# CZECH UNIVERSITY OF LIFE SCIENCES PRAGUE

FACULTY OF ECONOMICS AND MANAGEMENT



**Diploma** Thesis

# Marketing and customer care for golf resorts - based on a case study of a particular Czech resort

Written by

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DEPARTMENT OF MANAGEMENT

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## CZECH UNIVERSITY OF LIFE SCIENCES PRAGUE

Department of Management Faculty of Economics and Management

# **DIPLOMA THESIS ASSIGNMENT**

## Pavlíková Denisa

**Economics and Management** 

#### Thesis title

Marketing and customer care for golf resorts - based on a case study of a particular Czech resort

#### **Objectives of thesis**

The main goal of the thesis is to evaluate possible advantages of a particular golf course and design a marketing strategy resulting in long term customers. The golf business is a specific business activity involving selling a product and also services. When marketing tools are used effectively and efficiently the business may take advantage of it. The golf business is well established in the Czech republic and most golf courses could benefit much more under some circumstances. Competition for customers is increasing every year and requiring large investments to survive and fulfill all wants and desires of their customers. The gap between incomes and expenses is every year deeper as a new golf course evolves on the czech market. Having loyal customers or "long term" members is a difficult task which may be solved by using proper marketing tools and address proper target audience. Part of the work should be questionaire which should identify the wants and desires of the customers so that the golf course can adjust its services directly to its customers.

#### Methodology

The methodolgy will be based on research into the golf resort market in the country, and focus on one Czech resort and its competitors. A questionnaire will be used to analyse members' attitudes, their needs and wants.

#### Schedule for processing

1. between 30.4. and 11.5. 2012 consultation of structure and theoretical part (also the questionaire) 2. October 2012 - control of the main goals of the work

- 3. November 2012 control of the selected main points of the practical part and application part
- December 2012 checking and presenting the results of the questionaire
- 5.1st wk Feb 2013 Final check and discussion of the written theoretical and application parts
- 6. March 2013 final check of the thesis and pointing out changes
- 7. End March 2013 submission of the final thesis

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#### The proposed extent of the thesis

60 - 70 pages

#### Keywords

golf marketing, golf courses in the Czech republic, golf marketing strategies, golf resorts

#### **Recommended information sources**

Kotler, P., & Armstrong, G. (2010). Principles of Marketing. Upper Saddle River: Pearson Education. Golf Benchmark Survey. (2009). Golf and the Economic Downturn . KPMG. Wood, A. (2005). The Golf Marketing Bible. Novato: Select Press. Vysekalova, J., Mikes, J.; Reklama: jak dělat reklamu. 2. aktualizované vydání, Praha: Grada Publishing, 2007. 192s ISBN 978-80-247-2001-2. Czech Golf association - information, interviews

The Diploma Thesis Supervisor Selby Richard, Ph.D.

Last date for the submission March 2013

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prof. Ing. Jan Hron, DrSc., dr.h.c. Dean

Prague February 25, 2013

#### Declaration

I declare that I have worked on my diploma thesis titled "Marketing and customer care for golf resorts - based on a case study of a particular Czech resort" by myself and I have used only the sources mentioned at the end of the thesis.

In Prague on March 28, 2013

.....

Denisa Pavlíková

### Acknowledgement

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# Marketing and customer care for golf resorts - based on a case study of a particular Czech resort

Marketing a péče o zákazníka v golfových resortech – případová studie konkrétního českého rezortu

#### **Summary**

This diploma thesis is concerned with introducing and evaluating current position of a selected golf resort – a Golf Club Kynžvart. Consequently satisfaction of customers in Golf Club Kynžvart is analyzed using marketing research. The aim of this work is to propose a marketing plan and a customer care program that should serve the Golf Club Kynžvart as a guide for a future development of customer satisfaction. In the theoretical part the marketing and customer care as well as characteristics of golf industry, are introduced and explained. Based on the theoretical background the performance of the Golf Club Kynžvart is assessed. Consequently the questionnaire is designed and analyzed. The main aim of the questionnaire is to research customers' satisfaction with services and products offered by the Golf Club Kynžvart. The results of the questionnaire are interpreted in graphs. At the end the marketing plan and customer care program for the Golf Club Kynžvart is proposed based on the evaluation and results of the questionnaire.

#### Key words:

Golf marketing, golf courses in the Czech Republic, golf-marketing strategies, golf resort, service marketing, customer care, sport marketing, Golf Club Kynžvart

#### Souhrn

Tato diplomová práce se zabývá představením, zhodnocením stavu a průzkumem spokojenosti zákazníků v Golfovém Clubu Kynžvart. Cílem této práce je zhodnocení a následné navržení marketingového plánu a programu péče o zákazníka pro daný golfový klub. Teoretická část této práce se zabývá marketingem, péčí o zákazníka a představením golfového odvětví. Na základě těchto poznatků je zhodnocen Golfový Club Kynžvart a následně byla zvolena metoda dotazníkového šetření. Dotazníkové šetření se zabývá průzkumem spokojenosti zákazníků se službami a produkty nabízenými v Golfovém Clubu Kynžvart. Výsledky dotazníkového šetření jsou interpretovány, okomentovány a vyhodnoceny pomocí grafů. Následně je Golfovému Clubu Kynžvart doporučen marketingový plán a program na péči o zákazníka, k tomu jsou použity informace získané z dotazníkového šetření.

#### Klíčová slova:

Golf marketing, golfová hřiště v České republice, golfové marketingové strategie, golf resort, marketing služeb, péče o zákazníka, sportovní marketing, Golfový Club Kynžvart

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#### **1** Introduction

All people in the world try to fulfill their needs, wants, and desires. In today world marketing tools are indivisible parts of people's life. People are 'attacked' by marketing on every corner on their way to work as well as on the way back home. Every business has its distribution chain, through which the product is delivered from the producer to the consumer. Marketing works both ways, for producers and for consumers as well. For producers, marketing is a tool to primarily offer and later sell their product. On the other side of the chain stand consumers, to whom the marketing helps to find and select goods or services they may need or want. Marketing helps businesses around the world to live and to stay on the market. In today situation when an economic and financial crisis limits and influences nearly every business, marketing is being postponed for better years. Some companies postpone it because they think marketing departments consume financial resources that are currently more needed in other departments, while for other companies marketing departments are very influential in marketing campaigns and help the company to sell itself even in such difficult times people face today.

The market is composed of goods and services that are offered by producers to consumers. Every consumer makes his/ her own choice what product or service he/she would like to buy and use in the future. Some goods and services are bought on ordinary basis while others are bought occasionally.

Busy lifeis what people experience everyday on their way to work, at work, or for example while shopping. Because people are stressed nearly every day, they want to relax sometimes. There are many forms of relaxing activities and spending free time and they differ for each individual. For some people relaxing for example means to read a book, for others it means to do sports. Sporting activities are very popular way to get out of the daily rushing life. One of the ways to spend free time and to relax is playing golf. Over past decades golf become a very popular sport among people. There may exist several reasons why people tend to learn golf more and more. For example, it may be the fact that it is not so physically demanding as other sports, or that people may start with playing golf at any

age, another reason may be meeting new people or business partners, and of course there are many more reasons for playing golf.

Golf is a business, which offers both, product and service. By product is for example meant the golf course and by service is meant the opportunity to play at a particular golf course. Because golf requires selling both, good and service at one time, it is important to use proper marketing tools to be effectively applied for a specific golf courses in order for the golf course to survive on the market without any dramatic cuts.

## 2 Objectives of Thesis and Methodology

#### 2.1 Aims and Objectives

The main aim of this diploma thesis is to design a marketing plan and customer care program, which would bring satisfied customers in the long term for a specific Czech resort – a Golf Club Kynžvart. The objectives set to reach the aim are to analyze and evaluate the current functioning of the Golf Club Kynžvart using the theory. Another objective is to demonstrate authors marketing knowledge and interlink it with the knowledge of the golf environment. The last objective is to create a questionnaire, evaluate, and further apply the results of the questionnaire, which is aimed at customers in the Golf Club Kynžvart.

#### 2.2 Methodology

For the creation of the diploma thesis several methodological tools were used.

The diploma thesis is performed based on analysis of primary and secondary data. The secondary data analyzed involve:

- Literature review of marketing, sport marketing, and customer care
- Comparison of local and foreign markets
- Internal documents of studied golf club
- Statistical data of golf associations and agencies

In the second part, the practical part of the thesis was introduced. The current situation, marketing mix, and SWOT analysis of the Golf Club Kynžvart was performed. The important aspect of this part was the questionnaire, which is the main source of primary data; its purposes were to estimate who is a daily-based customer and what customers absent or are dissatisfied with in the golf club. Important objective of the questionnaire was to get information on what is specific or interesting about the golf course which could later

on be used for marketing purposes and highlighting what is the most important or most wished aspect of the golf club/course that makes customers to come back.

The final marketing plan for the Golf Club Kynžvart was created using the theoretical findings from the literature review, analysis of the current situation of the Golf Club Kynžvart and results from the questionnaire.

To accomplish the thesis work, following hypotheses were selected:

- 1. Selected golf resort does not possess both necessities such as good product and good service; therefore does not operate to its full potential
- 2. Price and distance are not relevant factors for selection of the golf resort
- 3. Loyal and satisfied customers are the key to be rated as a high quality and high service golf resort

## 3 Theoretical part

#### 3.1 Marketing

Many definitions of marketing exist, according to Kotler and Armstrong (2004), marketing is defined as "a social and managerial process whereby individuals and groups obtain what they need and want through creating and exchanging products and value with others". Every author defines marketing differently, but all in one say that marketing is a tool that is used to define and satisfy needs and wants of consumers through a process of exchange. Marketing is a field of business, which is based on communication with consumers, and through the communication marketing tries to satisfy consumers' needs and wants. The meaning of exchange is a process where a consumer receives a product by offering something else of value in exchange.

Marketing is a process of several activities; it involves the research of consumers' needs and wants, market research, market analysis, selecting pricing tactics, promotion, advertising and many more activities.

Currently to have a successful business means to adjust products to the needs, wants, and desires of customers. Therefore any business has to manufacture and sell such products, which the customers demand and to adjust the price or promotion accordingly.

Product is anything that is offered on the market for sale to customers. The customer buys the product to satisfy his/her needs or wants. The customer may buy a physical product (good), a service, or service based experience.

The author of this diploma thesis decided to write about a sport marketing therefore an explanation of what sport marketing is and involves has to be mentioned and applied or explained along with the service marketing mix.

#### 3.2 Sport Marketing

Sport marketing is defined as a "social and managerial process by which the sport manager seeks to obtain what sporting organizations need and want through creating and exchanging products and values with others" (Shilbury et al., 2009).

Sport is a business field, which offers a product and a service to the customer; therefore the marketing mix is composed of the product four "Ps" and the service three "Ps". According to Kotler and Armstrong (2004), the four "Ps" are marketing tools that a company can have control over. Through these tools, the marketing mix, the company can impact the demand for the products the company produces. For a company offering a sport it means to "influence the consumers via either attendance or participation" (Shilbury et al., 2009).

#### Sport Consumer

Sporting facilities are selling their sporting services, such as using a gym, playing a round of golf, renting a tennis court, sport events and more - to players or users of the sport activity as well as to pure spectators. In order to position their marketing mix adequately the sporting facility has to understand their consumer behavior. Sport consumer is using his/her disposable income and free time to purchase a sporting activity in which he/she will directly participate (player) or in which he/she will passively participate (spectator).

#### 3.2.1 Physical product Vs. Service

Any business is connected either to selling a good or to selling a service or both at one. When business decides what type of product will deliver to customers then the marketing department decides about whether it will concentrate on "four P" marketing, which is referred to selling a physical product (good), or using "seven P" which is connected to selling a service.

What is the difference between a physical product and a service? A physical product or a good is referred to as a tangible good that has been produced through manufacturing process and is being physically owned and consumed by a final user (BusinessDictionary.com, 2012). Another definition given by Kotler and Armstrong (2004) says, "a product is anything that can be offered to a market for attention, acquisition, use, or consumption that might satisfy a want or need". An example of a good may be a golf

ball, a golf club, shoes, or a T-shirt. Service is something different, it is an intangible product, which cannot be stored or owned, opposed to the good (physical product) the service is being produced and consumed at one time (InvestorWords.com, 2012). "Service is any activity or benefit that one party can offer to another party and does not result in ownership of anything" (Kotler, Armstrong, 2004). An example of a service in particular is accounting, health care, banking, or insurance.

Golf business in the terms of selling a physical product or service is very specific. Usually a golf resort operates with a golf course and other golf facilities such as driving range or practice facilities or academies. A golf course may have nine holes or eighteen holes or even more. The golf course is being physically built, can be touched, seen, smelled etc. so it can be referred to it as a product, but the difference is that the customer when coming for a play is not buying the golf course to take it home, but is buying the enjoyment of playing it. So the golf resort is mainly providing a service. The services vary from playing a round, taking a golf lesson with a head professional, through organizing an event or a tournament.

A product is anything that satisfies needs, wants, or desires of customers. The role of marketing is to identify those needs, wants, or desires of potential customers (Shilbury et al., 2009).

#### 3.2.1.1 Service Marketing

The GDP of countries is composed of all finished goods and services that were produced within a country's borders in a specified period of time. Services are currently a growing sector, which contribute to the GDP in developed economies heavily, while in the developing economies the GDP is mainly based on production of industries and on agriculture production. Developed economies are service based. The GDP share of services was around 73 percent of the total output and employed around 70 percent of labor in developed countries in year 2008, in the same year the numbers for developing countries were 51 percent and 35 percent respectively (United Nation Publication, 2008). Marketing of services plays an important role in the national economies and in the current world.

Marketing of services slightly differs from the traditional marketing of physical products. Why? It is due to the specific characteristics of services. It is good to know the characteristics of services opposed to physical products. The specific characteristics of services are projected in the marketing mix.

The characteristics of services are:

- a. <u>Service intangibility</u> is the main feature of services. Opposed to the physical product a consumer *cannot* use any of the five basic senses *touch, smell, eyesight, taste, and hearing*, before the service is bought (Kotler, Armstrong, 2004). Because of this characteristic, many consumers are afraid to purchase a servicethey do not know and "they draw conclusions about the quality from the place, people, price, equipment, and communication that they can see" (Kotler, Armstrong, 2004).
- b. <u>Service inseparability</u> is another feature of services. Meaning, the service is being produced and consumed at one time and that the seller or his/her employees are part of the product/consumption process. Usually both, the service provider (seller/employee) and the buyer (consumer) participate in the final outcome (Kotler, Armstrong, 2004).
- c. <u>Service variability</u> refers to the quality of the service. It says that the quality of the service depends on who, when, how, and where provides the service. (Kotler, Armstrong, 2004) Despite having one seller of a particular service it does not mean that the service provided in different location, in different year, by different employees, under different circumstances, will result in the same quality.
- d. <u>Service perishability</u> means that services that are not sold and used in the time they are offered "cannot be stored for later sale or use" (Kotler, Armstrong, 2004). Therefore the service providers try to match the price and offers with the demand, when the demand is high the price goes up and opposite. For example a hotel has different price per room in high season and different price in low season.

#### 3.3 Marketing Mix

The goal of any business is primarily to increase the shareholder value and then to make a profit. In order to fulfill all goals the company sets what is necessary to propose an accurate marketing mix. Marketing mix is a set of tools used to create characteristics of products that would satisfy needs and wants of customers.

The traditional marketing mix is composed of four traditional "Ps", which are:

- Product
- Price
- Place
- *Promotion* (Kotler, Armstrong, 2004)

Companies that offer services require implementing more "Ps" because the "four Ps", due to the specific characteristics of services, are not sufficient. For this reason, the traditional marketing mix was amended by another three "Ps" these are:

- *Physical evidence*
- Process
- *People* (Shilbury et al., 2009)

The selling side of the chain is using these marketing tools, therefore it can be referred to as producer oriented concept. On the other side of the chain stand the buyers and the different marketing concept of four Cs. The consumer-oriented concept was established by Mr. Robert F. Lauterborn and the four Cs stand for:

- Customer solution
  - $\rightarrow$  The problem the product is solving for the customer
- Customer costs
  - → The costs that arise for the customer. All costs that are involved, not just the purchase itself.
- Convenience
  - $\rightarrow$  The ease of purchase and accessibility for customer.
- Communication
  - $\rightarrow$  The way the customer gets informed about the product.

This concept helps the marketers and sellers to think about the products from the side of the customers and underlines the relationship between customers and the producers.

Usually the producer-oriented concept is connected to push strategy while the customeroriented concept is connected to pull strategy. Push strategy means that the company is pushing the product and attracting the players in the downstream using 4P concept (McManus, Powe, 2009). The promotional activities are aimed at wholesalers who then push the product to the retailers and so forth. On the other hand the pull strategy means that the promotion is aimed at the end user of the product and uses the 4C concept (McManus, Powe, 2009). The end user learns about the product and asks the retailers to get it. The pull strategy works backward from the customer to the manufacturer. The aim of both strategies is to inform and teach the market and the audience about the offered product.

#### 3.3.1.1 Product

As was mentioned previously, the marketing mix is composed of several tools, which may be influenced by the seller. The first tool is the product. According to Kotler and Armstrong (2004), product is anything offered to the target market, it could be both a physical product (good) and service. Consumers buy product for the purpose of gaining some benefit from the product. Berkowitz, Kerin, Rudelius (1989), say that there are three features of product/service that require special attention:

- Exclusivity which distinguishes physical products that can be patented and services that cannot be patented. Thus a service provider can discover that his/her service concept can be easily copied. For example the concept used in the most popular fast food hamburger was copied by the competition (Berkowitz, Kerin, Rudelius, 1989). Another example may be the offers of one-year memberships in fitness centers, which were quickly adopted by many fitness centers.
- Brand name "because services are intangible, the brand name or identifying logo of the organization is particularly important in consumer decisions because it is more difficult to describe what is being provided" (Berkowitz, Kerin, Rudelius, 1989). Brand name, logo, or symbol are important aspects of determining success and quality of the particular company, examples of such companies are several, in particular The Walt Disney Company, Apple, Google, etc. (Smith, 2012). These companies are well recognized for their brand name and service they provide.
- Capacity management product or service has to be ready to be available to the customer, thus the demand has to be managed (Berkowitz, Kerin, Rudelius, 1989). Services are bought and consumed simultaneously and are inseparable of the service provider, therefore the provider has to pay attention to managing the

capacity with the demand. During the year service providers such as hotel resort, also golf resorts fight with customer attractive and unattractive seasons – high-season and off-season. During the high season many customers come and are willing to pay more money than in the off season, therefore the resort has to manage the demand for the service by offering special deals in off-season - such as packages for groups. Another example is skiing resorts, which try to attract customers in off-season by weekend packages including hotel and ski pass.

When applying the theory to sport, the sport product according to Mullin is the playing of the game - by the person him/her self or as a spectator (Mullin, 1985 quoted in Shilbury et al., 2009).

#### 3.3.1.2 Price

The second tool of marketing mix is the price for which is the product (service) being sold to the customer. Setting a price is important, because it determines where the product is being positioned on the market and how will be perceived by customers. Majority of people judge products based on the price (Berkowitz, Kerin, Rudelius, 1989). "Consumers tend to use a product's price as a measure of the product's quality" (Shugan, 1984). Thus, a product that is expensive is perceived as high quality product and vice versa.

#### 3.3.1.3 Place

Place in the marketing mix refers to the place or distribution channel where or through which the product is offered, available, or sold to the target consumers. Place is important, firstly, for the purpose to allow distributing the product to or at the right place, secondly to be distributed at the right time, and finally to be easily reached and purchased by the consumer (Shilbury et al., 2009). In the case of services, due to their unique characteristics that they are incapable of being stored or transported, are inseparable of the service provider, and are consumed while produced thus the place plays important role for delivering the service to the target customer. The distribution of the service is different from distribution channel for service is direct from producer to consumer, due to its unique characteristics. While the distribution or place for products vary, the blue arrow in the figure 1 illustrates this. The product can be sold either directly from producer to the

customer or through other intermediaries in the distribution channel, such as wholesaler, retailer, etc.

Figure 1: Product and Service distribution channels Distribution channels:



#### Source: Own processing

The services' unique characteristic – inseparability of producer and consumption at the place of production –sets for the sport services the place (of distribution) being the sport facility where the sport/ sport activity is being produced and consumed (Shilbury et al., 2009). For example the place is the tennis courts, gym facility, golf course, swimming pool, etc. The sport facility has to be planned, designed, and built to be effectively usable for creation and consumption of the sport service/activity. The facility design affects the perception and purchasing behavior of the sport consumers (Shilbury et al., 2009). For example indoor tennis courts built with very low ceiling will not be wanted by most of the tennis players, another example is a sport facility that does not operates with sufficient spectator area and was built to host sport events, then the purchasing behavior of possible spectators would be affected.

#### 3.3.1.4 Promotion

Promotion is the last of the traditional four "Ps" and it refers to any communication through which the product, information, and benefits of using the product are introduced to the customer. Promotion involves several techniques, such as:

- Advertising reaches masses of potential buyers through one way communication. Examples are television, radio, newspaper, Internet advertisements etc.
- Public Relations engage in managing relations between the company and the public. Examples are press releases.
- Personal Selling is the two-way communication between two or more people. Each person involved in the interaction may observe and react to the needs of

others and modify the communication toward some outcome. For example a receptionist sells additional service to customer.

- Sales Promotion is used to promote a product or to increase the sale of a product. Sales promotions are usually short term and do not build a long-term relations with the consumer. Examples are free trials, coupons, buy one get one free, etc.
- Direct Marketing is based on direct communication toward a specific person, the communication is nonpublic and done for example through telephone calls, emails, and more.

(Kotler, Armstrong, 2004)

Based on which strategy the company uses, whether push or pull, the promotion activity is selected. For push strategy the most suitable promotional activities are for example (McManus, Powe, 2009):

- Sales Promotion
- Personal Selling
- Advertising in trade journals etc.

According to McManus and Powe (2009), for pull strategy the most suitable promotional activities are for example:

- Sales Promotion
- In-store demonstrations or in Events
- Free samples
- Viral marketing (Buzz promotion)

#### 3.3.1.5 Physical evidence

The first "P" of the service mix, is the physical evidence, which helps to ad a tangible component to the service that is of intangible nature. Customers want to feel the tangibility of the service they are purchasing, they want some experience of the service. According to Shilbury et al. (2009), the physical evidence is "the visual and/or tangible clues of the service product". Physical evidence works as a quality sign of the service and customers when deciding about buying a service are influenced by the quality of the product or service.

The tangibility of a service can be added by:

- ➢ Facility design
- Promotion material and advertising
- Service provision (Shilbury et al., 2009)

An example of physical evidence is the interior of a restaurant, where customers can "experience" the tangible part of the service; the interior is designed and constructed to bring the customer an experience of physicality/tangibility (Management Study Guide, 2008-2012). Referring to the sport, physical evidence is the sporting facility itself – its design, construction, or name. For example the St Andrews golf resort in Scotland, which is one of the most popular golf resorts in the world represents traditional golf values, golf roots and quality. Probably every golf player would like to experience the golf in this resort, by playing or by spectating. Another example is the All England Club in Wimbledon, London. It is a place, which is connected with one of the greatest tennis events in the world, the Grand Slam event –Wimbledon. The facility is decorated by names of all Wimbledon winners in the history, which gives customer an opportunity to feel the place where tennis heroes played, walked, and spent their time.

#### 3.3.1.6 People

People are the staff of the organization/company, they deliver the service and have high/major influence on the service quality delivered. People simplify the inseparability of the service with the service provider (Management Study Guide, 2008-2012). For example, restaurants deliver physical product to the customers, which is the food, but also a service that is represented by the staff, which cook the food, serve the food, interact with the customer, etc. Customers usually tend to rate the restaurant based on the quality of both, the food and the staff service. If one of it is of poor quality then customers do not come back. The same applies to sport facility, for example unpleasant or rude receptionists discourage customers from repeating the visit.

#### 3.3.1.7 Processes

Refers to the delivery of the services. Processes ensure friendly and effective delivery of the service and ensure repeated standard of service (Management Study Guide, 2008-2012). Shilbury et al. (2009) defines processes as that they "represent the convergence of

the marketing and operations functions and therefore affect real-time service delivery and quality".

Processes involve for example the cooperation with customers. As an example in the golf facility processes may refer to management of the tee times for players or cutting the grass, so every employee in the resort know how to properly complete the task in order to deliver consistent and satisfactory service. All the process and services will be done in pre-planned customer satisfactory way.

#### 3.3.2 Marketing Strategies – segmentation, targeting, positioning

The current business environment is very competitive and challenging, companies offer several products and services and compete between each other for any single customer, also the consumers are becoming more difficult to be read and served, their needs and buying habits vary a lot. Companies, due to the variety of consumer buying behaviors, have to aim at particular group of people (segment) and should not try to serve every single consumer on the market, therefore "each company must identify the parts of the market that it can serve best and most profitably" (Kotler, Armstrong, 2004). The mass marketing, which used to be popular after Second World War period and probably until the end of the twentieth century, is now becoming ineffective. Deciding about the right consumer to serve is based on three steps. First step is market segmentation, which means to divide the market in groups of people that have different needs, preferences, etc. Second is targeting that is a process of evaluating all segments and making a decision about which one or more segments to serve. The last step before serving the consumer is the market positioning, which tries to make the product to occupy a specific and distinct position on the market in the minds of consumers compared to the other products.

#### 3.3.2.1 Segmentation

The major ways to divide the market – segment the market, the consumers – are geographic, demographic, psychographic, and behavioral segmentation.

 Geographic segmentation – is concerned with dividing the market based on geographical criteria that are for example countries, regions, size of the cities, and number of inhabitants.

- Demographic segmentation divides the market based on age, gender, income, religion, race, etc.
- Psychographic segmentation is market segmentation based on belonging to different social classes, lifestyle or personality characteristics.
- Behavioral segmentation divides the market based on why and when (for what occasion) people decide for buying a particular product. For example buying a product for occasion for breakfast, for Christmas, for Mother's Day, etc. Another reason may be buying because of membership in loyalty program and many more.

(Kotler, Armstrong, 2004)

#### 3.3.2.2 Targeting

Targeting represents a group of potential buyers who have same or similar needs or buying behaviors and the company decides to attract them. A company can apply one of three strategies to cover the market. The three strategies are undifferentiated, differentiated, and concentrated marketing.

- Undifferentiated marketing (Mass marketing) is a strategy when a company decides to ignore differences among the groups of people (segments) and "targets the whole market with one offer" (Kotler, Armstrong, 2004). The company creates a product or offers a service, which would satisfy most people. The well-known example of this marketing strategy was production of car Ford T model, which was offered to all customers without any adjustments.
- Differentiated marketing (Segmented marketing) is a strategy when a company decides to target more target segments and suits a specific offer to each segment. In particular company Adidas offers sport shoes for different sports or for leisure time.
- Concentrated marketing (Niche marketing) is a strategy when a company decides to concentrate on gaining a large part of market share (of a small market) on one or more target segments.

#### 3.3.2.3 Positioning

Positioning is the last step of selecting the right marketing strategy that a company can use to serve the right customer. Positioning is a tool used to place a product at a specific place

in people's mind by defining exceptional benefits of the product. By placing the product on specific position on the market, the product is differentiated from its competition in the minds of consumers. Consumers themselves position the products in categories based on their impressions, perceptions, and feelings about the product but marketers want to influence the position the product occupies. Company has to differentiate its offer by giving it a unique benefit compared to the competition and would be interesting for consumers in a particular segment. Therefore the company has to primary identify possible competitive advantages, secondly choose the right competitive advantages, and finally select overall positioning strategy.

- Identification of possible competitive advantages it is important to know what the consumers need, want, what is their buying behavior, and know it better then the competition. Then the company has to give the consumers some greater benefit or value competitive advantage. The company or its offer has to differentiate from the competition and how to do it? The differentiation can be done in the form of product, services, distribution channels, quality of employees (people), or image differentiation.
  - Product differentiation means that a company differentiates from the competition through for example the features of the product (Mobile phones providing additional features), performance of the product (BMW cars provide excellent driving performance), style the person profess (Harley Davidson demonstrates style of life), or design of the product (Apple innovative and modern design).
  - Services differentiation relates to the services that are sold to the customer or provided besides the product. For example, fast and safe delivery of product or 24/7 call assistance.
  - Distribution channels differentiation companies can differentiate by satisfying distributors.
  - People differentiation a company can differentiate by offering customers good service and friendly care delivered by the employees. The employees are trained and well prepared to work with customer in the best way.
  - Image differentiation the image should give the consumer some unique benefits and the product is positioned according to its brand image, for

example Louis Vuitton – LV – image – image of high quality goods and status.

(Kotler, Armstrong, 2004)

• Choice of the right competitive advantages – when the company gets into this stage it is expected that the company has defined some potential competitive advantages, but in the final stage the company has to decide which exact advantages will build its positioning on. The company has to decide how many selling prepositions will build the position of the product. It is commonly viewed that company should concentrate on selling the brand with one unique selling proposition because customers tend to remember it easily and quickly. On the other hand some marketers say that companies should profile the products based on more than one selling proposition, because they may compete in market where more competitors claim to differentiate based on the same attribute.

Not every characteristic is good to be chosen for positioning. Therefore the company should choose differences which satisfy following:

- Important " the difference delivers a highly valued benefit to target buyers"
- Distinctive "competitors do not offer the difference", or in limited way
- Superior the product has such benefits, which exceed the offers on the market
- Communicable "the difference is communicable and visible to buyers"
- Preemptive "competitors cannot easily copy the difference"
- Affordable "buyers can afford to pay the difference"
- Profitable the products with the different attributes can be produced and sold with profit

(Kotler, Armstrong, 2004)

 Select overall positioning strategy – buyers select the product that gives them greatest value and marketers position the products based on the brand's value proposition that are all characteristics which build the position. The value propositions are following:

- More for more higher value for higher price. This method is used for above standard products or services, where the production is more costly and that is reflected in higher price. This category includes for example Four Seasons hotels or Rolls-Royce cars.
- More for the same products or services offer comparable quality priced lower. For example, Lexus cars that are from the Toyota manufactory and Lexus is positioned comparable to Mercedes.
- The same for less this is kind of good deal business, where customer receives same or comparable quality for lower price. For example online dealers who sell same products or services as the store dealers but for lower prices.
- Less for much less this category includes products and services that do not bring the customer extra characteristics or benefits but cost less. Examples are hostels, which do not bring any extra services or some airline companies such as Wizz Air, who offer cheap flight tickets but they do not serve food on board and apply strict rules in transporting luggage.
- More for less this is the case when a company is able to offer better products priced less. But this case is commonly expected to failure, because company cannot match costs with lower profits for long run.

(Kotler, Armstrong, 2004)

#### 3.4 Strategic Analysis

For effective creation of marketing mix it is appropriate to do current analysis of the firm. To analyze the firm several analyses may be done, such as STEP, SWOT, BCG, and more. For the purpose of this diploma thesis the author decided to follow the SWOT analysis.

#### 3.4.1 SWOT Analysis

SWOT analysis is an analysis of internal and external environment of a firm. The abbreviation SWOT stands for Strengths, Weaknesses, Opportunities, and Threats (see table 1). The internal analysis of the firm and its proper understanding is a basis for defining the opportunities and threats connected to the activities of the firm. The result of the SWOT analysis is how the firm behaves, where the strong points and opportunities are maximized and weak points and threats are minimized. SWOT analysis is a tool for determining and assessing at what position the firm is currently and where it wants to be in the future (Simoneaux, Stroud, 2011).

The analysis of internal environment involves analysis of strengths and weaknesses of the firm. "Strengths should identify positive characteristics that give the business a competitive edge" while the weaknesses may disadvantage the firm when are not improved (Simoneaux, Stroud, 2011). The internal environment includes factors within the firm, these are for example: production, sales, equipment, marketing, innovation, facilities, etc. (Rea, Kerzner, 1997).

The analysis of external environment involves evaluation of the external environment to the firm. The external factors involve reviewing opportunities and threats. "Opportunities usually represent areas in which the firm has possibility to grow, while threats are comprised of external forces that could cause economic downturn to a business" (Simoneaux, Stroud, 2011). Factors that belong under the external environment are for example: social, political, legal trends, and economic shifts (Rea, Kerzner, 1997).

The information obtained from the SWOT analysis help to set goals and strategies for the firm.

Strengths	Weaknesses	
Skills: • Economic and financial • Innovative • Selling • Purchasing • Production • Marketing • Management • HR	Skills: • Economic and financial • Innovative • Selling • Purchasing • Production • Marketing • Management • HR	Internal factors
Opportunities	Threats	
Resulting from: • Microenvironment • Market changes • Faults of competition • Impulses of interest groups	<ul> <li>Resulting from:</li> <li>Macro environment</li> <li>Market changes</li> <li>Pressures of competition in the industry</li> <li>Pressures of interest groups</li> </ul>	External factors

Table 1: SWOT Analysis

Source: Zamazalová, 2007. Own processing and own translation.

#### 3.5 Customer Care

What is customer care and why is it important? Customer care is also called customer service. Customer care can be defined in several ways. For example it involves "all interactions between consumer and service/product provider at the time of sale, and thereafter" (Businessdictionary.com, 2012) another definition says that "customer service is the commitment to providing value added services to external and internal customers, including attitude knowledge, technical support and quality of service in a timely manner" (CSM, 2004-2011). In other words customer care involves all activities that a company does to make the customer to be happy and satisfied, also it is about delivering the promised quality or level of service. Company has to provide such customer care, which is better than that of the competition in order to be successful. Good customer care is important for any business because happy and satisfied customers come back. Nowadays the customer is the center of the business, without customers a business cannot exist, therefore it is necessary to treat every customer in the best way the company can. Quality customer service may provide the company with increasing customer retention and word of mouth promotion. In the case of sport the customer service and its level of quality provided

is very important. "This is because the sport product is discretionary and substitutable (Martin 1990, quoted in Shilbury, 2009). Which means that not everyone has to do sport and many companies around provide sporting and leisure activities that customer can select. Therefore any company, and company providing sport and leisure activities especially, has to pay a lot attention to the customer care.

Providing customers with products and services they want and making them satisfied results in increasing their visit rate and repeating purchase. The company is engaging in the process of forming a long-term relationship with the customer. In current economic recession it is especially important to keep customers satisfied so that they will come back again and become loyal customers. The cost of bringing a new customer is high. According to Brandi (2004), the cost is *"6-30 times more* to get new customers than it does to keep the ones you have – that is, if they'll stay". Therefore it is more important to pay attention to the existing loyal customers rather than to concentrate on bringing new customers.

#### 3.5.1 Retention and Loyalty

Many companies in order to keep customers to stay with them are introducing retention or loyalty programs. These programs are strategies of relationship marketing. Relationship marketing is a form of marketing, which brings value to customers and to businesses. It is also described as "establishing relationships with customers and other parties at a profit, by mutual exchange and fulfillment of promises" (Grönroos 1991, quoted in Halimi, Chavosh, Choshali, 2011). Some studies introduce influence between relationship marketing, customer loyalty and customer retention (Bolton, et al., 2000; De Wulf et al., 2001; Verhoef, 2003, quoted in Halimi, Chavosh, Choshali, 2011). Meaning that customer loyalty leads to customer retention. But retained customers do not have to be always loyal customers (Hoffman,Bateson, 2011).

#### What does it mean retention or loyalty?

Loyalty is a form of repeated purchases of a customer over time. It is "feeling of attachment to or affection for a company's people, products, or services"(Juttner et al. 1996, quoted in Anderson, Narus, 2004). According to Hoffman and Bateson (2011), "customer loyalty reflects an emotional attachment as well as business attachment to the firm while customer retention is focus of firm's marketing efforts toward the existing

customer base". Hoffman and Bateson (2011) also states that the lower the competition for a firm the less the loyalty matters, when the competition increases the loyal customer base stays but the company has to take care of the new customers and maintain the relations with the loyal ones. Loyal customers are those customers who stay with the company despite new competition appears next door. "Loyal customers raise profitability for a company over time" (Reichheld, 2001; Mishra & Li, 2008, quoted in Halimi, Chavosh, Choshali, 2011).

"Two measures define customer loyalty: a rating of repurchase likelihood and composite measure that assesses how increases in price and decreases in price would change the customer's purchase decision" (Anderson, Narus, 2004). When companies concentrate on relationships with customers through marketing strategies then they create value for a customer. Consequently creation of value allows the company to retain customers and further increase customers' loyalty (Kim et al. 2004,quoted in Halimi, Chavosh, Choshali, 2011). Creating efforts in keeping quality relations with important customers who somehow feel attached to the company improves profitability of the company. Companies rely on customers, thus the main aim of service companies is to address potential customers, then to get them involved, and if they are beneficial for the company then make them come back – retain them.

According to Halimi, Chavosh, Choshali (2011) there are several marketing tactics, which lead to better relationship satisfaction and customer loyalty, some of them are:

- Personalization "Personalization is the procedure of collecting customers' information which helps the firm to create products and services that perfectly provide the customer's desires and needs" (Nunes and Kambil, 2001 quoted in Halimi, Chavosh, Choshali 2011). By using personalization companies try to match what people want through knowledge of what they desire. This tactic builds long-term relations between customer and company and additionally creates more loyal customers.
- Communication Is used to create trust between two parties and eliminate future disagreements. All recent or passed disagreements are used to create a specific communication to prevent or eliminate future disagreements.

- Satisfaction Assures customer retention. It refers to the positive satisfaction of customer from the relationship with the company the buyer- seller relationship (Geyskens, Steenkamp and Kumar 1999, quoted in Halimi, Chavosh, Choshali, 2011). Customer's satisfaction with the relationship further develops the relationship and leads toward transformation of customer to be a loyal customer in the future.
- Customer loyalty Can be referred to as adherence of customer to a company as well as aspiration to stay in relationship with the provider of good or service (Zhang & Prybutok 2005, quoted in Halimi, Chavosh, Choshali, 2011).

A company should pay attention to these marketing tactics in order to maintain company's functioning and its profitability. According to the results of the study by Halimi, Chavosh, Choshali (2011) "every increase in level of communication and personalization leads to increase in customers' relationship satisfaction" and "increase in relationship satisfaction enhances the customers' loyalty". The study shows that concentrating on personalization and communication tactics significantly influence loyalty of customers where attention must be made to satisfaction of the customers with the buyer- seller relationship.

#### 3.6 Background of golf industry

Golf as a game is very modest. The game is individual; the player does not need any other participant to play the game with. It is possible to start with learning to play golf in nearly any age; therefore it is becoming very popular among all generations. It provides the customer with pleasant environment and atmosphere, because most of the year it is played outside in nicely adjusted nature, and therefore it has relaxing impact on the human organism. Due to its unique game rules based on handicaps, golf gives opportunity to players to play among themselves with no need to be at the same playing level. The differences in playing abilities among players are balanced through the handicap system.

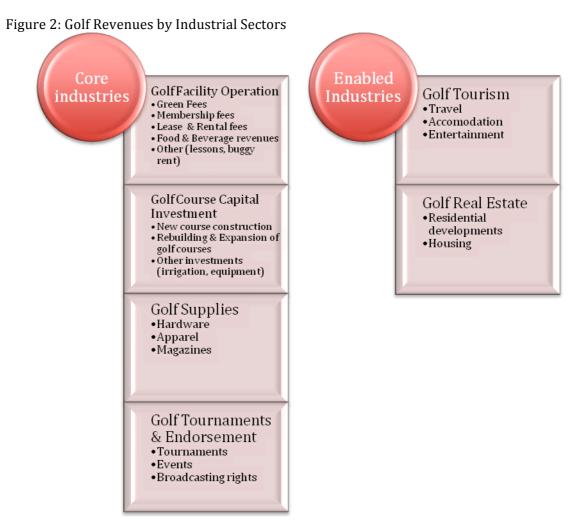
In the world ranking of the most popular sports, golf is rated in the top ten. It is placed on the 8<sup>th</sup> place by estimated number of fans (Mostpopularsports.net, 2012). There are around 32,000 golf courses in approximately 120 countries in the world and the number of golf players is around 50 million (KPMG, 2008). Golf is a multimillionaire industry which generates money through selling the sport to the active players /active consumers but also

by selling the sport to passive consumers such as the sport fans. Similarly to other sports, also golf has its major golf events organized during the year; where the most popular golf professional<sup>1</sup> players and some invited amateur<sup>2</sup> players have the privilege to play. The most known events played during the year are: The Masters, The U.S. Open, The British Open, and the PGA Championship. These four tournaments are all together called The Grand slam. The Masters is the only Grand slam tournament that is played every year on the same golf course – The Augusta National Golf Club in Georgia in USA. The U.S. Open tournament is played on different golf courses in USA. The British Open is played on one of nine golf courses in England and Scotland and is hosted by Royal & Ancient Golf Club St. Andrews. The last PGA Championship tournament is similarly to the U.S. Open played on different courses in USA. These tournaments bring economic prosperity and popularity among golf active and passive fans. These tournaments lure new customers who want to experience either the atmosphere or the playing experience similar to the golf celebrities participating in these tournaments. The customers tend to travel to these locations or watch them on television, which increases the broadcasting demand. Moreover golf is after 112 years again participating in Olympic games in the year 2016.

The industry's revenues are divided as shown in figure 2 into two major industrial segments – direct or associated. The direct industrial clusters are visible to the customer and include for example facility operations, golfer supplies, golf course capital investments, or tournaments. While the associated (enabled) industries are invisible for the customer and involve for example tourism related to golf or real estate within golf course resorts.

<sup>&</sup>lt;sup>1</sup>Professional player – registered member in a Professional Golf Association of particular country, who plays or teaches golf for financial gain (The R&A, 2012)

<sup>&</sup>lt;sup>2</sup> Amateur player – registered member in an amateur golf association in particular country, who does not play golf for financial gain (The R&A, 2012)



Source: Own Processing based on information from KPMG study 2006

All these clusters form the revenues brought to the golf economy. The direct industries contribute mostly to the golf economy in USA and in Europe as well. The revenues of USA and EU27 between core and enabled industries are compared in the table 2.

Size of Golf Economy by Industry Clusters in 2011 (\$ in millions)				
Core Industries	Europe	USA		
Facility Operations	\$11,126.42	\$29,852		
Capital Investments	\$2,262.43	\$2,073		
<ul> <li>Golf Equipment &amp; Supplies</li> </ul>	\$3,908.98	\$5,639		
• Events	\$473.02	\$2,045		

# Table 2: Size of Golf Economy by Industry Clusters in millions of dollars in 2011

Total Core Industries	\$17,770.84	\$39,609	
Associated Industries			
Real Estate	\$125.31	\$4,745	
• Tourism	\$2,047.94	\$20,555	
Total Associated Industries	\$2,173.26	\$25,300	
Total Economic Impact	\$19,944.11	\$64,909	

Source: Own Processing based on information from Sports Marketing Surveys, 2013 (Europe numbers) and SRI International, 2012 (USA numbers)

From the economic perspective the golf industry generates revenues of around \$300 billion US dollars globally, and the employment within the industry is around 3.5 million people (Wilson, 2011).

Golf is a leisure activity. Like any other leisure activity, the demand for golf is high when economic boom and declines with economic recession. This is common trend in current situation, the economic recession does not attract the golf investments like during the boom, but the investments are still made and demand is moderated.

#### 3.6.1 Development of golf in the world

Golf is an interesting and very specific sport. It evolved in Scotland in mid 15<sup>th</sup> century. The golf game was developing over decades and in mid 18th century the game was given its first written rules, which are recognized by current golfers (Kelley, 2012). The golf game spread with the expansion of British Empire to the world. Through the ongoing development the golf game started to spread to other countries and experienced high popularity in the past century.

Leading golf regions, which are North America, Europe, and Japan, represent the majority of the golf market. The division of the regions is based on the number of golf courses. The leading country in the North American region is USA. In USA were around 17,000 golf courses, which represent more than one half of the golf courses in the world and 27 million golf players (KPMG,2008). Due to the current economic situation the number of golf

courses has decreased to 15,751 in 2011 (SRI International, 2012). The development of golf courses was in three waves. The first boom was between 1920s and 1930s, when number of golf courses reached around 5,600 and the number of golf players was between 1.1 to 1.5 million (Hueber, Worzala, 2010). The second wave of boom in construction of golf courses was after the Second World War when the number of golf courses nearly doubled to 10,200 and the number of golfers increased nearly ten times up to 12.5 million (Hueber, Worzala 2010). The third boom was from 1990s to 2000 during this period the number of golf courses crossed 16,000 and number of golf courses has not registered any dramatic upward trend rather decline due to at least two economic recessions, which impacted the economy in USA. The total output of golf industry was USD 176,829 millions and the industry employed 1,976,477 people in 2011 (SRI International, 2012). People employed in the golf sector received USD 55.6 billion in wages (SRI International, 2012).

The second leading region is the Europe. According to the study of KPMG (2012), where 31 countries from Europe participated, the number of golf courses in Europe was 6,740 and number of registered players in these countries was 4,389,740 in the year 2011. Golfers that are not registered are also welcomed in the golf business and their number is significant because they together with the registered golfers have impact on economic prosperity of Europe. The total number of all golf players in European Union (EU27) is 7,853,700, the total number is composed of registered <sup>3</sup> golfers and non- registered golfers - so-called nomad<sup>4</sup> golfers. The number of registered golfers is 4,400,300 and number of nomad golfers is 3,453,400 in the EU27 (Sports Marketing Surveys Inc., 2013). EU27 has 503,679,700 inhabitants (Eurostat, 2013) and the golf population is equal to 1.56 percent of EU27. According to the Sports Marketing Surveys, the golf industry contributed by  $\notin$  15,119.63 million (equal to \$19,944.11) in revenues to the European economy in year 2011/2012 (Sports Marketing Surveys Inc., 2013). The industry is also very important

<sup>&</sup>lt;sup>3</sup>A Registered golfer is a golfer who is a formal member of a golf course and therefore connected to the National Federation in the golfer's home country, usually the golfer will not be able to receive handicap without being registered (Sports Marketing Surveys Inc., 2013).

<sup>&</sup>lt;sup>4</sup>Nomad golfer is a golfer who is not a formal member of a golf course, and therefore is not registered with the National Federation (Sports Marketing Surveys Inc., 2013). Such golfer usually buys green fees and visit commercial golf courses.

from the point of view of employment because it employed around 400,000 people and the wages distributed within the European golf industry were equal to around  $\notin$  9.4 billion according to 2006 numbers (KPMG, 2006).

Among the European countries, Great Britain and Ireland create the largest market with 2,989 golf courses (KPMG, 2012), 1,359,400 registered golfers and 2,840,600 nomad golfers (Sports Marketing Surveys Inc., 2013). Great Britain and Ireland create the largest market and the historical roots and tradition of golf there may evoke large contribution to this fact.

The third largest market in the world is Japan, where were located 2,352 golf courses and more than nine million golf players were registered in 2007 (KPMG, 2010). Average revenues of golf courses in Japan were USD 5.1 million in 2008 and one golf course employs 63 people on average which results in employment of nearly 150,000 people in Japan economy (KPMG, 2010). Opposed to European and US market the revenues of golf courses in Japan include only revenues from golf course (facility) operations, such as green fees, annual fees, caddy fees, and more. The Japan's golf revenues do not include revenues from for example golf course investments or golf supplies. Therefore the number is not so high compared to other world markets.

#### **3.6.2** Development of golf in the Czech Republic

Golf came into the Czech Republic in the early 20<sup>th</sup> century; in 1904 first golf course was built in Karlovy Vary. In 1905 a nine-hole golf course was built in Mariánské Lázně. In 1929 the golf course in Mariánské Lázně was expanded to 18 holes and in Karlovy Vary a new golf course started to be built in the same year. First golf club – Golf Club Praha - was established in Prague in 1926 and a golf course was built in Prague – Motol. In 1928 a golf course in Líšnice near Prague was built. The first golf courses in Mariánské Lázně and Karlovy Vary served to foreigners visiting these two spa cities, while the courses in Prague and near to Prague were opened for golfers. Golf was on growth until the beginning of World War II. In 1948 golf received a hit when totalitarian regime came and golf clubs had to be closed or should connect to Sokol (Civil association supporting sport activities). In order to function golf clubs joined Sokol. 1960s started up the golf life again; golf was accepted as a sport equal to other sports by ČSTV and two new golf courses were opened.

(Sedlák, 2008) Until 1989 no significant changes were made. Until the year 1989 the Czech Republic operated with only 7 golf courses and had 1,300 members (EGA, 2012). The period after the Velvet Revolution (1989) and significant political changes gave to golf potential to grow. Golf was seen as an investment opportunity and lured many investors and new customers. Since 1989 the number of golf courses grew up to 93 and 52,971 golf members (EGA, 2012). Golf is gaining popularity among Czechs and becoming interesting for broader audience. In the Czech Republic are more popular sports such as hockey or football; it is partly due to the historical background and its popularity among Czechs and also due to well-designed marketing strategies, which attract any generation.

Golf is popular abroad but within the borders of the Czech Republic faced and faces difficulties with its label – being a sport of "bourgeoisie" and only for rich people. Two researches concerning common perception about golf were made in 2009 and 2011. The result was that in 2011 the rate of agreement with opinion that golf is snobbish sport decreased (Aspectio Research, 2011). Currently more and more people think that golf is a sport for everyone. This is positive information for future Czech golf scene.

## 4 Practical Part

#### 4.1 Introduction of the Golf Club Kynžvart

Golf Club Kynžvart is a young club, which was established in year 2004. The construction of golf course begun in the year 2004 and was finished in 2008. The golf club is located in the Karlovy Vary region, which belongs among the smallest regions in the Czech Republic based on the area and the smallest based on the number of inhabitants. In the region are 10 golf courses. The golf club is situated close to Slavkovský forest, which is a protected landscape area. Very close to the Golf Club Kynžvart are located two oldest golf clubs in the Czech Republic – Royal Golf Club Mariánské Lázně (16 kilometers from the Golf Club Kynžvart) and the Golf Resort Karlovy Vary (45 kilometers from the Golf Club Kynžvart). The golf course is located on 150 hectares of park, which belongs to Kynžvart Castle. Castle's history starts in mid 13<sup>th</sup> century and since then it has been rebuilt several times until current appearance. Many visitors come during the summer season to visit the castle and the park.

Golf Club Kynžvart is situated on the land owned by state of the Czech Republic and is leased by an investor company – Bohemia Golf & Country Invest for 50 years. The project of the golf course was firstly introduced by mistr Zavázal (member of PGA of Czech) and mistr Veselý (president of Czech golf federation) in 1996. In 1998 the project was accepted and permitted to be realized in the area, unfortunately the project was not realized due to lack of financial resources. Later on the current investor bought the project and with some difficulties realized it. The current investor Bohemia Golf &Country Invest, invited a foreign golf designer Christoph Städler to prepare the project of golf course. Later on for practical, language, accessibility, and control purpose a popular Czech designer Jaroslav Peterka was brought in to finishing the construction.

From the beginning of the starting works, the construction has been facing difficulties from the side of the care of the historical monuments. The golf course lies in the area of Kynžvart Castle, which is a historical monument and the park around as well. The park was not under control and care for decades and the company building the course originally aimed at giving an original flora back. First nine holes of the golf course were opened firstly in year 2009 and in spring 2010 the next nine holes were opened to everyone.

The 18-hole golf course operates with driving range, practice areas, and temporary clubhouse. The clubhouse is equipped with two small cloakrooms for men and women. Also reception, small restaurant, and outside terrace are part of the clubhouse and all serve customers during the season.

#### 4.1.1 Current situation of the golf club

Golf resort Kynžvart is fully operating since the year 2010. Every year the golf season begins depending on weather at the beginning of April and closes around the middle of November or slightly after. The original business purpose was to build a golf resort, which would be among the best in the Czech Republic and would host international event. The current business purpose remains the same but the lack of money slows the completion of the project down.

The city of Kynžvart is one of the spa cities laying in the Karlovy Vary region. It lies in the middle of spa triangle of Karlovy Vary, Mariánké Lázně, and Františkovy Lázně. The city is tourism attractive due to the spa and medical procedures provided there, and because of natural and historical sightseeing.

The project was originally introduced around the year 1996, when the number of golf resorts in the Czech Republic was 12 and number of golf players was 3,779 (Ega, 2012), the investors at the beginning counted with the boom of this industry. The market lacked enough golf courses for increasing number of players; therefore building another golf course was considered a good investment opportunity. When the project was partially finished in 2008 the situation in the industry was completely different. The number of golf courses has more than doubled and the number of players has more than tripled. The starting up economic recession slowed down the situation of golf industry.

Facts about the Golf Club Kynžvart:

- Number of lifetime membership fees sold since the opening is 91.
- In the year 2012, were organized 39 tournaments, this is not a high number, when there are approximately 210 days available for golf game.

- During the year 2012 the number of customers visiting golf course was 5,738. By recalculating this number into the number of days available for play, the result is 27 customers on average visit a golf club every day.
- Revenues were around 7 million CZK and the expenses were equally high in the year 2012 (Golf Club Kynžvart, 2012).

## 4.2 Segmentation, Targeting, Positioning

The golf resort does not consider segmentation and positioning, club only wanted to target four groups of customers at the beginning:

- Individual golf players members of any golf club in the region, in the Czech Republic, or from abroad
- Participants in golf tourism foreigners coming from Scandinavian Countries
- Visitors of Kynžvart Castle
- Residents of the region

Golf Club Kynžvart does not know whether the customers coming in the resort are from any category belonging to the original target groups. The reason is that there were no marketing researches done since the beginning of functioning. The resort did not collect any reliable data from any research so that the company would know who are their key customers. Therefore it can be estimated that the Golf Club Kynžvart does not prefer any specific group of customers currently. It means that the marketing strategy is not target specific, does not have any specific segmentation and the resort does not position it self against current competition yet. The marketing department does general marketing activities, which target at all customers without any set target group.

## 4.3 Income sources

Building a golf course requires a lot of financial resources to invest by a company. The return on investment in case of golf course is long term therefore it is good to know what are the main income resources for the company once the golf course operates. It is important to remember that golf courses do not operate whole year, golf is seasonal sport, therefore the operations of outdoor golf course without any indoor playing facility is

possible from April to October in the Czech Republic. Of course the season differs from year to year based on the weather. The Golf Club Kynžvart is located in cooler region in the Czech Republic thus the season is usually shorter compared to other regions. Once the golf course is built it should be able to operate on its own and cover its expenses and make profit through the income from activities that the resort is undergoing. The smooth operation and capability of cover its debts ensure repayment of the investments involved in the project.

The main income activities the golf resorts undergo are:

- Annual member subscriptions
- Membership fees
- Daily green fees
- Advertisement within the golf resort
- Golf course rental (for Events)
- Others (Driving range, Restaurant, etc.)

The contribution value to club's budget is different for each golf club. Also the activities differ in the golf clubs, for example some may have more or less activities that contribute to the budget. The most common income activities and simultaneously the main income activities in the Golf Club Kynžvart are described below.

Firstly, the annual membership subscription is a fee collected from all members registered in the golf club. The annual member subscription is different from club to club and should reflect the standard and quality of the golf resort. The membership subscription allows member to play as many rounds as he/she is able in the one playing season. The Golf Club Kynžvart sets the annual membership subscriptions to 14,800 CZK/year; the annual membership subscriptions of selected competition are demonstrated in the table 3. Annual member subscriptions are the source of high and stable income from the long-term perspective for a golf club. Subscriptions serve as the primary source to cover the necessary costs at the beginning of the season, therefore they play important role in the club's budget.

Secondly, the membership fee is a lump-sum payment, which a player pays in order to become a life-long member of a particular golf club. When player becomes member,

he/she derives benefits from the club compared to nonmembers. The membership payment is in most of the golf clubs non-returnable but some golf clubs allow transferring the membership to family members. After the payment is done, the person is becoming a member of "citizens association" with all discretions and duties set in the "articles of association". The membership fee differs from club to club, usually the highest is in semiprivate and private clubs, and in the Golf Club Kynžvart it is 45,000 CZK per adult person. The amounts demanded by the selected competition are listed in the table 3.

	Membership fee	Annual membership
Name of the golf club	(lifetime)	subscription
	CZK/ adult person	CZK/ adult person
Golf Club Kynžvart	45,000 CZK	14,800 CZK
<b>Golf Resort Karlovy Vary</b>	170,000 CZK	17,000 CZK
a.s.		
Golf Resort Karlštejn	100,000 CZK	27,000 CZK
<b>Albatross Golf Resort</b>	235,000 CZK	27,500 CZK
Golf & Spa Resort Kunětická	240,000 CZK	17,000 CZK
Hora		

Table 3: Membership fees and annual member subscriptions of selected golf resorts in the Czech Republic in 2012

Source: Own data processing based on information from golf resorts

Thirdly, among the most often daily operations become the daily green fees. These are fees paid by daily customers who come to play either nine or eighteen holes in particular day. The fee is set at the certain price but could be modified under specific circumstances. The price ranges between 500 – 5,000 CZK for 18 holes among the golf clubs in the Czech Republic. The daily green fees are limited based on the capacity of the golf course and the light (luminosity) in particular season. The capacity of the Golf Club Kynžvart during the summer season, when the light is on average the longest in the year, is 230 players. On average the golf club is capable to contain 160 golf players per day during the playing season. The green fee in the Golf Club Kynžvart for eighteen holes is 1,090 CZK from Monday to Thursday and 1,390 CZK from Friday to Sunday. The prices for green fee of selected golf resorts are compared in the table 4.

2012				
Name of the golf club	18- hole Green fee in	18- hole Green fee in		
	CZK	CZK		
	(Mo – Thu)	(Fri - Su)		
Golf Club Kynžvart	1,090 CZK	1,390 CZK		
Golf Resort Karlovy Vary a.s.	2,000 CZK	2,000 CZK		
Golf Resort Karlštejn	2,000 CZK	3,000 CZK		
Albatross Golf Resort	1,750 CZK	1,750 CZK		
Golf & Spa Resort Kunětická	1,300 CZK	1,600 CZK		
Hora				

Table 4: Daily Green-fees for 18- holes in selected golf resorts in the Czech Republic in 2012

Source: Own data processing based on information from golf resorts

Fourthly, the advertisements within the golf resort are another form of income for the club. Companies may put their advertisements on the golf carts, tee boxes, areas intended for advertisements, within the clubhouse, on driving balls, or for example in the club's magazine. In the Golf Club Kynžvart the companies currently advert only on billboards in intended areas. The income from these activities is very low because many advertisements are done through barter exchange.

Fifthly, any customer may rent a golf course for an event. The length of rental is upon the customer; the most frequent are rentals for one to two days, but also rentals for few hours. Events for one to two days are most often the tournaments, and the short-term events (few hours) include small tournament for few people, team building events, courses, presentations, or weddings. The one to two day events usually use the golf course and the service of all facilities around, such as restaurant, clubhouse, or driving range. On the other hand the short-term events organized for few hours usually do not use the services of all facilities or the whole golf course. The price is based on the supply and demand in the golf industry, the popularity of the golf course, and the services provided. The price in the Golf Club Kynžvart for renting the golf course for one day ranges between 90,000 CZK to 140,000 CZK to 1520 CZK per person.

Finally, Golf Club's Kynžvart income is composed also of other services that it provides. Under these services belong:

• Driving range

- Restaurant
- Golf cart/trolley rentals
- Golf lessons

## 4.4 Current marketing mix

The section of current marketing mix describes the situation of the Golf Club Kynžart in the relation to the seven "Ps" of services.

## 4.4.1 Product

Golf Club Kynžvart offers three categories of products. The main product offered to its customers is the golf game, second product is the services connected to the golf game, and the last product is other services besides the golf.

Firstly, the main product offered is the golf game provided on the golf course. The golf course has 18holes, which are situated in an old park. The golf course is physically demanding. The golf holes vary from uphill to down hill. The fairways are wide and fringed with old high thick trees in the first half and in the second half the holes are relatively open. A lot of bunkers and water hazards make the game more difficult. The customers perceive the golf course as a difficult and long. According to golf course rating system, the golf course is one of the most difficult in the Czech Republic. The golf course provide customers with golf tournaments which are both commercial and for club members.

Secondly, the golf resorts offers products relating to golf game. These include for example the driving range, the practice areas, golf coach who provides golf lessons, golf equipment sold on the reception, or buggies and trolleys for players going on course. The golf club does not possess with members area and any professional golf shop, which would serve customers with anything they need for game. The equipment sold on the reception is just the necessary such as golf balls, tees, gloves, or sun caps. In order to offer customers good quality service the golf pro-shop should be placed. Also due to the small size of the clubhouse, the areas for visitors and club members are not anyway differentiated and usually every visitor fights for a table and place where to sit. There is lack of sitting area

for incomers. During the nice and hot days the customers have opportunity to sit outside on the terrace, but problems arrive when the weather is bad.

Thirdly, the golf resort provides services that do not relate to the golf game. The restaurant located in the clubhouse represents this category. The restaurant is outsourced by a hotel with restaurant complex located few meters from the clubhouse. There is limited supply of food and drinks due to the size of the kitchen and accordingly whole clubhouse. Moreover the kitchen is not equipped to host large number of customers but should serve only as driving range house. Thanks to good situation with the close hotel restaurant the customers may order the food offered by the hotel restaurant and stay in the clubhouse. A new planned clubhouse will be fully equipped with restaurant facility and would be able to fully satisfy golf resort customers.

Other aspects of the product based on the theory, which can be applied to the Golf Club Kynžvart, are as follows:

- Exclusivity –the Golf Club Kynžvart has its unique landscape and location which cannot be easily copied by the competition
- Brand Name is given by the name of the golf course and the Czech golf federation allows only one name of its kind
- Capacity management Golf Club Kynžvart does not even operate to its full capacity at the highest season therefore does not experience the overload of the capacity.

## 4.4.2 Price

The price for game on golf course is difficult to calculate but it should reflect the prestige of the resort and the quality of the surface. The golf course is of quality design but the surface needs more time to reach the quality of the older golf courses. Then the price will be moved up to reflect the quality and design. The price for 18 holes is divided into two categories based on days in the week. From Monday to Thursday the green fee per 18 holes is 1,090 CZK and from Friday to Sunday the price is 1,390 CZK. The difference in the prices reflects the capacity of the golf course. Usually customers play golf on weekends and during this time in week tournaments are organized; therefore the price is slightly different.

#### 4.4.3 Place

The golf course is located in the nature and surrounded by protected forests. From the point of design, the golf holes dispose with enough spectating areas. The clubhouse is situated 5 to 10 minutes walk from first tee. The clubhouse is at this moment temporary, in the future it should be open close to the first hole where it was originally planned. This clubhouse would be able to provide sufficient space for potential customers and able to offer services that customers expect from quality golf resort.

Place comprises the ways in which the product gets to the final customer. The products are distributed through the company capacities. It involves mainly offering services of sport – recreational center. The golf club provides additional services offering sport packages. Because one group of customers are clients involved in sport tourism – such as golf players coming for few days playing trips. Golf resort is offering packages, which include game on the golf course and hotel stays in the neighboring hotels. Golf resort uses the services of close hotels and local agencies.

In particular, the distribution channels include:

- On desk sales and online reservations system where the individual day-to-day green- fees are sold.
- Local agencies and hotels offering golf packages.
- Close partners and already created contacts for whom company events and tournaments are created. In this type of channel can bring positive references with multiplication effect to the golf resort in the close future.
- National or international tournaments are coordinated in close relation to the national golf federation and through cooperation with golf clubs abroad.

#### 4.4.4 Promotion

The Golf Club Kynžvart did not investigate who are the most frequent customers and what are their wants. There was no research conducted concerning the age or income level of its current customers. So there is currently no understanding at whom to aim the promotion. Another fact is that the financial resources available for promotion are very limited and in the past year the financial resources used for promotion of the resort were equal to 50,000 CZK (Golf Club Kynžvart, 2012).

> Advertising

The Golf Club Kynžvart does not involve in advertising to masses heavily. In the last two years there were some attempts to advertise in golf magazines, but there were no concrete results of the effectiveness of this advertisements. Golf resort does not collect any data so there is limited information and feedback related to these advertisements. The only form of advertising the golf course uses, is the website presentation. Customers may find the webpages of the Golf Club Kynžvart online and search for information there. Also there is possibility to book tee times through online booking system and get information about upcoming tournaments, this makes the information about utilization of the golf course easily accessible.

Sales Promotion

At the beginning of opening the golf course, there were few special deals offered to customers. These deals were only short term, for purpose of beginning with functioning the golf resort. The conditions of the golf course were not equal to the conditions of groovy golf resort therefore the promotions were made. At the end of last year twilight green fees were offered. This is not a long-term tool for golf courses because it does not create long-term relationship with customers.

Public Relations

The golf course engaged in activities to inform the customers and to highlight the popularity of the golf resort. In the first year of opening a prestigious tournament was organized. The tournament was called CzeChallenge and top amateur players with top professional players competed against each other for financial reward. The tournament was broadcasted on Czech Television channel.

The first tournament organized after the opening was a tournament from series of U.S. Kids tour where around seventy kids participated. This was step to introduce the golf course to children and parents. Later on the Czech Golf Federation organized a tournament from series of the highest team competition "Extraligue" in the Golf Club Kynžvart.

Golf Club Kynžvart engages in managing relations with public. Agreement between golf club and golf magazine was arranged, golf club contributed with writings about the golf course four times a year.

#### Product Demonstrations and Events

The Golf Club Kynžvart welcomed few companies introducing their equipment during demo days on the driving range. These companies were for example Callaway and Srixon, customers were informed through webpages about this event and traveled to try equipment of these companies in the Golf Club Kynžvart.

Another event that takes place few times in a year is Open Day for public. People no matter whether they do or do not play golf are invited to try golf game under the supervision of club coach. They get informed about the golf, golf facility, membership and anything they need to know about the golf in the club.

Personal Selling

The most frequently used form of promotion in the Golf Club Kynžvart is personal selling in the golf reception. There is currently one receptionist employed and during the registration and payment she offers the customers other products and services. The receptionist is talkative young lady, who captures the interest of all customers coming to the reception. She informs customers about the weather, conditions of the golf course and pace of play, also she informs them about the upcoming events or tournament that are on the program in the close future. The receptionist creates a friendly relationship with the customer and may expect that customer may involve in buying another product. Usually customers after finishing the game come back to the clubhouse for refreshment and there is the opportunity that they will buy the product offered by the receptionist. So the employees and mainly the reception staff have great selling opportunity.

#### 4.4.5 Physical Evidence

Physical evidence helps to ad tangibility to intangible service. The golf resort provides players with spectacular views and beautiful design of the golf course, which give the players feeling of tangible value. The historical background of the old park breath on the players the old atmosphere, several historical monuments and places remained preserve. In

particular players may sit on a stone bench in a rock next to the 17<sup>th</sup> hole, where Johan Wolfgang von Goethe used to spend time. Another example is an obelisk on 8<sup>th</sup> hole, which is dedicated to Emperor Franz Joseph I. Nearly every hole gives the customer a flashback to the history.

The clubhouse has modern design and was built in friendly and home atmosphere; the sitting area is equipped with fireplace and comfortable chairs where players after long walk feel convenient. Peaceful and clean surroundings with organized sidewalks for tourists and players together with quiet countryside atmosphere with benches and family picnic areas create the unique natural atmosphere of the place.

#### 4.4.6 People

The delivery of the service is highly dependent on the people working in the golf resort. All employees have their special function in the organizational structure of the golf resort and all together have influence over the level of service quality that is delivered to the player. People in the Golf Club Kynžvart are skilled and trained to provide the best quality service they can.

Employees directly involved in delivering the service are:

- Receptionist In the Golf Club Kynžvart this position undertakes young charismatic lady who has good communication, language, and organizational skills. When she was accepted for this job she was put on training to be able to perfectly use and understand the check in system for customers. The receptionist has the responsibility to check out players, receive and transact the orders. Attend the phone and email reservations, book tee times, and inform manager about upcoming events to get everything ready for it.
- Green keeper This person is the general manager of the maintenance group. In the Golf Club Kynžvart it is a man who based on his education and experiences distributes the duties to other employees that are necessary for the proper maintenance and function of the golf resort. His duties are for example to decide on when to cut grass or what fertilizers to use and when. Green keeper is responsible for the quality of playing conditions and to keep the level stable and increasing in the following years.
- Maintenance group This is a group of 6 people who fulfill the tasks of green keeper.
   They are assigned job according to their skills with using machinery, cutting grass, or

for example seeding the grass. The most skillful employees are responsible for most skills-demanding job and opposite. The skills are gained over the working experience. For example the most demanding and difficult job on course is cutting the greens, because the grass is cut so short that any mistake such as uneven cut is highly visible and may influence the golf game of players, moreover it lasts for very long time and it is costly and uneasy to repair.

- Starter Man responsible for teeing off the players and informing them about the rules of the golf course.
- Referee This is a person who has referee license and is available to giving players advices with rules and writing down the competitive and noncompetitive playing results.
- Sport Technical Commission (STK) Person responsible for putting tournament results or results of club members in to the online system, he/she takes control over the handicap rank of club members, and looks after sport running of the club.
- Marshal Is person responsible for keeping players in good pace of play in order to make the flow of the flights smooth. All players want to enjoy the game without waiting for every shot because of slow flights in front of them or being pushed by the flights behind them. The pace of play is usually very problematic in Golf Club Kynžvart because the course is physically demanding and difficult, therefore many players get in troubles with time.

#### 4.4.7 Processes

Processes are the ways of delivering the service to the final customer. The service should be delivered to any customer without loss of quality. In the Golf Club Kynžvart the processes involved in delivering the service to players are for instance:

- Green cutting everyday
- 1-2x a week maintenance of other parts of the golf course
- Receptionist has to check any medium where customers book their tee times such as: emails, telephone, online systems, enter booking time in the system
- Customers arrive and go to reception pay the fee for a round

- Starter and marshal have to be informed about the booked tee times and customers playing in starter and marshal receive paper with booked tee times in the morning in order to start and control the pace of play on the course. In case of changes they are in touch with the reception.
- Maintenance and delivery of carts to the clubhouse for customers
- Restaurant food and beverage ready to serve customers prior and after their game
- Two hours before the sunset the green keeper has to begin with checking the golf course to inform the maintenance group what has to be repaired for the next day
- Driving range permanent checking the fill of ball machine and repairing the playing area

## 4.5 SWOT analysis

The SWOT analysis represents the analysis of the real state of the watched company based on evaluation of internal factors which encompass the strong and weak points of the Golf Club Kynžvart as well as the external factors represented by opportunities and threats.

Table 5: SWOT Analysis of th         Strengths	Weaknesses
<ul> <li>Design of the golf course</li> <li>Spa region</li> <li>18 holes championship golf course</li> <li>Unique layout and environment</li> </ul>	<ul> <li>Young golf course - relates to quality</li> <li>Unfinished project yet</li> <li>Unfamiliarity with their customers</li> <li>Limited financial resources</li> <li>Unique selling proposition</li> <li>Lack of marketing activities</li> </ul>
Opportunities	Threats
<ul> <li>Poor communication of the services toward the customers</li> <li>Non existence of target groups</li> </ul>	<ul><li>Triangular course location</li><li>Global economic conditions</li></ul>

Table 5: SWOT Analysis of the Golf Club Kynžvart

Source : Own data processing

The SWOT analysis in the table 5 identifies the strong and weak points, and opportunities together with threats of the Golf Club Kynžvart.

## Strengths

First strength is design of the golf course because it highlights the quality of the product. The study for the golf course was done by a professional and experienced foreign designer but later for the practical purposes it was redesigned by a well known Czech golf course designer Jaroslav Peterka who also made changes to the original design and gave the golf course valuable improvements. The design is good because golf players remember all holes and do not exchange one for another, there are no two similarly looking golf holes.

Second strength is the spa region. The Golf Club Kynžvart is located in the popular Czech spa region. This ensures an enormous potential of future customers.

Third is the fact that the golf course is 18-hole championship, with appropriate length and difficulty to be able to host international competitions.

The last strength is its unique layout and environment. The golf course is in a beautiful area with natural and historical views; furthermore the area is protected which attracts many customers.

#### Weaknesses

The Golf Club Kynžvart has many weak points, but hopefully they will be eliminated in the soon future.

Firstly, the golf course is very young and juvenile. Some holes need some time to overgrow with trees and also more trees need to be plant out. The subsurface of the fairways is of broken stone the grass on some small places needs to absorb the small stones so that players do not crush their clubs.

Secondly, the project of the golf resort is not finished yet. The clubhouse that temporarily serves customers is originally driving range house and this does not give good impression to the customers and cannot serve customers in case of full utilization. The paths between all holes are not finished yet and also the equipment, such as flags, needs to be changed to nice ones and investment in more carts is necessary.

Thirdly, the management is not familiar with the customers of the golf resort; therefore management does not know what services, additional services and products should serve the customers with.

Fourthly, the financial resources and income in the golf resort are weak. The golf resort does not generate much profit; currently the income so- so covers the expenses. Unfortunately the golf resort requires further investments that would lift the level up in the eyes of customers.

Next, the golf resort does not possess any unique selling proposition. Golf resort needs to have a unique selling proposition in order to attract customers through the marketing activities. It is something special that is associated with the golf resort that the competition does not possess. It comes first on the mind of customers. Golf resort Kynžvart does not defined anything such yet, despite has several unique features.

Finally, the Golf Club Kynžvart does small nearly no marketing and promotion activities.

#### **Opportunities**

The opportunities lie in improving the communication of the services and products offered by the golf resort Kynžvart to its customers. The opportunity is in introducing quality and well-prepared programs for target groups of customers. Defining target groups and marketing aimed at these groups may be an opportunity for future.

#### Threats

Among the threats mainly belongs the triangular location of golf courses. Royal Golf Club Mariánské Lázně is located only 15 minutes from the Golf Club Kynžvart, another the Golf Club Sokolov is in range of 30 minutes. If the golf resorts in close distance from the Golf Club Kynžvart will be able to offer better and more interesting services and quality products then they become major threat.

Another major threat is the major shift from prosperity to recession in the European economy diminishes the possibility of return on investment and potential grow of the golf business in the area.

## 4.6 Competition

The competition for the Golf Club Kynžvart is currently the golf courses within the region. Within the region there are 10 golf courses including the Golf Club Kynžvart, out of them 4 golf course are not adequate 9-hole golf courses. These 4 golf courses mainly for their design and length do not satisfy the requirements of quality golf course, therefore are not considered direct competitors. The rest 5 golf courses belong to a category of championship golf courses, which means that all of them may serve international events. The five golf resorts are the direct competitors on the regional level, these are:

- Astoria Golf Resort Cihelny
- Golf Resort Františkovy Lázně
- Golf Resort Karlovy Vary
- Royal Golf Club Mariánské Lázně
- Golf Club Sokolov

The Golf Club Kynžvart has its major competition in the region, but even outside its region. The major competitors are golf resorts that possess comparable criteria to the Golf Club Kynžvart, and these criteria differentiate them from other golf courses. The criteria are:

- 18- hole golf resort at minimum
- Championship golf resort
- Designed by distinct architect

Based on these criteria the likely competitive golf courses in the Czech Republic are Golf Resort Karlštejn, Golf Resort Karlovy Vary a.s., Albatross Golf Resort, and Spa & Golf Resort Kunětická Hora.

## 5 Research

For the Golf Club Kynžvart was worked out a questionnaire. The questionnaire served to obtain primary data. The aim of the questionnaire was to receive information about customers coming in the golf resort and receive information about their satisfaction with the golf services provided. When the questionnaire was drafted, it was necessary to detect how people understand the questions, therefor the author has distributed the questionnaire among group of 10 people all golf players. According to the test group all questions were comprehensible to them. The questionnaire was distributed only to customers coming to play golf in the Golf Club Kynžvart and they were asked whether they are willing to answer the questionnaire. The questionnaire was given to the customers when they registered for a round and they were asked to answer it straight away. The return rate was 99%, only one questionnaire was not filled. The questionnaire was divided into sections specific for each hypothesis set at the beginning of the diploma thesis work. In the questionnaire were used closed, semi-closed, and opened questions.

The questionnaire involved 26 questions and was distributed in three languages: English (see Supplement 1), Czech (see Supplement 2), and German (see Supplement 3). The questionnaire was offered to customers on the reception in the Golf Club Kynžvart from 25.8. - 9.9.2012.

## 5.1 Analysis and Results of the questionnaire

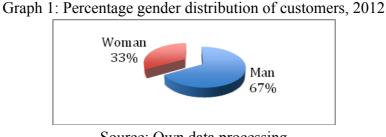
For comprehensible overview of the questionnaire the questions are divided into three categories and each set of questions should answer one of the hypothesis set at the beginning. The number of respondents participating in this questionnaire was 99 out of 100.

#### Preceding demographic information

First part of questionnaire aimed at receiving general information about the customers participating in the questionnaire.

## Question 1: Circle your gender.

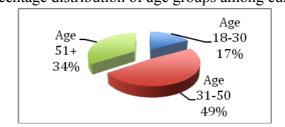
Out of the 99 respondents, 67% were man and 33% were women.



Source: Own data processing

## Question 2: Select in which age group do you belong.

The age groups of respondents were from 49% represented by the customers belonging in the age group 31 - 50, the second most frequent visitors representing 34% were from the age group 51+, and age group 18-30 represented the lowest number 17%.



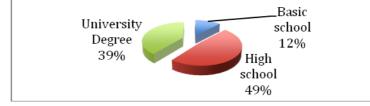
Graph 2: Percentage distribution of age groups among customers, 2012

Source: Own data processing

## Question 3: Select from the following your highest education level you did achieve.

The education level of the customers was mostly represented by the high school graduates equal to 49% and followed by respondents with university degree 39%, the educational structure of respondents alleges about the income level of respondents.

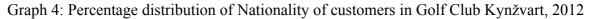
Graph 3: The highest education achieved by the customers in percentage, 2012

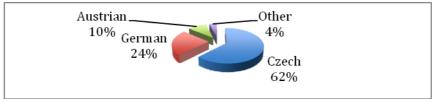


Source: Own data processing

#### Question 4: Select your nationality.

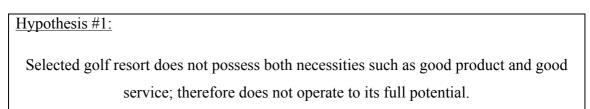
The nationality of customers visiting the Golf Club Kynžvart is wide. By all means the majority of customers represent Czech nationality, based on the results customers participating in the questionnaire were from 62% Czechs. On the other hand by virtue of the location of the Golf Club Kynžvart customers come even from other countries as well. The Golf Club Kynžvart is located 20 kilometers from German borders and nationals of Germany account for 24%. Participants in the questionnaire coming from other countries accounted for 4%, among them were nationals of United Kingdom, United States of America, and Serbia.





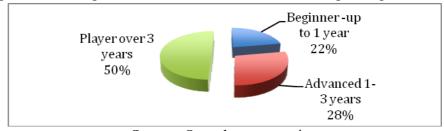
Source: Own data processing

Second part of the questionnaire dealt with questions that should support the 1<sup>st</sup>hypothesis.



## Question 5: How long have you been playing golf?

Respondents had three options to answer and based on the results the majority of respondents were customers playing golf more than 3 years. This group of people was represented by 50% of customers. The second most frequent answer was – advanced player, 28%. And the last group of customers was beginners, represented by 22%.

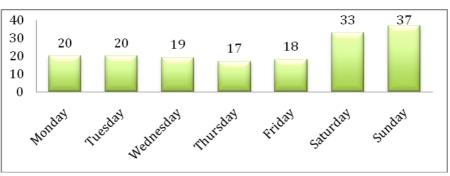


Graph 5: Percentage distribution of customers based on golf experience, 2012

Source: Own data processing

Question 6: What day from the week do you play most often? (You can tick several answers)

From the question arise that customers are able to play any day in the week. Preferences are evenly distributed among the working days and slightly increase on the weekend due to the distribution of work force, which works mostly during the week.



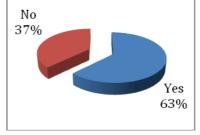
Graph 6: Frequency of play among customers, 2012

## Source: Own data processing

Question7: Do you play tournaments? If you do play tournaments, which tournaments do you prefer?

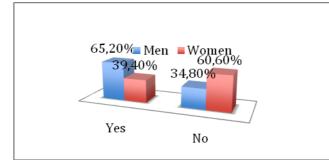
Question number 7 suggests that people commonly do play tournaments from 63 % and imply that tournaments are form of wanted service.

Graph 7: Willingness of customers to play tournaments, in percentage, 2012



Source: Own data processing

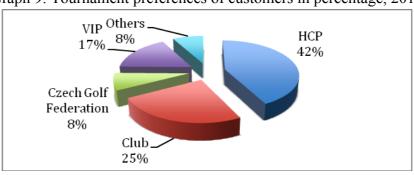
Based on the gender, there is high difference in popularity of tournaments between men and women, in particular 65.2% of men do play tournaments compared to 60.6% of women which do not play tournaments. Men are naturally more competitive than women therefore there men are more likely to attend tournaments and compete among them selves.



Graph 8: Willingness to play tournaments according to gender, in percentage, 2012

Source: Own data processing

Second part of the question was concentrated on the attendance of tournament categories. Based on the answers, most players prefer handicap tournaments from 42% and club tournaments from 25%, this may imply that golf players are more in favor of tournaments which are organized in the environment they know well, because typical these tournaments are handicap tournaments and club tournaments.



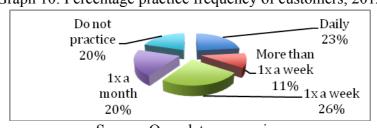
Graph 9: Tournament preferences of customers in percentage, 2012

Source: Own data processing

## Question 8: How often do you practice golf?

The question proved that majority of golfers required practice facilities as integral part of golf resort. Among the respondents 80% of customers seek some kind of practice during

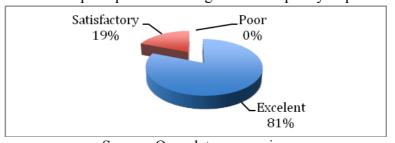
the year. Therefore practice areas are important part of the product offered in the golf resort.



Graph 10: Percentage practice frequency of customers, 2012

# Question9: How would you personally rate the quality/ playing conditions of the golf course Kynžvart?

The product of the Golf Club Kynžvart, which includes the golf course, is among the respondents highly rated. Overall 81% of customers rate the golf course as excellent, only 19% rate it as satisfactory, and none of the customers found the golf resort poor.

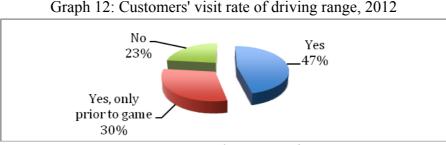


Graph 11: Customers' perception level of golf course quality in percentage, 2012

Source: Own data processing

## Question10: Do you often visit the driving range?

Based on the answers of respondents, nearly 80% of customers visit driving range, out of this amount 47% of customers visit driving range often and one third of customers uses the driving range service only before their game. It is curious that over 20% of customers do not visit driving range at all.



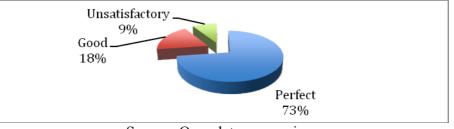
Source: Own data processing

Source: Own data processing

# *Question 11: From the following select how would you rate the driving range in Golf Club Kynžvart.*

The layout of the driving range, which is an integral part of the product of the Golf Club Kynžvart, is for 73% of customers perfect, and good for 18% of customers. Only minority of 9% of customers considers driving range as an unsatisfactory product.

Graph 13: Perceived quality of driving range in Golf Club Kynžvart in percentage, 2012



Source: Own data processing

In order to get broader picture of customers' rating of the product offered in the Golf Club Kynžvart, it is appropriate to put results from the questions 9 and 11 together. The table 6 shows that customer rate the overall product of the Golf Club Kynžvart very positively with average rating of 1.3, this means that customers value the products as excellent.

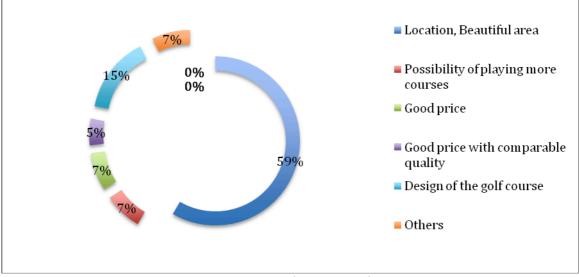
Rating of the product				
Name of the product	1 (Excellent)	2 (Satisfactory)	3 (Poor)	Average rating of satisfaction with the product
Golf course Kynžvart	80	19	0	1,19
Driving range Kynžvart	72	18	9	1,363636364
	Average rati	ng of satisfaction products	with all	1,276818182

Table 6: Average rating of products offered in Golf Club Kynžvart, 2012

Source: Own data processing

## Question12: What brought you to play at Golf Club Kynžvart?

Layout, nature, and beautiful environment is the key factor for customers' selection of the golf course as being their favorite. The second most frequent answer was the design of the golf course, which proved that architect did good job in incorporating the golf course in the natural environment and the scenery of the landscape.



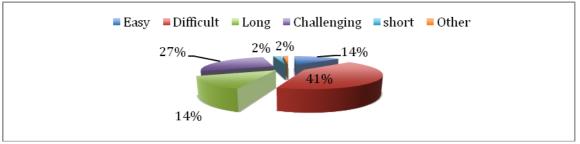
Graph 14: Customers' reasons for selecting Golf Club Kynžvart for play, 2012

Source: Own data processing

# *Question 13: From the following select what is your personal experience with golf course Kynžvart.*

Customers find the golf course Kynžvart predominantly difficult from 41% and from 27% challenging. Based on the two most frequent responses the golf course is more likely to be played more than once because the customers would like to conquer it.

Graph 15: Perception of customers about difficulty of the golf course Kynžvart, in percentage, 2012



Source: Own data processing

# Question 14: Is there anything challenging for you (what for example arouses/ brings you back to play again) on the golf course Kynžvart?

This question was opened question and customers could specify whatever they feel is challenging for them and they are willing to come back in order to beat it. The answers to this question varied but 34 male customers repeated one answer and it was that they want to overshoot water hazard on the hole number 9.

#### Questionnaire findings in relation to Hypothesis #1:

The second category of questions had the aim of refusing or accepting the first hypothesis. Based on the research, it can be stated that the Golf Club Kynžvart does not fulfill both conditions clearly stated in the hypothesis above, and therefore cannot operate to its full potential.

On a positive side the Golf Club Kynžvart possesses a good product. Based on the results from presented questionnaire, firstly, customers rate golf course layout and quality of the golf course among the best they have experienced from 81%. This statement is supported by 50% of answers from golfers who play the golf more than 3 years thus they had time to experience variety of golf courses. Secondly, 72% of customers rate the driving range in the Golf Club Kynžvart as perfect. Thirdly, 59% of customers highly value the environment together with the scenery and 15% of customers value the golf course layout. Finally, customers stated that golf course Kynžvart is mainly difficult and challenging, from 41% and 27% respectively and later on stated that golf course Kynžvart possess challenging aspect which "forces" them to come back in order to beat it. The challenging aspect is for 34% of customers and only male customers to overshoot the water hazard on 9<sup>th</sup> hole. The conclusion from the above section is that overall the golf resort operates with well built products.

On a negative side are the weak services. Based on the research customers are capable of playing any day from the week, it is apparent that when the golf course would work to its full potential, any day in the week the golf resort would serve nearly same amount of customers. It is clear that the extent of utilization is lower for working days compared to the weekends. Based on the current situation of the Golf Club Kynžvart, the utilization is on average 27 customers per day. This is a low number in order the golf course to be fully saturated; it suggests there are bad marketing and promotion practices from the side of golf resort to lure in enough customers to utilize the facility to its full potential. Pretty much the same problem arises regarding the tournaments, where 63% of customers with majority of men are in favor of playing tournaments but based on the current situation of the Golf Club Kynžvart the number of tournaments was only 39 for the year 2012, despite there is capacity for more. For example 69.2% (see Table 7) of tournaments were organized on weekends in the Golf Club Kynžvart in the year 2012 and the questionnaire suggests that

people are coming to play everyday, therefore the distribution of tournaments could be more evenly distributed among the working days and weekends. As 42% of customers stated in the questionnaire, they are in favor of handicap tournaments, therefore in order to more utilize the golf resort during the working days, the golf resort may organize handicap tournaments for example twice a week.

Table 7: Percentage share of tournaments organized in Golf Club Kynžvart according todays in the week in 2012

Day in the week	Number of tournaments organized	Percentage share
Mo - Thu	12	30.8
Fri - Sun	27	69.2
Total	39	100
	a <u>o</u> 1, ·	

Source: Own data processing

Even though, the questionnaire confirms that around 80% of customers do some practice and similar amount of customers claim the driving range in the Golf Club Kynžvart is perfect and good, not everybody is motivated to practice often, in front of the golf round or tournament, and after it. This result suggests that customers should be more interested to use the practicing facilities at the right time. The problem may lie in bad communication between players and the stuff of the driving range which should inform customers about the pros and cons of using the driving range, especially the necessity of stretching in front of the golf round. Warmed up customer perform better from the beginning of the round, therefore he/she is capable of reaching higher level of satisfaction with the golf game. Better communication of a service to customer will lead to higher utilization of all the practice areas and much higher satisfaction of the customer.

The questionnaire asked questions concerning both the products and the services offered in the Golf Club Kynžvart, as long as questions answering the rating of services relate to two hypothesis the author has decided to include the evaluation of the questions concerning services in the part of the 3<sup>rd</sup>hypothesis.

In order to understand the position of both, products and services, in the minds of customers it is suitable to compare the rating of both together. The table 8 indicates that on average customers value the products offered in the Golf Club Kynžvart as excellent while the services are valued on average as satisfactory. Therefore according to first hypothesis, the Golf Club Kynžvart does not possess both necessities all at once.

	2012		
Name of the necessity	<b>Overall rating</b>	<b>Overall value</b>	
Products	1,276818182	Excellent	
Services	1,878787879	Satisfactory	
Source: Own data processing			

 Table 8: Comparison of valuation of products and services offered in Golf Club Kynžvart,

 2012

Acceptance or rejection of 1<sup>st</sup>Hypothesis:

Finally based on these answered questions, the hypothesis can be confirmed, even though the Golf Club Kynžvart has ground stone placed in right place regarding the product. The services and marketing practices, which should support the product seems to be the biggest issue in delivering the message to the customers.

For verification of the second hypothesis another set of questions was created.

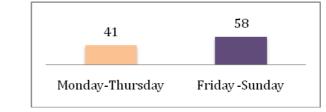
Hypothesis #2:

Price and distance are not relevant factors for selection of the golf resort.

## Question15: From the following select on which days did you visit the golf resort Kynžvart.

The graph 16 indicates that 41 customers visited golf course Kynžvart between Monday and Thursday this number of customers stands for 41.4%. Majority, 58.6% of customers visited golf course between Friday and Sunday.



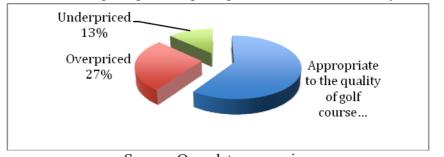


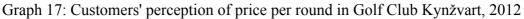
Source: Own data processing

# Question 16: From the following options select what is the price for a round (green-fee) in the Golf Club Kynžvart?

The price of golf course is set at 1, 090 CZK for Monday – Thursday, and 1,390 CZK for Friday – Sunday. Based on the result of question 15, customers visited the Golf Club Kynžvart from 58.6% on Friday – Sunday. Out of these Friday to Sunday customers 37

responded that price is appropriate to the quality of the golf course, 16 customers responded that the price is too high, and 5 customers said the golf course is underpriced. Customers that visited golf resort from Monday to Thursday were 41.4%. From the customers coming during the working days, 22 responded that the price is appropriate to the quality of the golf course, 11 answered that the price is high and 8 responded the price is low.





Source: Own data processing

The table 9 represents the data from question 16 relating to gender. From the table 9 is clear that majority of women visited the golf course on Monday to Thursday and majority among them wrote that golf course is priced appropriately to the quality, no woman said the price for a green fee is underpriced.

On the other hand majority of men visited the golf course from Friday to Sunday and majority of them also agreed the price is equal to quality.

Gender	Day visited	Price appropriate to quality	Overpriced	Underpriced	Total
Female	Mo - Thu	16	4	0	20
Male	Mo - Thu	6	7	8	21
	Sum	22	11	8	41
Female	Fri - Sun	7	6	0	13
Male	Fri - Sun	30	10	5	45
	Sum	37	16	5	
	Total	59	27	13	99

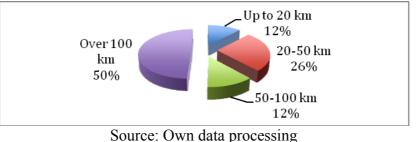
Table 9: Perception of price per round in Golf Club Kynžvart based on gender, 2012

Source: Own data processing

Question17: How far do you live from Golf Club Kynžvart?

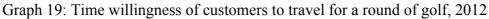
Based on the results of the questionnaire, one half of the customers came from distances farther than 100 km from the Golf Club Kynžvart, this indicates that large proportion of customers are willing to travel for playing golf.

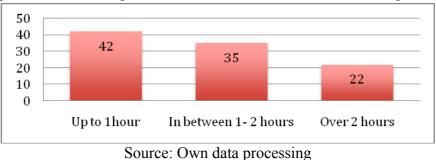
Graph 18: Customers' Living distance from Golf Club Kynžvart, in percentage, 2012



## Question18: How much time are you willing to travel by car to play a round of golf?

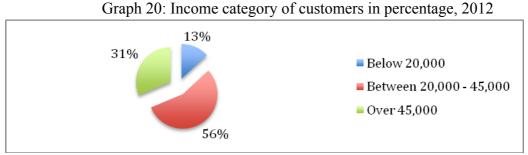
People have to travel to do any activity, it is just a question how much time are they willing to spend on the way. In case of golf 42 customers are willing to travel to distances in maximum driving distance to 1 hour, 35 customers are willing to travel between 1 and 2 hours, and 22 customers are ready to travel more than 2 hours.





## Question 19: In which income category do you belong?

Majority of customers participating in the questionnaire were from the medium to highincome category, and only 13 % belonged in the income category up to 20,000 CZK per month. This indicates that golf is middle to high-income class sport.



Source: Own data processing

## Questionnaire findings in relation to Hypothesis #2:

Based on the relevant question number 16 the price is adequate or low for total of 73% of customers, therefore customers are willing to pay such amount for the product and service or the price can be slightly higher. Nearly the same percent of customers see the set price as adequate for working days as well as for weekends. From the gender point of view majority of male customers came to play on weekends and majority of female customers played during working days. Current price reflects the current situation of the golf resort and its services; this situation supports the part of the hypothesis, which says that price is not relevant factor for selecting a golf resort.

Research has shown that substantial part of customers who visited the Golf Club Kynžvart came from distance above 100 km, which represents approximately travel time up to two hours. Inside of the catchment area number of golf resorts is high, even though people can select shorter driving distance they still prefer to go to the Golf Club Kynžvart. This indicates that distance does not play major role in selection of golf resort. Golf similarly to other free time activities is dependent on discretionary income. The questionnaire reflects that golf covers players from wide range of income groups. It is understandable that people from low income categories will not play golf so often or will not play on more expensive golf courses, but middle to high income groups of people with increasing discretionary income care less about the price.

## Acceptance or rejection of the 2<sup>nd</sup> Hypothesis:

The results show that distance and price do not play great role for middle to high-income categories, including small portion of low-income category. Overall, people are willing to travel and pay for playing golf, therefore the second hypothesis can be confirmed.

In the last part of the questionnaire were questions that had the aim to verify the truthfulness of the third hypothesis.

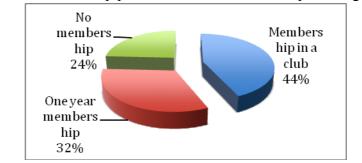
Hypothesis #3:

Loyal and satisfied customers are the key to be rated as a high quality and high service golf resort.

#### Question 20: What type of membership do you prefer?

Out of the 99 respondents, 44% prefer lifetime membership in a club. According to the results, customers prefer lifetime membership for these reasons: club activities, friendships, feeling of background, and the membership has its benefits.

One-year memberships prefer 32% of respondents mainly because of flexibility and benefits within the particular golf course. The respondents also stated that they do not invest a lot of money at first time. And 24% of customers do not prefer any kind of membership mainly for the freedom.



Graph 21: Membership preferences of customers in percentage, 2012

#### Source: Own data processing

Second part of this question was whether the customer is member (lifetime) of the Golf Club Kynžvart or not. The result was that 69% were non-members and the remaining 31% were members.

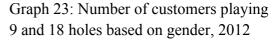
## Question 21: How many holes do you play most often?

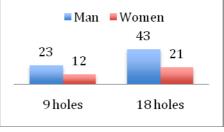
Golf players may choose whether to play 9 or 18 holes; from the questionnaire results the general outcome is 65% in favor of 18 holes. When splitting the results based on gender then65.15% (43 men) of all men play most often 18 holes and 63.63% (21 women) of all women play most often 18-holes as well. Thus, 18-hole green fees are more popular between both genders compared to 9-hole fees.

Graph 22: Percentage of customers playing 9 and 18 holes, 2012



Source: Own data processing





Source: Own data processing

### Question 22: On average, how many hours a month do you play golf on the golf course?

The total number from all respondents was equal to 4006 hours, which gives the average result of 40.47 hours per golf player. When projecting the number between members and non-members of the Golf Club Kynžvart the result is that members play golf on average 1,242 hours and nonmembers 2, 764 hours. Based on the number of tee times available per day number of hours that can be utilized during one month can be calculated as follows in the following figure 3.

# Figure 3: Maximum capacity of golf course in hours per month



In particular the maximum utilization of hours in the Golf Club Kynžvart is shown in the figure 4.

Figure 4: Maximum capacity of hours in the Golf Club Kynžvart



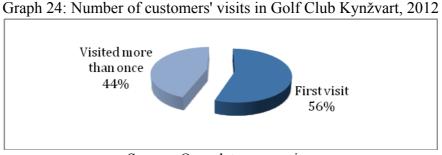
Source: Own computation

Figure 4 shows that maximum capacity of hours available in the Golf Club Kynžvart is 19, 200 per month. Therefore 19,200 hours is equal to 100%. To receive information about utilization of golf course by members and by customers it is necessary to compute the

percentage equal to 1,242 hours and 2,764 hours from the total 100%. The result is that members utilize the golf course from 6.5% and customers from 14.4%.

Question23: How many times did you visit Golf Club Kynžvart?

From the pool of customers participating in the questionnaire, for 56% of customers it was a first visit and the remaining 44% of customers were in the Golf Club Kynžvart more times.

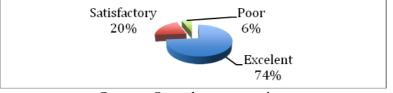


Source: Own data processing

# Question 24: Are you satisfied with the reception service and attitude?

According to the customers, reception services are excellent for nearly <sup>3</sup>/<sub>4</sub> of customers, this is very important, because the first person the customers meet either in person on telephone is the receptionist and as was defined in the theoretical part of the thesis one of the marketing P's are people, and their role among others is to market the product.

Graph 25: Customers' level of satisfaction with reception services, in percentage, 2012



Source: Own data processing

Question 25: Are you satisfied with the restaurant service and attitude?

The restaurant service in the Golf Club Kynžvart is outsourced by other company, and based on the results 50% of customers rate the service as very bad, and only 12% rated the service as excellent. Overall the level of satisfaction with restaurant service is low.

Graph 26: Customers' level of satisfaction with restaurant service, in percentage, 2012

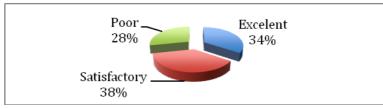


Source: Own data processing

### Question 26: Are you satisfied with other services - marshal, starter?

The additional services involve services of marshal and starter, the responses of customers are nearly equally distributed. 34% of customers wrote the services was excellent, 38% of customers were satisfied with the service, and 28% of customers responded the services of marshal and starter were poor.

Graph 27: Customers' level of satisfaction with marshal and starter services, in percentage, 2012



Source: Own data processing

In order to better understand how the services are rated in the Golf Club Kynžvart, the author decided to calculate the average value of each service based on the results from the questions 24, 25, and 26. Further to calculate the average value of the services together. The final outcome of the table 10 reflects how satisfied customers are overall.

Table 10: Average rating of services offered in Golf Club Kynžvart, 2012	
Value of the service	

value of the service								
Name of the Service	1 (Excellent)	2 (Satisfactory)	3 (Poor)	Average value of satisfaction with the				
service								
Reception	73	20	6	1,323232323				
Restaurant	12	38	49	2,373737374				
Marshal,	34	37	1,939393939					
starter								
	1,878787879							
services								

Source: Own data processing.

From the table 10 it is visible how satisfied customers are with each service and with services overall. To point out customers are at most satisfied with the reception service.

### Questionnaire findings in relation to Hypothesis #3:

For a golf resort to be rated as high quality and high service, the customers must be highly satisfied with the service, they have to come back, and they have to be interested in purchasing membership.

Firstly, the services offered in the golf resort are currently not rated very positively the overall rating of all current services is 1.9, which is close to 2. This indicates that customers rate the services on average as satisfactory. The number of services offered is limited due to the fact that the golf resort is still unfinished. When the project will be finished then the level of services will be increased mainly for the reason that the services will be provided under sufficient conditions. It is also expected that the range of services will increase. Secondly, customers are in majority from 65% in favor of playing 18-hole golf courses and similar result applies for gender. This is positive information for the Golf Club Kynžvart, because it possesses such criteria. It is a good building stone for the future, because more customers searching for 18- hole club may be attracted. Thirdly, people are traditionally interested in club membership as shows the questionnaire. Customers from 44% enjoy having lifetime membership, because they feel of belonging to some group of people and they enjoy the benefits of it. Membership base of the Golf Club Kynžvart is not nearly close to 44% out of all customers. Currently members of the Golf Club Kynžvart represent only 6.5% of golf course utilization per month. The membership base does not grow. This indicates that customers are not so far attracted enough to purchase the membership. Fourthly, 56% of customers visited golf course for the first time, such result indicates that the Golf Club Kynžvart is a young resort, which is on the way of getting in the minds of customers, therefore the number of customers coming back may increase in the following years.

# Acceptance or rejection of the 3<sup>rd</sup> Hypothesis:

Due to the results of questionnaire, the Golf Club Kynžvart does not have enough loyal and satisfied customers yet. Also the services of the Golf Club Kynžvart are not at optimal level therefore it can be said that the third hypothesis is fulfilled.

# 6 Marketing Strategies

Based on the results of the questionnaire, the results of the SWOT analysis, competition, and the current marketing mix, the author decided to introduce firstly, a new marketing plan that should improve the position of the Golf Club Kynžvart on the market and positively influence its income. Secondly, customer care program suitable for the Golf Club Kynžvart is introduced.

# 6.1 Recommendation of marketing plan

Based on the results from the analysis of the questionnaire the Golf Club Kynžvart should concentrate on segments of customers who share common demographic characteristics such as:

- Living in distance up to 2 hours travel time from the golf course
- Belong in middle to high income category
- Belong in age group 31 to 50

The Golf Club Kynžvart should be positioned in the space as golf resort, which differentiates (product) from the competition because the resort possesses quality design and challenging aspects. The design and challenges are:

- Distinctive from the competition,
- Visible to buyers
- Impossible to duplicate by competition
- Affordable for customers

The Golf Club Kynžvart should stick with positioning strategy that offers product of comparable quality, which is priced lower. This strategy should be followed in the following 1-2 years and then the resort should be re-positioned to offer higher quality for higher price, because the golf course will mature.

#### Creating Unique Selling Proposition

The Golf Club Kynžvart should introduce its unique selling proposition (USP). Not having USP is considered to be a weakness of the golf club. According to Wood (2005), when a golf club has its USP then it drives income and also it drives opportunities that become available to the golf club. In the golf business the golf clubs should avoid being the same and offering the same service or product to the customers, as Wood (2005) calls it being a "me-too club". By creating a USP the golf club sets it self apart from the competition. For the Golf Club Kynžvart the USP challenge should be introduced in two aspects. Firstly, it is the scenery and views that the customers cannot experience anywhere else and secondly, the unique 180 meters long water hazard on the 9<sup>th</sup> hole, which is highly challenging for customers. Customers heavily mentioned these two challenging aspects in the questionnaire therefore they should be implemented. The two challenging aspects differentiate the Golf Club Kynžvart from competition, thus should be introduced in the Golf Club Kynžvart.

#### Promotion

Despite the Golf Club Kynžvart does not have enough financial resources available for the promotion; it has to attract its target customers through the distribution channels. Currently the most effective medium used for promotion is Internet. Major role in this section play the web pages and Facebook.

Club Website

Golf Club Kynžvart's website is user friendly and neat, but it should function more as a source of data collection. Data about customers is what the Golf Club Kynžvart lacks. The data collected should include for example emails and information about the customers. Customers may give this information freely or they react to some offer such as discounts or competitions. The webpages have to be updated frequently and also other services such as golf lessons or restaurant services, which should be conveniently accessible for customers online, should be offered. Webpages should also offer the possibility to pay for all the services in advance.

# ➢ Facebook

Second tool to inform about the golf club should be the presentation on Facebook. By creating a profile on the largest social network Facebook, the golf resort is easily accessible. People enjoy sharing where they were or what was interesting for them, Facebook is excellent network that surpasses the information as fast as possible and evokes kind of unintentional buzz promotion. The benefit of Facebook is easy aiming and high number of users. Moreover, golf club has easy access to information about customers that are interested or have been to the golf club via the fans icon "like". By knowing who "likes" the golf club, the marketing department may create additional offers to these customers.

Webpages and Facebook profile are currently the least financially demanding tools to promote the Golf Club Kynžvart, which under current situation might be of great benefit. If the Golf Club Kynžvart gains data through the webpages and Facebook, then can begin with email marketing via sending newsletters. The newsletters will inform customers about current happenings and offers at least once a week.

# 6.2 Recommendation of customer care program

The Golf Club Kynžvart does not possess outrageous services, yet. To be able to offer high quality service, it is necessary to introduce more services to the customers and if possible to finish the clubhouse to gain image of finished golf club. Currently, customers were not satisfied with the restaurant services; therefore the Golf Club Kynžvart should select a new outsourcing company, in order to uplift the perceived quality and to better satisfy customers.

In these days most of the golf clubs stress their interest in their customers via discounting, this way clubs try to attract, gain, or keep their customers. Unfortunately the discounting strategy destroys the image of the resort and losses more customers than gain (Wood, 2005). When company offers its product with discount the effect is that customers do not come again unless the price is equal to the discounted price, therefore discounting is not a good form of showing concern in customers.

The Golf Club Kynžvart in order to deepen relationship with customers has to concentrate on the following tactics:

- Personalization collect data about customers via the proposed webpages or Facebook
- Communication in case of any problems, such as slow game, the customer should receive an apology in form of for example voucher, and the management has to deal with the disagreement and prevent it for future.

For the Golf Club Kynžvart, it would be essential to give customers some added value. The Golf Club Kynžvart has an opportunity to create customer care program without discounting through identifying around 30 customers who fulfill one of the following conditions:

- Visit golf resort at least 4 times a month at full price (nonmembers)
- Customers or members who often bring guests to play with them
- Customers who appear often on organized tournaments (on 8 out of 10)
- Customers taking at least 4 golf lessons in a month
- Customers who came in golf resort at least 10 times in the season and every time purchased golf cart

These customers will be the one who desire special attention because they bring the golf resort income. The Golf Club Kynžvart can highlight care about these special customers and make them feel unique through rewarding them with:

- Special emails with thanks
- Emails with Birthday wishes
- Free play voucher
- Shirts, gloves, or balls with the logo of the Golf Club Kynžvart
- Special guest invitation for tournament or event
- Voucher for breakfast or lunch in the club house
- Winning cart voucher for a round

The costs for the rewards are minimal but the customers will deserve special attention and will feel care from the side of the Golf Club Kynžvart and the relationships will deepen.

# 7 Conclusion

The aim of this diploma thesis was to design marketing and customer care program for Golf Club Kynžvart. This work concentrated on an evaluation of customers' perception about the golf resort and customers' satisfaction with provided services and products at the golf club. Also the author focused on position and marketing activities of the Golf Club Kynžvart.

Theoretical knowledge concerning product and service marketing was presented and applied on the Golf Club Kynžvart. Major part of the thesis was focused on the interpretation of results of the questionnaire. The questionnaire provided the author with specific information regarding the current situation at the Golf Club Kynžvart and how customers perceive the resort.

Based on the interpreted results of the questionnaire the author was able to either accept or reject the following hypotheses:

 Selected golf resort does not possess both necessities such as good product and good service; therefore does not operate to its full potential.

From the questionnaire was found out that the Golf Club Kynžvart had a good product, but did not possess a good service. Due to the fact that the Golf Club Kynžvart did not possess both necessities, such as good product and good service, all at once, thus the 1<sup>st</sup> hypothesis was accepted. The conclusion from this section was that the services and marketing practices of the Golf Club Kynžvart, which should support the product seems to be the biggest issue in delivering the message to the customers.

2) Price and distance are not relevant factors for selection of the golf resort. The results of the research showed that distance and price were not significant factors for golf resort selection by middle to high-income categories, including small portion of low-income category. The second hypothesis was accepted because people are willing to travel and pay for playing golf.

3) Loyal and satisfied customers are the key to be rated as a high quality and high service golf resort.

The Golf Club Kynžvart does not have sufficient amount of loyal and satisfied customers yet. The services offered in the resort were not of optimal and expected level, thus the third hypothesis was confirmed.

In the last section of the practical part the author introduced important recommendations. These recommendations should be implemented for the purpose to improve current performance of the Golf Club Kynžvart. The recommendations were mainly concerned with a proper marketing planning and better customer care. For the marketing plan the author suggested creation of unique selling proposition based on scenery and challenging hole number 9, because customers associated these two features with Golf Club Kynžvart. Consequently the customer care program should focus on deserving special attention to customers, who return back and promote the golf club due their activities, thus bring higher income to the Golf Club Kynžvart. Therefore the club should pay special attention to these customers and reward them by special thanks and vouchers.

The results of the research and proposed recommendations were presented and given to the management department at the Golf Club Kynžvart. The management appreciated it and considered to implement these recommendations. The author is convinced that these recommendations will benefit the resort in the future and will attract more customers who will be satisfied with provided products and services.

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# **List of Supplements**

#### **Supplement 1 – Questionnaire in English**

Dear Visitors of Golf Club Kynžvart,

I would like to ask you to answer several questions about golf and Golf Club/course Kynžvart. This survey is anonymous and its' results will be used for academic purposes in Diploma Thesis. It should not take you more than 10 minutes to fill in the survey. The survey is being concerned with service satisfaction and products offered in Golf Club Kynžvart. I very appreciate your time and answers.

Thank You and play well,

Denisa Pavlikova

- 1) Circle your gender: Man Woman 2) Select in which age group do you belong 18-30 31-50 51 +3) Select from the following your highest achieved education? Basic school -High school \_ University degree 4) From the following select your Nationality: Czech German Austrian *Other:* ..... 5) How long have you been playing golf? - Beginner - up to 1 year - Advanced - 1-3 years - Player - over 3 years 6) What day from the week do you play most often? (You can tick several answers) Monday Tuesday Wednesday
  - Thursday
  - Friday
  - Saturday
  - Sunday

## 7) Do you play tournaments?

- *Yes, I do.*
- No, I do not.

#### If you do play tournaments, which tournaments do you prefer?

- Handicap tournaments (HCP)

- Club tournaments
- Tournaments of Czech Golf Federation
- *VIP tournaments*
- Other tournaments: .....

#### 8) How often do you practice golf?

- Every day
- *More than once a week*
- 1x a week
- 1x a month
- I do not practice

# 9) How would you personally rate the quality/ playing conditions of the golf course Kynžvart?

- Belongs among the best I have ever played (Excellent)
- Belong among the average I have ever played (Satisfactory)
- Belong among the poorest I have ever played (Poor)

#### 10) Do you often visit the driving range?

- *Yes*, *I do*.
- Yes, but only before the round.
- *No, I do not visit the driving range.*

#### 11) From the following select how would you rate the driving range in Golf Club Kynžvart:

- *Perfect, it fulfills all my needs.*
- Good, but it does not include : .....
- Not satisfactory; why: .....

#### 12) What brought you to play at Golf Club Kynžvart? (You can tick several answers)

- The location, the beatiful area,....
- The fact that I can play more golf courses at one point(region), which I do
- Good price
- *Good price with comparable quality*
- Design of the golf course
- Something different :.....

#### 13) From the following select what is your personal experience with golf course Kynžvart (You can tick several answers):

- Easy
- Difficult
- Long
- Challenging
- Short
- Other. Specify: .....
- 14) Is there anything challenging for you (what for example arouses/ brings you back to play again) on the golf course Kynžvart? *Specify:* .....

#### 15) From the following select on which day did you visit the Golf Club Kynžvart.

- Monday Thursday
- Friday Sunday

# 16) From the following options select what is the price for a round (green-fee) in Golf Club Kynžvart.

- Appropriate to the quality of the golf course
- Overpriced
- Underpriced

#### 17) How far do you live from Golf Club Kynžvart?

- Up to 20 km
- 20 50 km
- -50 100 km
- Over 100 km

## 18) How much time are you willing to travel by car to play a round of golf?

	Up to 1 hour	In between 1-2 hours	Over 2 hours
--	--------------	----------------------	--------------

#### 19) In which income category do you belong?

Below 20,000 CZK Between 20,000 - 45,000 CZK

Over 45,000 CZK

#### 20) As a player, what do you prefer:

- *Membership in a club (lifetime)*
- One year membership
- No membership
- Why? .....

#### Are you member of Golf Club Kynžvart?

YES NO

#### 21) How many holes do you play most often?

- 9 holes
- 18 holes
- 22) On average, how many hours a month do you play golf: ......

#### 23) How many times did you visit Golf Club Kynžvart ?

- This is my first visit
- I have been here more than once

#### 24) Are you satisfied with the reception service and attitude?

- Excellent
- Satisfactory
- Poor

Any suggestions for improvement: .....

#### 25) Are you satisfied with the restaurant service and attitude?

- Excellent
- Satisfactory
- Poor

Any suggestions for improvement: .....

#### 26) Are you satisfied with other services - marshall, starter?

- Excellent
- Satisfactory

- Poor

Any suggestions for improvement: .....

#### Supplement 2 – Questionnaire in Czech

Vážení návštěvníci Golf Clubu Kynžvart,

ráda bych Vás požádala o vyplnění tohoto krátkého dotazníku o golfu a Golfovém klubu a hřišti Kynžvart. Tento dotazník je anonymní a odpovědi budou sloužit pouze ke zpracování diplomové práce. Vyplnění dotazníku by Vám nemělo zabrat více než 10 minut. Otázky dotazníku se týkají spokojenosti se službami a produkty nabízenými v Golf Clubu Kynžvart. Velmi si cením Vašeho času a odpovědí.

Děkuji a přeji pěknou hru,

Denisa Pavlikova

1)	Jste :	Muž			Žena		
2)	Do jaké	věkové skupiny pa	tříte:	18-30	31-	-50	51+
3)	-	z <b>jvyšší dosažené vz</b> Základní škola Střední škola Vysokoškolský dipla					
4)	Národno	ost: Česká	Němech	ká	Rakouská	Jinár	
5)	-	<b>uho hrajete golf?</b> Začátečník - do jed Pokročilý - 1-3 rok <u></u> Hráč - přes 3 roky		<i>tu</i>			
6)		l <b>en v týdnu hrajete</b> Pondělí Úterý Středa Čtvrtek Pátek Sobota Neděle	e nejčast	ěji? (Lz	e zaškrtnou	ıt více mož	ností)
7)	Hrajete	e turnaje?					
,	-	Ano.					
		Ne.					
	Pokud hrajete turnaje, jaký typ turnajů preferujete?						
	- -	Handicapové turna Klubové turnaje Turnaje pořádané ( VIP turnaje Jiné turnaje:	Českou (	Folfovou	e Federaci		

- 8) Jak často trénujete golf?
  - Denně

- Více než jednou týdně
- 1x týdně
- 1x měsíčně
- Netrénuji

#### 9) Jak by jste osobně ohodnotil/a kvalitu/ herní podmínky golfového hřiště Kynžvart ?

- Patří mezi nejlepší jaké jsem hrál/a (Skvělé)
- Patří mezi průměr (Uspokojivé)
- Patří mezi nejhorší jaké jsem hrál/a (Slabé)

#### 10) Navštěvujete často driving range?

- *Ano*.
- Ano, ale pouze před hrou.
- Ne, nenavštěvuji driving range.

#### 11) Driving range v Golf Clubu Kynžvart je:

- Perfektní, vyhovuje mi pro trénink.
- Dobrý, ale chybí tu : .....
- Nevhodný, protože : .....

# 12) Co Vás přimělo jít si zahrát do Golf Clubu Kynžvart? (Lze zaškrtnout více možností)

- Místo, příroda, krásné prostředí, ....
- Fakt, že si mohu zahrát více hřišť v jedné lokalitě, což mám v plánu
- Dobrá cena
- Dobrá cena a odpovídající kvalita
- Design hřiště
- Něco jiného :....

# 13) Z následujících možností vyberte jaké pro vás je golfové hřiště Kynžvart: (Lze zaškrtnout více možností)

- Jednoduché
- Obtížné
- Dlouhé
- Vyzývající
- Krátké
- Jiné. Specifikujte: ......

#### 14) Je zde něco vyzývajícího/zajímavého co Vás láká vrátit se zpět na golfové hřiště Kynžvart ? Specifikujte: .....

### 15) Z následujících možností vyberte, který den jste hráli v Golf Clubu Kynžvart?

- Pondělí Čtvrtek
- Pátek Sobota

# 16) Řekl/a byste, že cena za hru (green- fee) v Golf Clubu Kynžvart je:

- Cena odpovídá kvalitě golfového hřiště
- Cena je příliš vysoká (Nadhodnocená)
- Cena je příliš nízká (Podhodnocená)

#### 17) Jak daleko bydlíte od Golf Clubu Kynžvart?

- Do 20 km
- 20 50 km
- -50 100 km
- Nad 100 km

## 18) Kolik času jste ochotni cestovat autem, abyste si zahráli golf?

io) itoini cusu jsee oenoen	i cesto vat automi, abyste si zami a	goni	
Do 1 hodiny	Mezi 1-2 hodinami	Více jak 2 hodiny	
19) Jaký je Váš měsíční p	říjem?		
Do 20,000 CZK	Mezi 20,000 – 45,000 CZK	Více jak 45,000 CZK	
20) Jaký typ členství pref - Členství v klub - Jednoleté člens - Žádné členství A proč?	u – celoživotní tví		
Jste členem Golf ( Ano	Ne		
<b>21) Kolik jamek hrajete n</b> - 9 jamek - 18 jamek	ejčastěji ?		
22) Kolik hodin za měsíc 23) Kolikrát jste navštívil - Toto je má prv - Byl/a jsem zde	ní návštěva		
24) Jste spokojen/a se služ	źbami a chováním na recepci?		

- Skvělé
- Uspokojující
- Slabé

Návrhy pro zlepšení: .....

#### 25) Jste spokojen/a se službami a chováním v restauraci?

- Skvělé
- Uspokojující
- Slabé

Návrhy pro zlepšení: .....

#### 26) Jste spokojen/a se službami - marshala, startéra?

- Skvělé
- Uspokojující
- Slabé

Návrhy pro zlepšení: .....

#### Supplement 3 – Questionnaire in German

Dear Visitors of Golf Club Kynžvart,

I would like to ask you to answer several questions about golf and Golf Club/course Kynžvart. This survey is anonymous and its' results will be used for academic purposes in Diploma Thesis.It should not take you more than 10 minutes to fill in the survey. The survey is being concerned with service satisfaction and products offered in Golf Club Kynžvart. I very appreciate your time and answers.

Thank You and play well,

Denisa Pavlikova

- **1)** Ich bin : Frau Mann 18-30 51 +2) Alter : 31-50 3) Ihre höchste erzielte Ausbildung? Grundschule Fachschule Universität 4) Nationalität: tschechisch deutsch austrisch sonstige: ..... 5) Wie lange spielen Sie Golf? - Anfänger-bis zu einem Jahr *Fortgeschrittene(r) - 1-3 Jahre* \_ Spieler-über 3 Jahre 6) An welchem Tag in der Woche spielen Sie am häufigsten? (Sie können mehrere Antworten ankreuzen) Montag Dienstag Mittwoch -Donnerstag Freitag Samstag Sonntag 7) Spielen Sie Turniere? Ja. Nein. Vorausgesetzt Sie spielen Turniere, welche Art von Turnieren bevorzugen Sie? Handicap-Turniere Clubturniere Turniere, organisiert bei der Tschechischen Golf Federation VIP-Turniere Sonstige Turniere: ..... 8) Wie oft trainieren Sie Golf? Täglich Mehr als einmal die Woche 1x wöchentlich
  - 1x monatlich
  - Ich trainiere nicht
  - 9) Wie würden Sie die Spielbedingungen des Golfplatzes Kynžvart einschätzen?
    - Gehört unter die besten auf denen ich gespielt habe (sehr gut)
    - Gehört zum Durchschnitt (zufriedenstellend)

- Gehört zu den schlimmsten auf denen ich gespielt habe (schlecht)

#### 10) Besuchen Sie die Driving Range oft?

- Ja.
- Ja, aber nur vor dem Spiel.
- Nein, ich besuche die Driving Range nicht.

# 11) Die Driving Range im Golfclub Kynžvart ist:

- Perfekt, sie liegt mir zum Trainieren.
- Gut, aber es fehlt hier an : .....
- Sie liegt mir nicht, weil: .....

#### 12) Was hat Sie dazu gebracht im Golfclub Kynžvart zu spielen? (es können mehrere Antworten angekreuzt werden)

- Platz, Natur, schönes Umfeld, ....
- Tatsache, dass ich auf mehreren Plätzen an einem Standort spielen kann, was ich auch vorhabe
- Guter Preis
- Guter Preis und entsprechende Qualität
- Design des Platzes
- Sonstiges :.....

#### 13) Aus Ihrer eigenen Erfahrung, ist der Kynžvart Golfplatz: (es können mehrere Antworten angekreuzt werden

- Einfach
- Umständlich
- Zu lang
- Herausfordernd
- Zu kurz
- Sonstiges. Bitte erläutern: ......

# 14) Gibt es etwas herausforderndes/interessantes was Sie zurück auf den Golfplatz Kynžvart locken würde? *Bitte erläutern*: ......

#### 15) An welchem Tag spielen Sie im Golfclub Kynžvart?

- Montag Donnerstag
- Freitag-Samstag

# 16) Wie würden Sie den Preis pro Spiel (green- fee) im Golfclub Kynžvart einschätzen:

- Preis stimmt mit der Qualität des Golfplatzes überein
- Preis ist zu hoch (überbewertet)
- Preis ist zu gering (unterbewertet)

#### 17) Wie weit wohnen Sie vom Golfclub Kynžvart entfernt?

- Do 20 km
- 20 50 km
- $-50 100 \ km$
- Über 100 km

#### **18) Wie viele Stunden sind Sie bereit, mit dem Auto zu reisen, um zu spielen golf** bis 1 Stunden von 1 bis 2 Stunden mehr als 2 Stunden

**19) Was ist Ihr monatliches Einkommen?** bis €800 von €800 bis € 1,800 r

#### mehr als € 1,800

#### 20) Welche Art von Mitgliedschaft bevorzugen Sie?

- Mitgliedschaft im Verein lebenslang
- Einjährige Mitgliedschaft
- Keine Mitgliedschaft

Und wieso? .....

#### Sind Sie Mitglied des Clubs Kynžvart?

Ja Nein

#### 21) Wie viel Löcher spielen Sie am häufigsten?

- 9 Löcher
- 18 Löcher
- 22) Wie viel Stunden im Monat investieren Sie durchschnittlich in Golf: ......

#### 23) Wie oft haben Sie den Golfclub Kynžvartbesucht?

- Dies ist mein erster Besuch
- Ich war dort mehrmals

#### 24) Sind Sie mit den Diensten und dem Benehmen an der Rezeption zufrieden?

- Sehr gut
- Zufriedenstellend
- Schwach

Verbesserungsvorschläge: .....

#### 25) Sind Sie mit den Diensten und dem Benehmen im Resturant zufrieden?

- Sehr gut
- Zufriedenstellend
- Schwach

Verbesserungsvorschläge: .....

#### 26) Sind Sie mit den Diensten des marshal, starter zufrieden?

- Sehr gut
- Zufriedenstellend
- Schwach

Verbesserungsvorschläge: .....