



# The impact of relationship marketing on customer loyalty: a case study of Liikuntakeskus Vire

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case study of Liikuntakeskus Vire**

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This thesis project investigates relationship marketing at Liikuntakeskus Vire, which is the company where the author worked as an intern. The goal of the thesis was to provide a strategic plan for improving customer relations using relationship marketing and to create a promotional plan that can be beneficial to Liikuntakeskus Vire.

In the thesis report, a definition and the key elements of relationship marketing are given in the theoretical framework. The report highlights the significance of customer relationship management and describes customer-oriented marketing as well as the process of marketing promotion planning. A SWOT analysis and SOSTAC were used in this project to provide guidance for the promotional plan.

The thesis includes a report of an interview with the owner and one representative of Vire. The interview aimed to establish the current situation of the marketing activities and their online presence. It was known from the interview that the customer influence in social media was currently minimal and there have not been any marketing efforts for a long time. The services Vire provides are of a high standard and with fair pricing. The aim was to produce a marketing plan to help turn these strengths into unique competitive advantages.

Keywords: Relationship Marketing, Customer Relationship, Customer Loyalty, Customer Satisfaction, Customer-oriented marketing

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## 1 Introduction

The ways of service providing have changed drastically in the last few decades. Nowadays, for any business to thrive maintaining the relationship between the customer and service giver is essential. Many companies are understanding the importance of having a close and good relationship with their customers, and in this understanding, they have started to change their strategies on how to interact with the customer.

Companies have used many types of marketing strategies to acquire and maintain long-lasting relationships with their customer, one of the ways companies are by using Relationship marketing.

The needs and wants of the customer often change and In many organizations, the use of marketing has evolved and, relationship marketing and customer relationship management have been increasingly important in marketing strategy (Palmatier 2008, 3).

The Thesis is conducted where the author worked as an intern at Liikuntakeskus Vire in 2022, Sport center Vire is a Privately owned high-end well-equipped gym center and it is located in Salo, Finland, and the sports center was established in 2011.

The research question of this thesis is to understand the impact relationship marketing has on Vire sports center and plan to improve customer relations. In addition, the thesis would explore how to utilize social media as a tool and customer-oriented marketing for planning marketing promotion for Vire sports center. The marketing promotion plans to increase the presence of the companies on social media and increase Customer Loyalty.

This project would be beneficial for Vire as the company does not have current marketing activities and marketing content, by defining relationship marketing and identifying the influencing factors for customer loyalty, would give an idea to Vire on pointing where to focus. in addition, the goal is to provide Vire advice on an increasing online presence and devising a strategy plan.

## 2 Theoretical Background

The theoretical section will discuss the definition and roots of relationship marketing. In addition, it observes the importance of Customer relationship management and defines customer-oriented marketing and the process of planning marketing promotion.

### 2.1 Defined Relationship Marketing

Since the beginning of time, people have been utilizing different types of relationships to deal with challenges in their daily living, As a method of interacting through various communication also develops different kinds of relationships. That being said the idea of relationship marketing has been among marketing strategies for many companies since early times. Even though It can be a big subject, a lot of people have written about but it can be used and construed differently by various companies and entities.(Zineldin 2007, 229)

As (Zineldin 2007, 229) mentioned according to Kotler, In a usual trading process if a buyer has a buyer has a limited time frame and thus has the chance to quickly transfer over one provider elsewhere without incurring extra, transaction marketing seems to be more helpful than relationship marketing. But, whenever clients incur more costs when switching suppliers and have a "long-term perspective", relationship marketing is effective (Zineldin 2007, 230).

Table 1 Transactional marketing and relationship marketing, Adapted from (Lan 2015, 3)

<b>Transactional Marketing</b>	<b>Relationship Marketing</b>
Focus on single sale	Focus on customer retention
Orientation on product features	Orientation on customer values
Short time scale	Long time scale
Little emphasis on customer service	High emphasis on customer service
Limited customer commitment	High customer commitment
Moderate customer contact	High customer contact
Quality as the concern of production	Quality as the concern of all

(Zineldin 2007, 230) also described how relationship marketing can sometimes be regarded as

not the best option in every circumstance, Furthermore, (Zineldin 2007, 229) mentioned how Kotler demonstrated the choice of to whether use transactional or relationship marketing depending on the industry and the customer's demands. According to Zineldin (2007, 230) Kotler showed that customers can be categorized into two and they are those who value a "high-service" provider and will stay with them for a long period, and those who want to save expenses and will simply transfer suppliers.

In our today's world, businesses are competing to be more reliable and create a strong connection with their customers, one of the ways in doing that is through marketing. Several types of marketing are used and Relationship marketing is among them. In the last two decades, relationship marketing and customer relationship management have been increasingly important in marketing strategy (Palmatier 2008, 3). Throughout the time there have been many definitions given for relationship marketing, here are a few definitions of Relationship marketing: According (Forsey, 2021), relationship marketing is defined as:

"Relationship marketing is a marketing strategy that cultivates deeper, more meaningful relationships with customers to ensure long-term satisfaction and brand loyalty. Relationship marketing is not focused on short-term wins or sales transactions – rather, it is focused on delighting customers for the long haul."

According (Aberle, 2019), Relationship Marketing is defined as:

"Relationship marketing is a facet of customer relationship management (CRM) that focuses on customer loyalty and long-term customer engagement rather than shorter-term goals like customer acquisition and individual sales. The goal of relationship marketing (or customer relationship marketing) is to create strong, even emotional, customer connections to a brand that can lead to ongoing business, free word-of-mouth promotion and information from customers that can generate leads."

As Buttle (1996, 32) stated, Relationship marketing involves acquiring, building, and retaining client connections. This theory is interesting for business owners as well as scholars because it contains intense competition and progressively demanding customers, Studies have attempted relation marketing to find elements that significantly influence buyer-seller interaction, relationship consistency, pleasure, and effectiveness in the setting of buyer-seller interactions.

The factors like long-term customer relationships, an emphasis on customer-firm contact, and consumer engagement in service outcomes all contributed to the development of relationship marketing because they might be considered the enablers of it (Johanna Gummerus, 2017).

According to (Forsy, 2021) and the above definitions we can understand that Relationship marketing's purpose is to turn the new clients into brand happy consumers, to accomplish that, it requires taking a custom made strategy and becoming interestingly and authentically connected to their life and also When a consumer makes a purchase, it's the ideal opportunity to start a relationship marketing approach.

## 2.2 Roots of relationship marketing

According to Kristian Möller (2000, 32), the four marketing traditions (see Figure 1, Page 9) evolved and developed well within the field of marketing, and by that the company's "external relationships" especially "customer relationships" has been emphasized through them. Furthermore, from the perspective of Kristian Möller (2000, 32), this four have provided this same relationship-marketing concept the "theoretical and practical content". and, helped the "marketing exchange" to be seen as an "ongoing relationship" rather than has previously been seen as a "transactional phenomenon.

According to Kristian Möller (2000, 32) in the late 1970s, scholars interested in " industrial marketing and marketing channels" began to construct frameworks and concepts concentrating on interactional connections between corporate customers and sellers, It was indeed different from the marketing-mix tradition, which looked at trade as a transaction and analyzed it from either the marketer's or buyer's perspective.

According to Kristian Möller (2000, 32) During the same timeline 1970s, the Services researchers began to cast doubt on the marketing-management tradition. The lack of "conceptualizations for modeling" and controlling "the service provider-customer relationship " was their biggest problem with the marketing-mix strategy (Kristian Möller 2000, 32).

And also the researchers explained the communication between the staff and customers enhanced by "traditional marketing communications", the appearance of the organization, and customer service are the trigger point for the "customers' quality experiences and subsequent satisfaction with the service" (Kristian Möller 2000, 33).

As explained by Kristian Möller (2000, 34), their conclusion concerning the relationship marketing theory was that they contend that no comprehensive supposition of relationship marketing exists at this time. furthermore, they added that We have a plethora of incomplete explanations and ideas concentrating

mostly on the wider substance of the phenomenon known as relationship marketing by researchers.

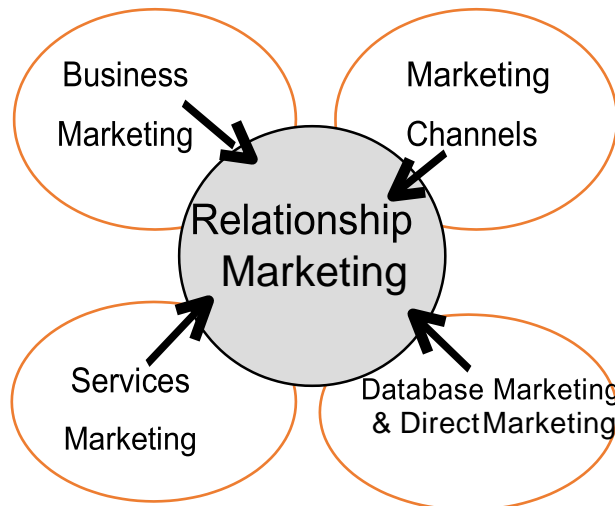


Figure 1. Disciplinary Roots of Relationship Marketing, Adapted from (Kristian Möller 2000, 32)

The following four can be said they are the roots of Relationship marketing (see Figure 1). These four factors are “Business Marketing, Marketing Channel, Service Marketing, and Database Marketing & Direct Marketing” (Haider 2009, 21)

### 2.2.1 Business Marketing

There are associations among various types of stakeholders that includes (businesses, institutions, and consumers) that exchange various types of resources, and In the process of gaining the resources access and attaining control over them (Kristian Möller 2000), 36. As Kristian Möller (2000, 36) stated, This marketing area helps to comprehend and describe the operation of "business markets" through the lens of "interactive buyer-seller relationships and related networks".

### 2.2.2 Marketing Channels

In Relationship Marketing, for companies and individuals, the marketing channels are an essential factor and one of the most important considerations to have, it can have an enormous impact on marketing decisions by managers (Haider 2009, 21). According to (Haider 2009, 21), various challenges arose as time passed. Marketing channels denote a dedication to a system of principles and procedures that encompasses a large number of long-term partnerships. and as for many companies, it is needed a long time and years to build and reflect a considerable corporate commitment to a huge number of small businesses.

As (Kristian Möller, 2000) stated, to provide "normative implications for channel management", the way to choose marketing channels leans significantly on the situation of the target's economic situation. Relationships are seen as mutually reliant and interrelated and, As (Kristian Möller, 2000) describes it, certain lines of study within the tradition emphasize the economic elements of channel interactions, while others emphasize the "social and political dimensions". The definition of efficient regulatory forms for various channel interactions, as well as the modeling of their socioeconomic character, were the main concerns addressed (Kristian Möller, 2000).

### 2.2.3 Services Marketing

As explained by (Haider 2009, 22), Service marketing is the third foundation of relationship marketing furthermore he mentioned, Since the late 1970s, academics have demonstrated that relationship marketing has evolved and traditional marketing methods are insufficient or ineffective, and (Haider 2009, 22) also said that customers should be involved not only in the consumption of the service but also in its creation.

Kristian Möller (2000, 36) explained the goal of the Services Marketing tradition was describing and comprehending "service management and service-marketing" interactions focusing on the individual customer and service firm relationship.

Every company's management team considers customer interactions regards it highly, with the service firm serving as the active participant in this rather dynamic relationship (Kristian Möller 2000, 36). The aspect of interactions has received little consideration in the past; it appears that competitive marketplaces are tacitly expected. As Kristian Möller (2000, 36) indicates, Although variable degrees of interdependence between the supplier and the client are accepted, the consumer is anticipated to be able to replace "the service and change the service provider" relatively effortlessly.

#### 2.2.4 Data base marketing and Direct Marketing

Kristian Möller (2000, 36) states, that in this marketing approach the company is the one who goes out and gives different types of offers to clients and communicates based on customer profiles, and a market-based ideology. To (Bhasin, 2021) definition, This approach of marketing is a sort of marketing that gathers user information including personal details, info, purchase history, and other information to construct targeted marketing strategies to attract, connect, and retain prospective buyers. Kristian Möller (2000, 36) mentioned that It has a heavy managerial focus on improving the productivity of marketing operations, and mainly on communication such as channels and messaging.

#### 2.3 Importance of Relationship Marketing

Nowadays, many companies are aware of the power the customer holds. With technology and information changing drastically, organizations are changing their way to move with the change, and the companies that don't move with the new trends are being cut down from the business market (Juneja, 2015). With the current situation and use of " technology and data mining techniques", marketing departments in many companies interacts and handle each consumer individually, Furthermore, they can also analyse their wants and personalize approaches to satisfy those demands (Juneja, 2015). With the new upcoming technologies, companies are expanding their way of communicating with their customer base.

Companies have been using Relationship Marketing as a tool of communication strategy to have a close relationship with their customer base, this suggests also they mainly understand that acquiring a new customer is more costly than keeping a customer (Aberle, 2019). The relationship between the customer and the company has to be long-term for the company to get a loyal customer, which may result to repeat business and a greater customer lifetime value. In many instances, the loyal consumers are known to be promoting the business by word of mouth to their close circle, by adjusting and introducing new structures that are suitable for the customer they can achieve loyal customers (Aberle, 2019).

Businesses that place a heavy emphasis on relationship marketing have improved corporate consistency in providing an amazing service delivery (Aberle, 2019). Furthermore, Clients usually spread the word about a company's products and services, which can result in increased sales (Aberle, 2019).

It might be costly to invest in marketing and promotions for attracting new clients so Relationship marketing initiatives that work can utilize customers to perform the promotion for a brand using relationship marketing (Aberle, 2019).

## 2.4 Influencing process (Method)

As the definitions given above relationship marketing is about the influence of the buyer consumer interaction. Even though influencing the customer relationship is the ultimate goal the way to do it can vary for different customers. As Kelman (1952, 53) defined it “Compliance, identification, and internalization are three different types of influence processes”.

### 2.4.1 Compliance

Compliance is a form of influencing the way that happens when a person agrees to be influenced in the expectation of getting a positive reaction from an individual or team. In regards to sports center relationship marketing, one example is when one individual embraces the introduced conduct of working out not for the reason he believes in the substance, but because the person expects to get a certain positive reaction or acceptance in exchange for avoiding punishments or refusal. The social effect of accepting persuasion is thus responsible for the gratification obtained through compliance (Kelman 1952, 53).

### 2.4.2 Identification

Identification is defined by Kelman (1952, 53), as when a person adopts persuasion to form or sustain a satisfactory self-defining connection with an individual or community. This connection might be "classical identification", wherein the one person holds the position of another, or it can be "a reciprocal role relationship".

Although it goes against their ideas and opinions, consumers embrace influences because they desire to become the person who is influencing them and also the one who is linked with the conduct. publicity stunts are so effective for the reason consumers have the desire to be like superstars or live a similar lifestyle, but Only when the relationship has to be important or meaningful for this type of influence to be successful. That is when most businesses should be aware of the importance of a relationship (Lambert, 2021),

In the business of fitness service, it is beneficial for the customers and the company if the customer identify with positive role model because as the influence is positive it is more likely the relationship between the customer and the company is also positive .

### 2.4.3 Internalization

The third type of influencing, Internalization happens When one embraces the induced conduct since it aligns with his values, When the persuaded thoughts and actions become fulfilling then the person accepts the influence while being naturally fulfilled (Kelman 1952, 53), the real-life example could be a person which admires advice given about fitness exercise and have the desire to participate on the exercise. The person could think the influence will help them solve an issue or accommodate their wants. This kind of behaviour tends to mesh with the person's established ideals, the substance of the new change is thus the source of internalization pleasure (Kelman 1952, 53).

### 2.4.4 Power source of each influencing methods

For the three types of influence methods, there are also various means of power in the form of the persuader (Lambert, 2021). So, for example, In regards to the compliance type of persuasion, the influencer requires the ability to provide positive and negative reinforcement to get the compliance. If a business can create incentives and penalties, it may utilize compliance as a powerful social influence tool (Lambert, 2021).

The second persuasion method source of power is attractiveness, Identification is used as an effective tool. A known example of this is how a famous person is influenced due to the ability to be well aware that many people aspire to be like them and They can use that power to sway their opinions (Lambert, 2021).

According to (Lambert, 2021), the third persuasion method Internalization, relies on credibility as a "source of power". He also mentions that Trustworthiness and knowledge are two aspects of credibility. As customers start to trust the influencing model that would eventually lead to loyalty and more the influencer becomes credible.

The basic explanation of this is when a person is considered to be credible, then it means those two things are true for the person, This is why, for example, when doing a lot of logical persuasion regarding serious matters, it is usually specialist people tend to engage (Lambert, 2021). As for sport centres and fitness places, the customers are more likely to lookup to professional because their result is that defines the credibility.

### 3 Customer Relationship Management

Customer relationship management(CRM) is another influential area that is connected to Relationship marketing and has a high impact on the loyalty of a customer. As the name describes it, CRM is used by many companies as a way of managing tools to be utilized by different departments of the company.

For many people, there is some confusion about CRM and relationship marketing being the same theory, even though they can support each other they have distinct features.

(Contributor, 2020) explains the distinction between them by stating that relationship marketing focuses on creating the interaction with the customer and with different marketing styles, while CRM focuses on collecting pieces of information and the interchange with customers.

To have an effective relationship marketing, the previous history of customers with the company is needed and that's where CRM comes from. As the data from the customer are collected it can provide easy access for future planning.

Like relationship marketing, there are many types of definitions for Customer Relationship Management have different and According to (Kokemuller, 2020) here is the definition of CRM:

“Customer relationship management, or CRM, is a marketing system where databases are used to gather prospect and customer data. The data is turned into information used to improve the total customer experience, create more targeted marketing and improve revenue performance. Revenue is increased in several ways with effective CRM.”

For a company, maintaining Customer Relations is an essential factor. A total of all customer relationship management and related activities can be considered as customer relations, the main type is a business process of developing strong connections among its consumers (Wellington, 2020). The decision has to be taken by every individual in the organization benefits towards nor serves to distract against a strong customer relationship, regardless of as unique the varied responsibilities within the staff are (Wellington, 2020).

In a challenging business world, establishing client connections is essential and the greater purchasing power of customers indicates how greater the competition is and also shows how greater the economy's growth is going (Khoa 2020, 196). Consumers must be the base, structure, and strength for companies today to be willing to conduct business effectively (Khoa 2020, 197). Businesses must develop positive relationships among their consumers,

cultivate a "loyal customer base", then expand those relationships whilst still attracting potential clients (Lan 2015, 16).

Organizational culture is another big factor that helps in maintaining customer relations, the team members of a company possess a huge influence on the service giving process. As a group of staff is working together, having the same value can push the team ahead towards the goal and objective they set out, that eventually leads the team to provide a quality service with consistency (Wong, 2020).

### 3.1 Customer Satisfaction

The ultimate goal of a company is to create a successful business while providing satisfying service or products for customers. In relationship marketing, the aim is to have a long-lasting relationship with customers, and customer satisfaction plays a big role in that.

(Szyndlar, 2021) defines customer satisfaction as "the measurement that determines how well a company's products or services meet customer expectations". There are different opinions about what a good service can be so. Customer satisfaction can be considered a subjective matter.

The concept of customer satisfaction depends on two ideas and they are the value expected from the service by the customer and the value received from the service. From the start, the customers are initially connected to the company by its value proposition. Customers are mainly informed about the company's value through various communication like marketing, word of mouth, and other ways, if the customer deems the value to be in line with their desire they would move to acquire the service or the product.

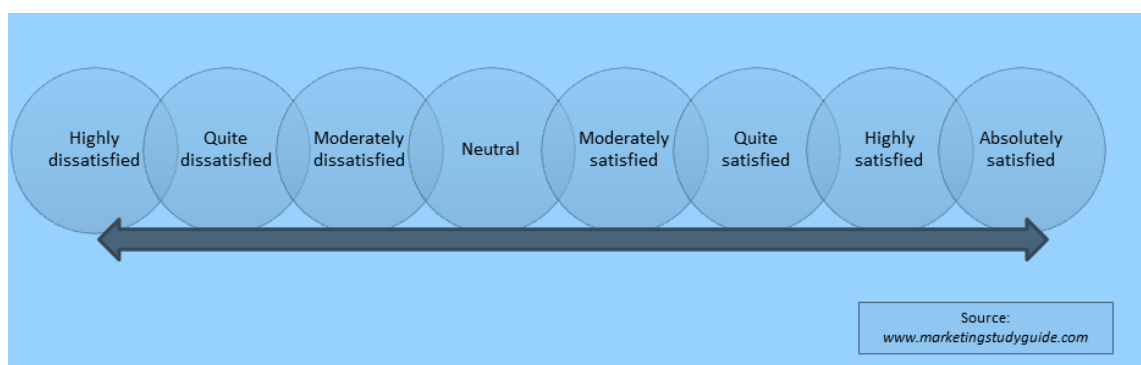


Figure 2 Potential Customer Satisfaction scale (Guide, 2022)

After the customer has tried the service or purchased the product, they can decide if the satisfaction they had were good or bad. And also the customer's experience can be affected if the customer had a preconception of what the service holds.

There are different levels to the satisfaction of the customers and there are many ways it can be measured. One of the ways to measure customer satisfaction is by preparing a survey for the customers on the service.

(Szyndlar, 2021) suggested that the survey questions would be more effective if they are open-ended questions. The questions can include a different aspect of the product like how it was delivered, and how the customer enjoyed the service or product. The questionnaire would make customers think the company appreciates their feedback of them and that eventually would lead up to

customer satisfaction, it is an important factor to focus on because for a business that is an important process of acquiring loyal customers

For a business on the fitness side, satisfaction is mainly produced by the experience the customers get from the service and equipment. So, it is essential to update the service to continue the satisfaction and maintain the credibility.

### 3.2 Customer Loyalty

As the definition mentioned above the main idea of relationship marketing is to create a long-lasting relationship with a customer and to achieve that it is important to establish a continuing trust between the customer and company. Trust is upheld when a company is consistent with the quality service they are giving.

Customer loyalty is an important factor for a company because it leads to benefits to the company, as a customer is satisfied with the experience they have they are willing to recommend to others close in the circle because they can trust the product. Another importance of it is when the company introduces a new type of product or service, the loyal customers are likely to try it because of the previous reputation the company possesses.

Khoa (2020, 196) defined customer loyalty as:

“ "motivation" for business growth and that is made up of the connection between the customer, the product, and the entire business, a competitive element that the competitor cannot copy and not just a temporary desire for the prices”

Building brand loyalty is one of the main objectives for many companies, (Haider 2009, 32) mentions that loyalty can be seen in four ways. The first one is “Latent loyalty”, which is when a customer is interested in the service or product but if the opportunities they would change to another service giver or product.

The second type of loyalty (Haider 2009, 32) established is “Spurious loyalty”, which is when the customer has a low loyalty. This happens when the customer is not sure about the service or product the company is offering, one example of this type of loyalty is when the customer is trying the product without having much knowledge about the product.

“No loyalty” is the third type of loyalty (Haider 2009, 32) mentioned, as the name suggest this is when the customer has no emotional attachment to the brand of the product, and the reason for that could be if a customer has only tried the product or the service for just one time or few times.

The last type of loyalty (Haider 2009, 32) mentioned was true loyal customers of the company, this type of customer is the type many organizations have and it is achieved by having multiple transactions or repeated services between the company and the customers. This type of loyalty shows what kind of relationship the customer has with the company, this loyalty can not only be achieved by having multiple transactions but also through a massive relationship marketing effort from the company’s side.

#### 4 Customer Oriented marketing

Before exploring the marketing side, It is essential to define what customer-oriented in itself means. A customer-oriented business considers consumer trends while developing a promotional mix and providing its clients with a better quality (A. Tălpău 2011, 52).

Since every plan and strategy is dependent on clients, Customer-oriented (or customer-focused) businesses prioritize their consumers above all else (A. Tălpău 2011, 52).

In a company, the staff who are assigned in this field are usually trained to deal with complaints and how to treat customers professionally. The process of solving a customer’s problem usually starts with one of the staff asking the client questions to find out the problem, then the staff proceeds to solve their problems with the training they received (A. Tălpău 2011, 52).

This approach mainly sees most of the solutions they put out by the side of the customer, this helps to detect any type of problems from the beginning or even before occurring. A company

that follows this approach has usually the ideology of giving service to the customers with great quality and consistency (A. Tălpău, 2011).

When going to the marketing aspect, it is usually when a company promote its brand in a customer-centric way, having a customer-oriented marketing for a business in the fitness world is beneficial because they can target and send a specific type of message that can connect with customers to desire.

#### 4.1 Planning Marketing Promotion

As the competition in the market places increases many companies have been using different types of strategies to stay up front and lead the market. One of the ways companies use to stay with the trend is through promotion, For many years, big companies were the ones that uses promotional planning as a strategy but now small businesses are also starting to adopt the promotion planning (Jackson, n.d).

Many companies use a promotion plan as a stepping stone to secure their marketing objective (Jackson, n.d). The promotional can include many types of marketing plans, including content marketing, and also marketing campaigns for a company's specific service or product. It is advised to have a plan that usually starts by assessing and analyzing the company's strengths and weaknesses (Jackson, n.d).

As companies develop a content strategy, it is valuable to create data for the customer to determine the target group (Jackson, n.d). It is no use for a company to prepare marketing content without a target group, that is because the people that need this kind of promotion are usually who are interested in the product or service the company offers (Jackson, n.d).

Another important factor to note when preparing a promotion plan is the ideal message of the company (Jackson, n.d), the message has to resonate with the brand of the company otherwise it can be a waste of time because the objective is promoting the company's brand to interested potential customers (Jackson, n.d).

For a company that wants to start its marketing journey, content marketing is the ideal type for a new company (Stefanski, n.d). In this type of marketing, countless methods can be utilized for creating content for a company. These can be in a form of articles or producing videos that promote their brand, but when company produce the contents they should be aware to be customer-oriented and informative.

## 4.2 SOSTAC

Another well-known and effective model for planning marketing is SOSTAC. The six letters in the model “stand for Situation, objective, strategy, tactics, action, and control” (Chaffey, 2022). According to (Krishnan, n.d), Paul Smith was the inventor of this model, and it is mainly helpful To construct a marketing plan because each letter answers the different process of the plan creation (Cowley-Cunningham, 2016).

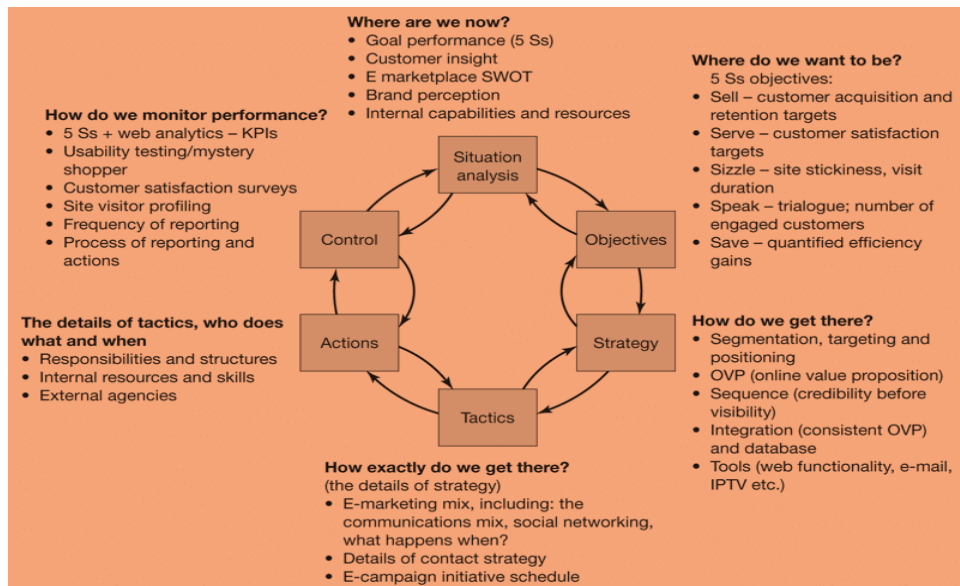


Figure 3 SOSTAC FRAMEWORK (Chaffey, 2021)

AS (Krishnan, n.d) indicated, that this model can be effective for small companies and that is due to SOSTAC being easy to get utilized as a business plan and tool for “assigning responsibility”. Even if this model has many beneficial processes and it also contains limitations, (Chaffey, 2022) explained that SOSTAC has many processes and stages that may cause a lot of plan documentation, and eventually that can lead to miscommunications in the planning.

As (Chaffey, 2022) stated, many companies make an error by losing their time on the general planning of the marketing plan and not on the specific approach of the plan. By balancing the time given on each stage, a company can draw an effective marketing plan using SOSTAC.

Here are some more explanations on each stage of the model:

### 4.2.1 Situation

The situation is the first process on the SOSTAC model, this stage answers the question of what type of place the company stands in the current market. This stage includes different analyses like the company’s customers and competitors, its brand, and the market. this is

beneficial because it gives insight into the company's current strategies for marketing and the different advantages it holds against its competitors (Krishnan, n.d). (Chaffey, 2022) also explains the situation stage should try integrating the plans with the "TOWs matrix approach" to have more insight. (Chaffey, 2022) argues "TOWs matrix approach" is a much more integrated version of SWOT analysis and it is useful for the market by summarizing strategies for it.

<b>The organisation</b>	<b>Strengths – S</b> 1. Existing brand 2. Existing customer base 3. Existing distribution	<b>Weaknesses – W</b> 1. Brand perception 2. Intermediary use 3. Technology/skills 4. X-channel support
<b>Opportunities – O</b> 1. Cross-selling 2. New markets 3. New services 4. Alliances/Co-branding	<b>SO strategies</b> Leverage strengths to maximise opportunities = <b>Attacking strategy</b>	<b>WO strategies</b> Counter weaknesses through exploiting opportunities = <b>Build strengths for attacking strategy</b>
<b>Threats – T</b> 1. Customer choice 2. New entrants 3. New competitive products 4. Channel conflicts	<b>ST strategies</b> Leverage strengths to minimise threats = <b>Defensive strategy</b>	<b>WT strategies</b> Counter weaknesses and threats = <b>Build strengths for defensive strategy</b>

Figure 4 The TOWS technique for SWOT analysis (Chaffey, 2022)

Furthermore, the model (Chaffey, 2022) explains the Situation stage works the analysis and the marketing plan that is drawn directly from the perspective of the organization's current market area, this is effective because it can easily outline the customer's target group the company should focus on. (Jackson, n.d) states that it is essential to figure out the company's customer target group to choose a channel and work on the key message of the marketing plan.

#### 4.2.2 Objective

The second stage in the SOSTAC model is Objective, when starting a business every type of organization has an objective to accomplish (Chaffey, 2022). For many organizations, their main goal is usually creating a profitable business while having satisfying service quality for customers.

This stage answers the question of where the company desires to be in the future (Chaffey, 2022), The contents created by the company should be measurable for the future analysis and the best way to do that is to implement the SMART goals (Walker, 2020). As (Walker, 2020) described it, "SMART stands for Specific, Measurable, Attainable, Realistic, and Time-Bound". The meaning of the goals is written as follows.

**Specific:** For a company to produce the messaging should be specific to avoid any confusion (Walker, 2020).

**Measurable:** When creating the content it should be tracked and measured for future analysis (Walker, 2020):

**Attainable:** As the content is created, the company should not choose an objective that is impossible to be achieved (Walker, 2020).

**Realistic:** It has to be considered that when planning the objective are reachable (Walker, 2020).

**Time-Bound:** When planning the content, the objective should have a time frame. This helps to determine if the needed task should be done in a short time frame or longer (Walker, 2020).

After having content and smart goals, it is crucial to choose the right channel to launch the marketing content, there are many ways to choose the marketing channels. For example, a company can choose a channel by studying a competitor's preferred channel and also directly going to the customer's preferred social media channels (Stefanski, n.d). This move can be beneficial for developing and increasing the presence of the company's brand.

#### 4.2.3 Strategy

Strategy is the third stage in the SOSTAC model, it answers the question of how the company can get to the planned destination in the marketplace. After having the objective and company's target customer the creation of the plan can be started at this stage (Krishnan, n.d).

In this stage, the results you want to achieve must be laid out before starting strategies, the known achievement for many companies is usually how many people to reach with the message, how many people to acquire, and how many customers to gain from the marketing strategy (Roberts, 2022).

As the plan is getting created the actual key message must be consistent and should be related to the objective (Krishnan, n.d), Since the objective of the created message is to provide information on the service of the company, the message should be well thought over before getting released, this helps to make sure that on avoiding to send the same message over again (Chaffey, 2022).

(Jackson, n.d) states that even if the message created for the plan is nice and well thought over, the marketing channel that is used affects the messaging immensely and also before finalizing the marketing strategy, the staff responsible for the plan must review the service given by the company is highlighted (Chaffey, 2022).

#### 4.2.4 Tactic

The tactic is the fourth stage in the model, looking from the outside the tactic and strategy stages might seem the same, but (Chaffey, 2021) demonstrated that there is a difference between them. As (Chaffey, 2021) stated, the strategy stage concerns the plan of the marketing for fulfilling the objective while the tactic is concerned with the “detail of the strategy”.

The tactic mainly answers the question of how the plan of the marketing strategy will proceed, even though the plan is created in the strategy stage the plan is discussed on how to be launched in the tactic stage, so for the marketing plan to succeed the message and execution must be good as well (Krishnan, n.d).

In this stage, there are different types of marketing tools that can be utilized to achieve the objective of the marketing plan, the tools can be mainly different types of social media to use, the type of website to post the message on, and what type of marketing to use for the project (Roberts, 2022).

#### 4.2.5 Action

The fifth stage in the SOSTAC model is Action. In this stage, the roles are distributed and it gives answers to the questions of which person is responsible for specific tasks (Chaffey, 2022). In this stage, it gets a review of checking if the marketing strategy and plan are fulfilling for the company, This stage concerns how to implement the strategy and gives an explanation of the deadline and structure for the responsible people on the task (Roberts, 2022).

#### 4.2.6 Control

The last stage of the SOSTAC model controls, this stage answers the question of whether the company got to the objective it planned on. This stage retrieves all the information from the result of the marketing campaign and analyses it to find out if the marketing strategy plan was successful (Krishnan, n.d).

As the marketing plan is online, using KPIs to measure the processing time by the time can help to deduce if there is any problem and the company can be ready for the next plan for the future (Roberts, 2022). The measuring tools can be set out in each step of the plan and that way there can be a more accurate measurement.

## 5 Presentation of Case Company: Liikuntakeskus Vire

Vire Sports Centre is a Privately owned and, well-equipped gym center for active exercisers, It is located in Valuri Business Centre of Salo. Vire was established in 2011 and It has Solid 400 subscribers. The current customer base of Vire is mostly middle-aged and senior powerlifters and the objective of Vire is to reach 600 regular members and establish a digital marketing strategy.

### 5.1 Interview with Vire owner

The interview was a Semi-structured qualitative interview, the definition of Semi-structured qualitative interview according to (George, 2022) is,

“A data collection method that relies on asking questions within a predetermined thematic framework. However, the questions are not set in order or phrasing. In research, semi-structured interviews are often qualitative in nature. They are generally used as an exploratory tool in marketing, social science, survey methodology, and other research fields.”

The Interview was held with the Vire owner and one other Vire representative, one of the representatives was the author's work guide in the company.

The interview was very essential to discover what was the current situation in Vire, the owner knew that customer influence was currently minimal and there has not been any marketing efforts for a long time. The representative also informed that the last campaign was in cooperation with a local sports club in the summer of 2021 and social media activity is mainly informational related to Covid-19 or new group fitness classes.

Both the owner and representatives knew how the online presence was going to be helpful for the company, in the interview, it was indicated that the owner regarded having a plan for a more online presence to acquire new customers. The owner expressed that he was open to

investing in marketing and starting more marketing campaigns for attracting customers. The final analysis was drawn through the author's experience.

## 5.2 Interest of Customers to Vire

Customers are interested in Vire because it offers various services and its unique core value are high-end fitness center dedicated to customer service even at the cost of profit. Vire provides fitness facilities and equipment for most if not all segments of demographic groups.

Vire continues to provide all its services, of which some are unique, in this business area, despite minimal growth. Ranging from rehabilitation to CrossFit and powerlifting, all the equipment and facilities are there.

It has all the elements a successful thriving fitness center requires, Vire is equipped with a wide range of Techno Gym's Selection-line, and in addition to that there is a wide range of free weights, a steam sauna room, and, Body composition measurement called "In Body 770".

Vire's ideal customer is not tied to any specific segment. Vire is designed to provide various ways to provide the training desired of all customers. Thus, the ideal customer would be representatives from all segments.

## 6 SOSTAC Analysis and plan for Vire

Currently, the situation at Fitness center Vire is stagnant, with an undersized but established number of regular customers and room for improvement due to large and well-equipped premises. Looking at Vire's customer analysis, Vire's continuous membership is the main sold product. Vire doesn't have it focuses on the social media and other relationship marketing factors and As (Chaffey, 2022) stated, by not focusing on the specific approach of the plan many companies make an error of losing their time but By balancing the time given on each stage, Vire can draw an effective marketing plan using SOSTAC.

Purchasing happens once and automatic monthly billing continues until the reassignment of the contract. A small number of customers buy monthly access cards as there is also an enrollment fee for each enrollment. Some 10 visit access cards are sold, normally only once per customer.

When moving to competitor analysis, there is a moderate number of competitors in the region. The Fitness centers and gyms are local, and in the area of Vire so they can be a threat. When seeing the potential of new entrants into the industry, for opening a new fitness center or gym requires a significant amount of investment. As there are already several established centers it is unlikely that new entrants would enter the market.

The customer's well-being and opinion about Vire are the key factors to consider for a returning happy customer. If the customer is not satisfied with Vire and its service they will go elsewhere. Another threat to consider is that there are places with lower prices, however, many of them have lower quality equipment compared to Vire and that would quickly lead to lowered customer satisfaction.

SWOT Analysis for Vire,

**Strengths:** Vire is designed as a high-end versatile fitness center and It has great potential which remains untapped. Vire also has a loyal customer base of quality equipment.

**Weaknesses:** The greatest weakness of Vire can be defined as the lack of a digital marketing strategy and its execution, this also includes a weak presence on Social Media.

**Opportunities:** In Salo currently all fitness centers and gyms lack a robust digital marketing strategy, and Vire has the financial capability to invest

**Threats:** A competitor launching a digital marketing campaign would lead to acquitting potential customers.

The services Vire provides are of high standards and the pricing is competitive. With a digital marketing plan, these strengths can be turned into unique competitive advantages.

For the objective, the mission of Vire is to attract 200 additional members/regular customers and to brand Vire as the fitness center of excellence in Salo. The marketing objective is to Improve online presence and website attraction. Another Improvement is to make the website versatile and add English.

As the Strategy for Vire, it is beneficial to digitalize Vire marketing by improving its online presence and increasing relationship marketing, which would ensure the online visibility of Vire. when looking at the tactics it would be helpful to implement the marketing mix and move from physical to online, as a loyalty program it would be beneficial if Vire could have incentives for loyal customers and the new ones joining. When moving to the action and control, it would be beneficial if Vire can have a staff that controls the media and marketing consistently, Vire should also implement measuring methods for checking the sales, and the online presence activity.

There are many ways of using relationship marketing for a customer loyalty and one of the way is using an influencing method has strategy for maintaining long term relationship between the customer and the company. For Vire influencing factors can be applied in social media, campaign strategy, sponsorship , training program.

Table 2 Improvements for Vire

Factors Vire should work on	How to implement the improvement
Social media	Vire have social media and website, but it is not really active. By using social media it can strengthen the relation with customer and that would eventually lead to customer loyalty
Marketing Campaign( Loyally Program)	Launching marketing campaign and loyalty program is one of the effect way to promote brand image of Vire. And by doing it can acquire new customers and also reward current customers for being loyal
Survey questions	For gathering data and understanding current performance of Vire, it is beneficial to have survey for current customer on how the service is for them
Training employee	Currently Vire lacks consistency on social media and content creation marketing, it can develop at that space by assigning and training a staff for it to have a better and consistent marketing plan.

As (Juneja, 2015) stated the companies that don't move with the new trends are likely on being cut down from the business market, and currently the main trend and big factor for relationship marketing is social media. Vire doesn't have active personnel just for the marketing and social media activities and it would be a great benefit to Vire on having a staff assigned.

As social media evolves the ways of doing social media marketing has changed tremendously. Nowadays relationship marketing can be used in social media for acquiring the relationship between customer and company.

Before applying anything in the social media activities, Since Vire doesn't currently have a devised plan, having a plan for promotion would be beneficial. As (Jackson, n.d) suggested Vire like many companies can secure the marketing objective by using the promotion plan as a stepping stone and they can start usually by assessing and analyzing the company's strengths and weaknesses.

This type of plan can have many types of marketing plans for Vire, that can include special type of content marketing, and also marketing campaigns for a company's specific service or product. It is advised to have a plan that usually starts by assessing and analyzing the company's strengths and weaknesses (Jackson, n.d).

As a plan for a marketing strategy, it can be a great help for Vire to start planning for campaign marketing. As (Krishnan, n.d) mentioned when planning the campaign the messaging should be related to the objective and must be consistent, This would increase the relationship and brand image for Vire. That would eventually lead to customer trusting Vire and being loyal to the company. Loyalty program is also another influencing factor that is beneficial for Vire to adapt as to increase customer loyalty.

As Vire develops a content strategy for the campaign and social media, it is valuable to create data for the customer to determine the target group (Jackson, n.d). It is no use for Vire to prepare marketing content without a target group, the initial Vire's promotion would be for customers that are interested in the product or service of Vire offers and can increase the loyalty because customers would know that they are valued.

In order to have a understanding on the current customer group, Vire should have a survey for the current customer group , As (Szyndlar, 2021) suggested that the survey questions would be more effective if they are open-ended questions. In the survey, Vire can include questions that include a different aspect of its services and furthermore it can ask recommendations on how the service could be delivered. This would clarify how Vire's customer have enjoyed the service or product.

As for the relationship aspect, the questionnaire would make customers think that Vire appreciates their feedback of them and that eventually would lead up to customer satisfaction, it is an important factor to focus on because for a business that is an important process of acquiring loyal customers.

The survey can benefit because Vire can target and send a specific type of message that can connect with customers desire, and when going to the marketing aspect, it is usually to receive more social media audience when a company promote its brand in a customer-centric way.

After getting feedback, Vire can also adjust it way of customer service. For a business on the fitness side, satisfaction is mainly produced by the experience the customers get from the service and equipment. So, it is essential to update the service to continue the satisfaction and maintain the credibility.

For succeeding in the social media and brand promotion, Vire needs to have consistency on the content creation and marketing activities. But also to acquire that there needs to be a staff assigned to regularly work and check on the activities. Vire can invest in professional or can also train an employee to consistently focus on this type of activities. This process would tighten the relation with customer by being active on social media and this would eventually create trust and loyalty for the customers.

## 7 Conclusion

The purpose of this thesis was to define how relationship marketing is beneficial to developing the loyalty of the customer and how it can be impacted a company. Companies should also focus on customer relationship management because that is another influential area that is connected to Relationship marketing and have a high impact on customer loyalty.

It has become clear that many successful companies implement relationship marketing strategies. The relationship between the customer and the company has to be long-term for the company to get a loyal customer, which may result to repeat business and a greater customer lifetime value. In many instances, the loyal consumers are known to be promoting the business by word of mouth to their close circle, by adjusting and introducing new structures that are suitable for the customer they can achieve loyal customers (Aberle, 2019).

A crucial part of Vire's online plan should be to measure what it's doing and ensure it is working smoothly. Understanding what people are doing once they've landed on Vire's website will provide valuable information if the digital investment is working, it's also important to remember that the online world is constantly changing. New tools, technologies, and tactics emerge frequently.

By implementing new activities like the marketing campaign and social media, Vire can develop the brand image and acquire new customers, furthermore setting loyalty program like giving current customers incentives for being loyal advances the customer loyalty of Vire.

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#### Appendix 1: Interview Questions

- 1) Do you collect Customers information's for service improvement?
- 2) What kind of marketing have you used before?
- 3) How often do you create new marketing content?
- 4) is your marketing content specified to your target group ?
- 5) which communication channel do you use?
- 6) Do you have incentives for customer loyalty?
- 7) How do you maintain customer relationship?
- 8) Do you share your new information through your social media?