

# **A Management-Oriented Approach to Understanding Customer Value: The Case of a Private Fitness Club in Greece**

**Elena Theakou**, University of Peloponnese, Department of Sport Management, Greece,  
eltheakou@yahoo.gr

**Athanasios Kriemadis**, University of Peloponnese, Department of Sport Management, Greece

**Stella Leivadi**, University of Peloponnese, Department of Sport Management, Greece

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## **Abstract**

### **Introduction**

In today's business environment, companies are developing products and services and value creation processes to provide increased value to customers. This requires companies to create a deeper understanding of their customers, their processes and aspects of value that could be improved [3]. The customer value is a proceeding perception process of meaning creation that contributes to customer's own life and practices [4]. Firat and Dholakia [1] criticise that marketing is still principally viewed as a way of provisioning what consumers need and therefore the emerging principles are: a) marketing aims to inspire experiential dimensions of value creation by interacting with customers and b) customer value is a multidimensional and situational phenomenon. Sport organizations need to choose the value they aim, the processes and resources needed to signify the chosen value, and the way they see their customers defines the way they perform [6].

The primary aim of this project was:

(a) to investigate the principles of choosing value and the customer perception contingencies that influence the value perception, (b) to identify the existence of alignment between value creation process from managerial perspective and its manifestation in customer perspective, and (c) to review the way customer perspective contingencies are conceptualized in practice and for this a single case study was presented.

### **Methods**

In this research project single-case method was applied, which is a widely used principal method of qualitative inquiry [2], in order to complement the theoretical stance by reviewing managerial perspective on the antecedents, determinants and consequences of a value creation process. The focus was a big health and fitness club in Athens, the capital city of Greece. The methodology session included secondary data, meaning literature review in due of collecting theoretical and practical elements relative to managerial perspectives on value creation process. Primary data were

collected by semi-structured in-depth interviews with the club manager, the assistant club manager, the marketing manager, and the gym manager of the fitness club. The interviews were based on two principal themes: a) the principles and processes of strategy and marketing thought, in order to understand what principles and processes were used and b) the realized activities and intentions behind them, in order to understand the relationship between chosen value and its manifestation through the mechanisms used.

## Results

Data were analyzed and segmented into the following fragments: Conceptualization of customer perspective contingencies

The interaction with customers was conceptualized as a developing process that was divided in three stages with distinct value characteristics set as directions for activity. Correspondingly, the objective of each stage was: 1) to raise interest of potential customers, 2) to provide a reason to get back in contact with the fitness club, 3) to provide a reason to form a strong emotional attachment with the fitness club.

Principles and contingencies influencing the value perception The approach of the fitness club was largely in conjunction with the presented principles: value was conceptualized as a multidimensional construct that is heterogeneous between customers, and the role of marketing was to inspire and engage people to experience benefits with leading quality services, combining physical exercise, relaxation, treatment and entertainment, and through customer relationship. According to the gym manager, the activity approach was to reach the customers and provide them a flexible solution suiting their needs.

## Alignment between value process and manifestation

The case described the formulation and manifestation of a new customer-orientated strategy in a health and fitness club during 2006. The renewed value creation process enabled the fitness club to strengthen its market position, which brought an increased customer value, profitability over market growth and a dominant position in fitness market. According to the marketing manager, the most important antecedent of new strategy was the philosophy of the fitness club, where exercise becomes joy and joy becomes mode of life. Sharpened up with this focus the club chose to re-establish the customer-orientated strategy and to position itself as the provider of superior customer value.

## Discussion

The presented views on customer value clearly suggest that the central concern of managers is to understand what customers value, and how organization should perceive customer value so that it provides a sound view on customer perspective and therefore on business development. Managers are more than ever required to be analytical and insightful about the nature of their business, its value drivers and especially its source of revenue: customers [5]. This study proposes that instead of

looking at the contingencies between structure, strategy and environment, sport managers should be interested in contingencies related to customer perspective.

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