be impossible to increase the competitiveness of fitness clubs while maintaining the existing approaches to working with clients; other management tools are required, reorienting the planning of activities of fitness clubs from the current liquidity to meet better the actual needs of an individual (Lee et al., 2018; Kim, 2021). The possibility of building a new partnership between a client and a fitness club with the help of branding ("biological need of a person – the activity of a fitness club - achievement of a global individual goal (life priority) / profit generation by the subjects of the process") is proved.

## 2. METHODOLOGY

The current study attempted to investigate possible scenarios for the growth of the fitness industry, highlighting the factors transforming consumer demands in the post-covid economy. To meet that aim:

- Praxeological analysis was used to detect the factors of the external environment of the fitness industry in the medium term;
- Analysis and synthesis, idealization, and abstraction were used to develop the fitness club brand management methodology.

- Marketing and sociological methods (questionnaire survey (N - 1655), expert survey (N - 99), latent observation and benchmarking (3 objects)) allowed collecting the empirical base of research and carry out primary verification of the author's positions.

### 3. RESULTS AND DISCUSSION

During the praxeological analysis, the activity of fitness clubs was comprehended from the position of the object of management, which has inefficient processes and functions. The conventionally identified epidemiological constraints, new patterns and public demands, including in the economic and technological spheres related to fitness have been determined. In a thesis statement, the information obtained and systematized into four marketing-mix units (Limmeroth & Braun, 2022), is as follows.

"Product" unit: The vital comprehending of the "product" of any fitness club will remain unchanged. It is to present a solution to individual problems through physical activity. The practice of personalization of commercial offers and product customization also does not contradict the post-covid restrictions. On the contrary, there will be a new emphasis on individualization, i.e. a systematic reminder of the need to take care of one's own health and to take responsibility for social well-being. A promising way to meet client demands for individualization is the introduction of virtual assistants capable of meeting the following challenges:

- To establish a constant pronounced emotional connection with each client realized through direct assistance in meeting the needs of a person (development of training programs and their variety, selection of working weights and correction of exercise technique, dieting, etc.) and progress monitoring;
- To ensure a balance between the rhythmic loading of the resource base of the fitness club (sports equipment, trainers) and the personal training of an individual by predicting the number, purpose and content of visits for the coming period, and managing the movement of clients in the club in real time;
- To digitize and control the customer experience allowing to select the individual cost of subscriptions and personal training, to assess the level of customer loyalty, to identify problem areas, unsatisfied needs, and interest in competitor fitness clubs, and to adjust the range of fitness services, etc.

"Place" unit. Prospective trends of modernization of fitness clubs premises are logically associated with the technologization of the product and the need for more space per visitor. The introduction of licensing requirements for the premises of clubs, including regulating the area and ventilation system looks realistic (Lin & Mattila, 2018). In turn, the expansion of space in fitness clubs will create favourable conditions for the development of augmented reality and a combination of online and offline training.

"Price" unit. Programs for selling club cards should be oriented to a long period, i.e. 3 years or more. The natural risk of high uncertainty for customers can be removed with the help of techniques for selling banking products, services with a contract or subscription, assuming grace periods, equal distribution of payments, and their gradual reduction.

"Promotion" unit. Stratification of society by income, and as a consequence, by consumer demands, financial capacity and time to maintain their physical fitness will require a fitness club to implement a hidden segregation through more accurate positioning and work only with certain segments.

Fitness will make a qualitative leap in human culture by moving from the state of attribute of social success to the status of a social norm, replacing certain tools of state promotion of a healthy lifestyle and becoming one of the key economic sectors involved in the implementation of national state policy, which requires appropriate human capital. It partly serves as a basis for distribution of the benefits produced between different population groups. The theoretical consistency of the proposed conceptual understanding of the fitness industry in the social and production structure is confirmed by the works Matute et al. (2018), operating with a similar conceptual apparatus and judgments.

Such development of the market formalizes consumer demands and will require from fitness clubs fundamentally different work with clients, focused on their retention through the establishment of strong partnerships (Saini & Singh, 2020; Smith et al., 2021; Yi et al., 2021)

In this research work, the system of brand management of a fitness club is considered as such a tool. From the position of idealization as a method of scientific knowledge, branding is able to act as a connecting element between the new realities of the fitness industry and the activities of fitness clubs, i.e. to take on the role of the dynamic capacity of the system, accepting perturbations (signals) of the external environment and initiating the necessary internal changes.

Based on the results of the theoretical analysis, a definition is proposed. The emotional approach to the design of a fitness club brand is a kind of brand strategy focused on developing a sense of strong affection and sympathy for the brand among contact audiences by stimulating a positive mental and emotional response to the potential and actual satisfaction of certain primary biological needs.

Using the classification of neurophysiologist P.V. Simonov, the following needs were classified as such.

In the group of vital needs (providing vital activity and human performance), there are "Homeostasis" as development of functional capabilities of human body providing comfort of life; "Saving strength" as leisure time with the simultaneous formation of a sense and (or) external image of a person watching his/her health; and "Body care" as maintenance by the person of hygiene during the working day.

In the group of zoosocial needs, there is "Sexual behaviour" as the development of a person's external data in order to comply with generally accepted standards of attractiveness (in society or close environment), expanding the possibilities of confident communication, including intimate communication with people of the opposite sex.

In the group of needs for self-development, there are: "Imitation" as a repetition of the consumer experience of a person who is an opinion leader for a club client; and "Play behaviour" as the development of a person's functional capabilities, new motor skills, or restoration of lost functions through repetitions of special exercises.

For the practical implementation of the emotional approach when designing a brand of a fitness club, a methodology has been developed that includes six stages: Stage I - Goals setting; Stage II - Strategic analysis and brand positioning strategy; Stage III - brand emotional perception management model; Stage IV - Communication strategy (communication plan); Stage V - Analysis of effectiveness (in general terms of marketing) (Fig. 1). For each stage, a set of necessary tools is proposed, including 8 conditional types of the target audience of fitness clubs based on the adaptation of the VALS2 methodology (Panassenko et al., 2018), and a client path map, including 24 stages with the designation of emotional and rational expectations on each of them and ways of forming the necessary emotional background of clients, etc (Figure 1).

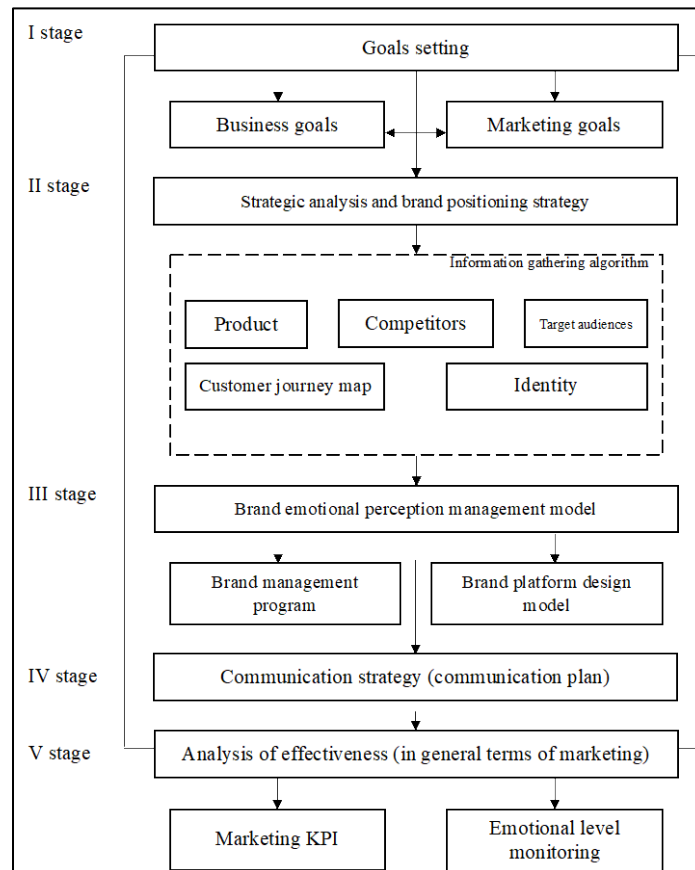


Figure 1: Methodology for designing and managing the brand of a fitness club

The methodology has a universal character and allows solving a number of urgent tasks: 1) to design the intra-organizational processes on providing fitness services based on the true biological needs of a client, preventively excluding factors that can negatively affect the emotional perception of the fitness club work by the client; 2) to detect the cost optimization possibilities and the direction for the redistribution of the fitness club resources, taking into account consumer requests.

The results of theoretical studies and their practical implementation allowed the World Class Belgorod fitness club to show the growth of financial and economic indicators in its segment in the on-going crisis period of 2021 (Tables 1-3) and to plan the achievement of the above business goals.

Table 1: dynamics and structure of revenue of the fitness club World Class Belgorod, roubles

Product categories	2017	2018	2019	2020	Plan 2021	Forecast for 2022
Fitness club subscriptions	32716095	37923650	38306124	27770332	41 378 790	47 585 609
incl.						
daily	782180	1641674	2319467	2651959	3 775 511	4 341 838
unlimited	23188994	28136913	26903473	18884832	23 132 933	26 602 872
children's	2411360	1984431	2944034	2945895	5 652 464	6 500 333

Group exercise, personal training	21643356	16778460	16783821	14154628	22 007 584	25 308 721
Pool	6333561	6160631	6139149	3287644	8 821 633	10 144 877
Total	54359451	54702110	55089945	41924960	72 208 006	83 039 207

Table 2: Average annual cost of World Class Belgorod fitness club subscriptions, roubles

Fitness club subscriptions	2017	2018	2019	10 mec. 2020	Plan 2021	Forecast for 2022
Daily	22 348	22 185	23 668	21 917	22 882	26 314
Unlimited	19 101	21 268	23 014	22 562	22 569	25 954
Children's	13 322	16 134	17 420	13 895	16 444	18 911
Pool	15 116	20 535	21 623	21 348	17 461	20 080

Table 3. Dynamics of changes in customer base of the World Class Belgorod fitness club, roubles

Fitness club subscriptions	2017	2018	2019	2020	Plan 2021	Forecast for 2022
Number of clients at the beginning of the year	1924	1904	1897	1735	2 073	2 280
New clients	671	622	707	681	853	938
Number of clients at the end of the year	1904	1897	1735	1658	2 084	2 310

The analysis of the results of the fitness club for 11 months of 2021 indicates a high probability of achieving the planned indicators, and therefore, the validity of the forecast made for 2022.

Thus, on the basis of successful approbation of theoretical and applied provisions of the thesis work, we can conclude about scientific consistency and practical value of the results obtained by the author. The planned economic effect (exceeding the level of revenue) in 2022 should be about 30 million roubles in comparison with the reference year 2019, the actual economic result in 2021 was 17.1 million roubles, providing revenue of 32,821 roubles per 1 m<sup>2</sup>. This is 9% higher than the average value for business-class fitness clubs located in cities with a population of less than 1 million people.

#### 4. CONCLUSION

The analysis of internal and external environment of fitness clubs in the Russian Federation was carried out; the factors that can influence the competitiveness of economic subjects of fitness industry in new post-epidemiological conditions devaluing the currently used business models and actualizing the search for new marketing tools focused on non-price aspects of consumer appeal were determined.

It is proved that the used business model is not able to provide the necessary level of financial stability of fitness clubs in the conditions of post-covid economy. Three systemic

factors that reduce the economic efficiency of the subjects of the fitness industry are also identified: 1) gaps in the methodological and applied provision of fitness clubs management; 2) lack of work on management and development of competitive advantages of the clubs, including those based on the formation of a loyal audience; 3) intuitive choice of location for opening a fitness club.

The evolutionary development of the brand was studied. The grouping of theoretical approaches to the understanding of the essence of the brand adapted to the most pronounced conditions of application in the fitness industry was carried out. We singled out a new perspective scientific trend, which offers to consider the brand as an independent part of the product, which complements the perceived value and adapts its perception by different Target Audience groups. For this purpose, it is necessary to use a special emotional approach to the design of a fitness club brand.

Existing theoretical and practical solutions for the preparation of the brand platform were analysed and their limitations for implementation in the fitness industry were established. In order to overcome these limitations, to generalize the author's methodological positions and to form a new conceptual vision of the management processes of a fitness club in modern conditions, the model of designing its brand platform was developed.

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