

Successful Marketing Strategy of American Branded Fitness Clubs in South Korea

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The fitness club industry has experienced a big-bang phenomenon in South Korea. Vast interests and individual memberships at these clubs have exponentially grew, especially since the new millennium (Kim, Park & Jeon, 2000), largely due to the recent economic prosperity felt in Korea and the public's increased levels of perception to health consciousness. While small scale and local fitness clubs experience difficulty in sustaining their operations, faced with numerous challenges, limitations and knowledge, the imported and branded clubs such as Bally Total Fitness and California Fitness Center are on a dominant path to success, adopting not only the brand to be reckoned with but also the management know-how. This study began by grasping this unique bipolar phenomenon of the conflict that exists between the imported, well branded fitness clubs and the small scale local clubs.

This study employed a qualitative research method. A total of 16 participated in the in-depth interview, of which the first group of eight, four were employees at American branded fitness clubs and four were members at the clubs. The other group of eight interviewed was comprised of four employees at the small scale and local fitness clubs and four members at those clubs.

This study concluded that the foundation for gaining popularity and business success at imported and well-branded fitness clubs such as Bally Total Fitness and California Fitness Center in Korea were influenced by four major factors. First, these fitness clubs adopted a marketing strategy that branded their clubs as being considered a -multi-purpose spaces' (Kangis & Paas, 1997). These clubs thereby made it possible for the members to not only enjoy their workouts, but also to use the clubs as a meeting place for friends and to receive beauty treatments. Second, these well-branded clubs provided a reinforcing environment for their members. These clubs ensured an atmosphere suitable for their demographic patronage such as relevant music and visual settings as well as a wide range of workout equipment. However, it was noted that the local and small scale clubs were limited in that it merely focused on the workout in itself. Third, the membership management was executed effectively. While the small scale local community based fitness clubs were largely negligent in managing their members, the branded and large scale fitness clubs meticulously managed their members by collecting and updating computerized data of their profiles for improved customer relationship management. Last, their effective marketing techniques and tools attracted first-comers to enroll their membership subscriptions and ensured their continuous customer retention. Such American branded fitness clubs commanded a differentiated marketing strategy (Lee & Kim, 1999) that the existing small scale and local clubs did not command. These seemingly are the major factors for which these small scale and local fitness clubs go through serious business indigo while the imported and well-branded clubs continue to keep their industry dominance.

References

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