Marketing leisure services

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MARKETING LEISURE SERVICES

BY

CAROL M OCTON

A MASTER'S THESIS

SUBMITTED IN PARTIAL FULFILMENT OF THE REQUIREMENTS FOR THE AWARD OF

MASTER OF PHILOSOPHY OF THE LOUGHBOROUGH UNIVERSITY OF TECHNOLOGY

JUNE 1981

SUPERVISOR: MR K J BLOIS
DEPARTMENT OF MANAGEMENT STUDIES

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In particular, I would like to express my gratitude to my Supervisor, Mr K J Blois, for his guidance and assistance in the course of this study.
ABSTRACT

Marketing Leisure Services

This thesis discusses the extension of the marketing concept, marketing and marketing management to the service sector of the economy. The study begins with an explanation of the current literature about marketing in the service sector. As the sector includes a large number of different industries, however, it was not considered practicable to undertake empirical research throughout the area but to select one service industry for further examination. Leisure services was chosen and the relevant literature in this area has been discussed in the thesis.

From the literature survey, it can be concluded that the marketing concept, marketing and marketing management could be extended to the leisure service sector but there is little evidence that this has taken place. It is suggested additionally that a direct transfer of experience from the product sector may not be appropriate and that a re-examination of traditional marketing thought and practice may be necessary. These conclusions are supported by an exploratory study of a small number of leisure service organisations. Although it is not possible to generalise these findings to the whole sector from an unrepresentative sample of limited size, it is proposed that possibilities exist for further research. It is necessary to determine the extent to which conventional marketing thought and practice from the product sector can be applied to the service sector and where further developments in marketing theory and application are necessary.
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INTRODUCTION

The aim of the research is to investigate a hitherto relatively unexplored area of marketing, the application to the British service sector. A well established body of knowledge concerning the theory and practice of marketing has been developed by academics and practitioners involved in the management of profit based organisations in the product sector of the economy. Relatively recently, there has been an extension of the research into the application of this knowledge and experience to the service sector, resulting in a considerable amount of discussion concerning the appropriate developmental approach. Whilst interest has been increasing in this area, a new research focus has been proposed, that of the application of marketing theory and practice to non profit organisations. In the main, these two strands of inquiry have been pursued independently of each other and most of the reported progress in both research areas has been made in America.

Whilst this separation may be feasible in the American context, a large portion of the service sector in Britain comprises organisations which, in addition, are definitionally non profit concerns.

It may not, therefore, be realistic in British research to endeavour to isolate examples of organisations which provide services from those whose operational objectives are based on some concept other than profitability. There would appear, therefore, to be a need for
research into marketing which allows for the complexities inherent in the interaction of these two variables. Such complexities may indicate that developments are necessary within the existing body of marketing knowledge.

To investigate this proposition, it is necessary to examine the development of traditional marketing thought and practice in the profit orientated product sector, to trace the progress that has been made in extending this to the service sector and to discuss the endeavours of those who have sought to explore the application of marketing to non profit organisations.

Only after such an examination will it be possible to determine whether conventional theory and practice is interchangeable between the three situations or whether some new insights have determined the necessity to pursue further developments.

If the latter situation arises, the structure of the British non profit service sector will be outlined and characteristics of the component organisations discussed. It will then be possible to explore some of the issues which have been identified in the literature through empirical research to establish hypotheses for future testing.

As it would be impossible to survey the entire non profit service sector within the financial and temporal constraints of the study, it will be necessary to identify an example of a service industry which comprises organisations which are profit oriented and also those whose primary focus is not profitability for comparative purposes.
One such service sector which exhibits these characteristics is that of Leisure Services and it is anticipated that an exploratory study of a number of leisure service organisations would yield valuable information to support the literary conclusions.
CHAPTER 2

MANAGEMENT PHILOSOPHIES

2.1 Introduction

In the industrialisation process of any country, a number of stages can be identified. Each stage represents a step forward in the progress of the country from a state of self-sufficiency to full industrialisation. Britain was the first country in the world to undergo this process and an examination of the way in which it occurred provides the necessary background for a discussion of the development of management philosophies.

From the Norman Conquest until the middle of the 14th Century, society in Britain was organised under the feudal system. The country was divided into small geographical units, each owned and administered by the Lord of the Manor. The land was worked by serfs bound to the Lord of the Manor and each unit was self-sufficient providing little more, however, than the basic necessities of life.

This feudal system broke down in England at an earlier date than anywhere in Europe. There were many reasons for this, one of the principal ones being the increasing demand from Europe for English wool. The Lords recognised this demand, freed the serfs and repossessed the land to rear sheep. The serfs moved towards the urban centres in search of employment in the developing craft industries.
The development of the craft industries marked a significant stage in Britain's economic development. Rather than small groups endeavouring to provide for their needs in totality, it was found to be more productive if individuals specialised in producing one type of good, part of which they would exchange with others who were specialising in the production of some other good. As individual skills increased, output increased and the economy, as yet in the early stages of development, became more productive. Individual income remained small at this stage and markets on the whole were fairly local, a 15 mile radius being typical.

The next step in Britain's economic development resulted from the development of the concept of the division of labour. This concept was exemplified by Adam Smith's account of the pin-making industry. It was found that if the manufacture of a pin was divided into small tasks, each of which was undertaken by a separate individual, output would increase enormously over the amount produced by individuals undertaking the complete manufacture of each pin. Output increased, it is claimed, from 20 pins per man per day to 4,000 pins per day with the same capital and labour input.

Two points of significance should be noted at this stage. Firstly, some early form of management was required to assemble the requisite labour, to provide a place of work and to supply the workforce with adequate raw materials. Secondly, the increase in output necessitated the development of channels of distribution to transport products to wider geographical areas and exploit larger markets. The principle of the division of labour coincided with the early stages of the Industrial Revolution.
The Industrial Revolution marked the beginnings of industrialisation as it is known today. It gave impetus to the development of the factory system and mass production techniques. The steam engine, for example, was uneconomical and inefficient unless powering several smaller machines. A building was necessary to house the machines and unskilled labour could be trained to undertake the relatively simple jobs necessary.

Although the range of products available was still limited, the total output was increasing at a considerable rate as production efficiencies were achieved and automation was applied to areas where skilled labour had previously been necessary. Demand, however, was also increasing. Incomes, although small, were growing and the population itself was expanding due to advances in medicine and public health. To reach the growing markets, channels of distribution developed both for physical transportation of products, eg: canals were built, railway systems developed; and also for storing and selling products in locations convenient to the consumer, ie: the retail system developed. By 1800 Britain had become "a Nation of Shopkeepers". The 19th Century was characterised by the development of export trade. Other countries, Europe in the main, were beginning the industrialisation process. Britain became the major source of supply of consumer products and capital goods for the rest of the world. In 1850 Britain's exports totalled 40% of world trade and this trend towards international trade continued through the second half of the 19th Century. Demand in the domestic market and from abroad far exceeded the production capacity of the United Kingdom.
Despite the major upheavals of the first half of the 20th Century, Britain continued to expand production capacity to satisfy domestic and foreign demand. Other countries of the world had industrialised also, eg: America, Japan, Europe and were competing for home and export markets.

The drive to increase production capacity, the increase in automation in manufacturing industry and the development of a highly competitive industrialised sector of the world economy produced for Britain a stage of development where supply finally exceeded demand. Manufacturing industry was more than sufficient to satisfy demand in any one area and manufacturers found themselves in a position whereby they were vying for the privilege of supplying consumers rather than consumers receiving gratefully any products offered in the market.

From this albeit brief account of the development of the British economic system, it can be seen that very different conditions have faced manufacturers at different periods of time, conditions which have presented management with a variety of problems to solve. This has led writers to categorise the approach taken by management to solve these problems in three different ways, known as business philosophies or concepts. They are the Production concept, the Selling concept and the Marketing concept. Although these have developed sequentially over time as conditions have changed, they can all be identified in managerial approaches today. Industries and companies are at different stages of development and find, therefore, that certain considerations are more important at different points in time. These priorities determine the managerial approach adopted and will be outlined in the subsequent sections.
It should be noted, however, that the current literature suggests that the Marketing concept may not be as widely applicable in present industrial society as previously claimed. Alternative business philosophies may be more appropriate in particular situations. Bennet and Cooper (1979) propose that "too much reliance has been put on the Marketing concept, and the time has come to reconsider its place as the major business philosophy".

In a recent article, (The Grocer, 1980, page 6), T J Organ, Managing Director of Cadbury Schweppes was reported to have said that "The era of the Marketing man and the advertising agency came, and is maybe going. Ought you not get back to selling the product in a more old fashioned way by getting back to the wonderful era of the salesman?"

2.2 The Production Concept

This philosophy is concerned primarily with the solution of production problems, eg: increasing production capacity, improvement of production efficiency, product quality considerations, production cost reductions. Management seeks no feedback from consumers and undertakes no selling efforts. Either management has such faith in product quality that it believes that it cannot fail in the market or the company is in a position where it faces excess demand and selling becomes the automatic result of production.

This was the earliest concept to evolve in the history of British business. It had its roots in 18th and 19th Century England when markets were expanding and mass production was developing in the form
of the factory system. The major managerial problems prevalent during this period were those concerned with the expansion of production capacity and the improvement of methods of work. In the later years of the industrial revolution, demand was still increasing in the domestic market but at the same time, there was a high level of demand from industrialising nations for capital goods and engineering products. Workmanship and quality were of considerable importance in this era.

Under similar conditions of excess demand and little competition, this concept is applicable in the modern world. Greater emphasis, however, is placed on good product differentiation and the willingness and/or ability of the consumer to appreciate the unique product features or quality level inherent in the product and search for it himself. The organisation feels no requirement to take active steps to identify the market, interest the consumer in the product or motivate him to purchase it. This orientation is exemplified by the following quotation from Sir G Harriman of BMC in 1959:

"We know what the public wants: it is our job to make it at the right cost and then the public can be counted on to buy it."


The orientation is also often to be found in newly established companies and developing industries. The primary problem or most pressing priority is to build up sufficient capacity to satisfy demand and achieve product efficiencies. Little competition will exist at this early period and products may appear to sell themselves based on unique features or quality workmanship. It seems unlikely
that management can continue to operate guided by this orientation when competition enters the market.

2.3 The Selling Concept

This concept involves a managerial preoccupation with solving sales problems. Management has achieved the desired production capacity and efficiency, the major prerequisite is to dispose of that capacity profitability. As Borsodi (1929, page 3) has explained it:

"... the day is gone when the recipe for fabulous profit was simply production; more production; still more production! The Golden Age of production is past, the age of distribution is upon us."

Originally the concept developed as market conditions changed. Competition was developing and economies of scale were realised through increased production efficiency. Supply of goods was increasing at a faster rate than demand. Management realised that sales were not the automatic result of production, and if the organisation was to operate at capacity, efforts would have to be made to induce customers to buy products. It was often assumed that the reason for the non-purchase of an organisation's output had little connection with consumer requirements but was an indication that consumers will only purchase essential products without encouragement. Consumption above and beyond essentials must be stimulated by the company. As a consequence, at the early stages of the concept, mass advertising techniques, sales promotion methods and aggressive selling stances were developed.
Consumer satisfaction remained a very secondary consideration to achieving the high sales volume necessary for profitable operations. Although necessary to question the wisdom of using persuasive techniques to such extremes, this orientation is one which may, in effect, have to be adopted by any organisation if it wishes to remain viable and grow, especially if high levels of investment in capacity are necessary. Having built up production capacity to a particular level, if profit is to be achieved in order to reinvest and stimulate the growth of the organisation, the company must operate at capacity and sell its products. British Leyland is a prime example of this situation today. The new Longbridge plant has been built with a capacity to produce 300,000 Mini Metros per annum. To operate profitably it must sell above its break-even quantity of 200,000 cars. Having invested in the plant, the question of whether the consumer wants the car becomes secondary to the prime consideration of selling the capacity available profitably. It is unlikely that the company will become fully consumer oriented until this level of profitability is attained.

2.4 The Marketing Concept

In the same way as managerial preoccupations had moved from concern with supplying a widening market to new problems of moving the goods out of the factory, so further changes occurred in the environment which necessitated a new managerial emphasis. The orientation turned from production problems and sales problems to consideration of consumer problems. Management began to appreciate the necessity to understand consumers and their problems and adapt the organisation to solve these problems more efficiently than competitors.
It was recognised that a detailed knowledge of consumers' problems constituted a better basis for successful product development than developing an idea which appears to be sound and hoping that it will sell or having recourse to aggressive selling techniques when response is not forthcoming in the market place.

The marketing concept incorporates four major ideas:

i) a company wide appreciation and awareness of the centrality of the consumer and his needs to the survival, stability and growth of the organisation

ii) a company wide appreciation and awareness of the greater system of which the organisation is a part and the interdependence of the components of that system

iii) a company wide recognition of the importance of new products to the survival of the organisation

iv) a company wide appreciation and awareness of the role of Marketing Information Systems.

The 1950's presented manufacturers with a changed situation in which to operate. In many fields of operation the traditional sellers' market had become a buyers' market. The developments which gave rise to this new orientation can be summarised in three main areas.

2.4.1 Industrial Development

The war effort had given added impetus to technological development. Opportunities for new markets had been presented which could not be explored whilst the war effort was in progress but in the post war
period many new companies were established to take advantage of these areas. This sudden expansion of industrial activity led to competition not only within industries but also between them as different methods were discovered of satisfying essentially similar needs. It became necessary to look beyond the narrow confines of one industrial area to a broader sphere of business activity to capitalise fully on market opportunities.

Companies expanded rapidly either by taking advantage of these favourable market conditions or by merger and acquisition. Business assumed a broader base which demanded a decentralisation of managerial and corporate efforts. To maximise the total corporate performance, however, a co-ordinating force was necessary which the marketing concept could provide through its strong emphasis on the integration of activities towards a planned future.

In addition, large amounts of financial resources were being committed by companies to plant and capital equipment to keep pace with mass consumer demand. Long-term investments of this magnitude required reliable information about the market, including current consumer requirements and perhaps, more important, indications of future trends and developments. The Ford Motor Company, for example, has a Marketing Research Department which undertakes two major functions: advanced product research and customer and merchandising research. The first function is responsible for initiating studies concerning future product developments. A recent example of the importance of this function is indicated by the extensive research programme undertaken over a five year period for the recently launched Ford Escort.
The results of each successive study programme were used to guide the development of the car from an initial idea to the model which is marketed today. Amongst the studies incorporated in the programme were a new car buyer's guide, corporate attitude studies (in nine markets), quality audits, the structure of the business car market, styling clinics, name research and communications strategy research.

This example illustrates that companies have responded to industrial development of the type discussed above. Markets could no longer be guaranteed for the products of any one company and, as a consequence, organisations came to rely to an increased extent on an objective and systematic approach to information collection in present and future markets as a basis for determining the possibility of an adequate return on their proposed investment.

2.4.2 Product Development

In this atmosphere of rapid industrial development and change, products and their development assumed a new role. When confronted with a constant stream of new, improved or substitute offerings by competitors, companies could no longer rely on a narrow traditional product line whose past success had been based on quality and innovative appeal. A planned process of new product development was necessary to ensure successive additions to the product line which would maintain and improve the position of the company in the market. The increased uncertainty of new products' success coupled with the, by now standard procedure of building product obsolescence into product design, contributed to the growing importance of product planning and research.
Market Development

Perhaps the greatest contribution to the development of the marketing concept is to be found in the market itself. Consumers had become relatively affluent and could satisfy the basic necessities of life easily. Discretionary income was still increasing and consumers had begun to accumulate large stocks of consumer products, enabling them to postpone purchases and reject offerings in the market which did not appear attractive or satisfactory. Through a well developed educational system which offered educational opportunities for more rather than the few, and through the development of mass communication in the form of radio and television, consumers had become more discerning in their tastes and more knowledgeable about the market and its offerings.

The company is, therefore, today in a situation where it is vying with a large number of competitors from its own industry and other industries for the privilege of supplying the consumer. The consumer, himself, can no longer be expected to purchase the organisation's output if it does not match his requirements or to purchase a product on subsequent occasions if his expectations are not fulfilled or if a competitor can offer something more suitable. He is faced with an enormous range of products from which to choose and is most likely to purchase those which most nearly satisfy his requirements in terms of product benefits, accessibility and price, but only if brought to his attention and strongly differentiated from competing offerings in the market.
CHAPTER 3

MARKETING AND MARKETING MANAGEMENT

3.1 Marketing

The marketing concept has been described in the preceding chapter as a thought process - a way of thinking about the problems facing an organisation and the relative weight given to the organisation itself and the consumer in solving these problems.

Marketing, itself, is perhaps more difficult to define, a point which is amply illustrated by the proliferation of definitions discussed in many of the standard textbooks (Baker, M, 1979; Kotler, P, (1980)). One explanation for this might be that marketing, unlike many other areas of business, has no single discipline as its basis. It draws on economics, sociology, psychology, anthropology and other related fields, and has been found to be a pertinent field of study for individuals from these disciplines, many of whom have proposed definitions based on their understanding of the subject in the context of their disciplinary backgrounds.

A point perhaps more pertinent to the discussion, however, is that many authors seem incapable of appreciating that marketing and marketing management, terms often used interchangeably are, in fact, at different levels of abstraction. Kotler (1980, chapter 2) is one author who does draw this distinction and an examination of his proposed definitions provides a clear insight into the nature of marketing and marketing management.
Kotler defines marketing as "a human activity directed at satisfying needs and wants through exchange processes" (1980, page 19). Exchange is only one of the ways in which an individual can obtain a product or service which is capable of satisfying a need. Coercion, for example, might be another way. If potential for exchange is to exist, however, Kotler cites four conditions which are necessary:

i) There are two parties
ii) Each party has something that could be of value to the other
iii) Each party is capable of communication and delivery
iv) Each party is free to accept or reject the offer.

Although the potential for exchange may exist, whether it takes place or not depends on the ability of the two parties to agree terms of exchange which will leave both better off than they were before the exchange. If the two parties to the exchange are a company and the market, in terms of potential demand, marketing is the term which describes the attempts to actualise potential exchanges for the purpose of satisfying human needs and wants.

Marketing is, therefore, concerned with the description and analysis but not the planning and control of exchange processes where value is created for both parties to the exchange. As such, it could be applicable in a wide diversity of situations, not merely those involving organisations and consumers. This breadth of definition has been criticised (Luck, D J, 1969) and it has been proposed that marketing should be defined in such a way that it is applicable to the business sector alone.
Notwithstanding the difficulty of developing such a definition, which would be sufficiently broad to cover all business situations but specific enough to illuminate the nature of marketing, this view implies a lack of understanding of the difference between marketing and marketing management. Marketing, as defined by Kotler, does not attempt to determine and prescribe courses of action but to describe and analyse the nature of the process. It, indeed, recognises that organisations, of whatever type, operate in very diverse circumstances and by necessity undertake a multitude of different activities to manage their survival and growth within their specific situations. Marketing management, as expressed by Kotler (1980, page 22) takes place when at least one party to a potential exchange gives thought to objectives and means of achieving desired responses from other parties. Marketing management could, therefore, be said to be situation specific and marketing generalisable across the whole sphere of organisational, social or human activity. Marketing is concerned with the process of exchange and marketing management with identifying the specific ways of making exchanges which are appropriate for one member of the exchange to achieve its objectives. Hence, to attempt to define marketing in a narrower form ignores this distinction and serves only to confuse the nature of marketing with marketing methodology. As a consequence, it can be concluded that it is possible for any organisation to embrace the marketing concept and to recognise the applicability of marketing to its survival and growth. However, the means by which it may move towards these objectives will vary from organisation to organisation, although still falling within the scope of marketing management. To reinforce this distinction there follows a brief description of the functions comprising marketing management.
3.2 Marketing Management

The functions of marketing management can be divided into two broad spheres of activity; that concerned with long term managerial functions and that with shorter term activities.

Long term management functions are those undertaken to develop strategies for survival and growth. They include the specification of company objectives and the selection of the appropriate strategies for achieving those goals.

Objectives and goals should be derived from a definition of the purpose of the organisation, i.e: a clear statement of the business domain in which the organisation will operate. It is suggested by Levitt (1960) that a market based definition is superior to a product or technological focus as such a broadening of organisational vision presents greater opportunities for future growth. Care should be taken, however, to ensure that the proposed scope of the definition is not unrealistically broad, hence, leading the organisation into business areas which are beyond its capabilities. Having defined the scope of the business, objectives can be set, presenting an outline of the expected achievements of the organisation over a specified time period. Strategies can subsequently be selected which specify the major directions in which the company will move towards the attainment of those objectives. Ansoff (1967) suggests strategies such as market development, product development, market penetration or diversification. The company will choose that direction which is most likely to achieve its objectives within the constraints of its operating and environmental circumstances. The second sphere of marketing management involves
shorter term considerations or day to day managerial activities. Long term strategies provide a framework and sense of direction, but this is not sufficient to enable plans to be developed and implemented at the market level in a competitive and ever changing environment.

Marketing management at this level involves the continuous collection of information, ie: Marketing Research, and the management of controllable organisational variables, ie: the construction and management of the marketing mix.

3.2.1 Marketing Research

This major function can be defined as "the objective gathering, recording and analysing of all facts about problems relating to the transfer and sale of goods and services from producer to consumer or user" (BIM in Baker, N J, 1979, page 168). Under the marketing concept the need to collect and utilise information about all areas of current and future operations on a continuous basis is strongly emphasised. It is viewed as a vital function for the following reasons:

i) it enables the company to keep in close contact with its markets

ii) it reduces wastage in Marketing methods by ensuring the optimum allocation of time, money and personnel

iii) it enables a rapid identification of opportunities in the environment

iv) it insures against threats posed by changes occurring in the Marketing system

v) it enables the company to form a history on which comparisons can be based and from which trends can be identified

vi) it provides the basis for the use of other marketing techniques eg: demand analysis, demand forecasting.
A popular misconception concerning marketing research is that it is confined to investigation of the market itself. Whilst consumer research is a vital area, the scope of marketing research is much wider, encompassing research into areas such as products, sales, promotion, pricing and distribution.

3.2.2 The Marketing Mix

Based on information collected by marketing research, management undertakes activities in four other areas - product, pricing, distribution and promotion. These four functions comprise the marketing mix. The aim of management is to integrate these four activities into a coherent programme which will satisfy the requirements of a particular market segment which has been identified. Individuals have very different requirements and problems to solve and although the population of the UK constitutes approximately 55 million individuals, the marketer cannot hope to satisfy the needs of the total population with one offering. It would not, at the other extreme, be economically viable for an organisation to offer individually designed products to suit every consumer.

Consequently the marketer endeavours to group consumers into meaningful segments, the constituents of which have similar needs which are very different from the needs of any other group. There are many different bases for segmentation, eg: age, sex, social class, etc. and the marketer will utilise those variables which are meaningful with regard to the company, its offerings and the market opportunity itself. He will then arrange the components of the marketing mix to give the optimum package to satisfy the target market selected.
A product will be developed which meets the specific requirements of the segment, not merely in functional attributes such as form of pack, but also aesthetic qualities. This will be priced at a level which the segment perceives as acceptable and which also permits a reasonable return to the organisation. An appropriate distribution strategy must be decided from the many alternatives available in order to make the offering conveniently accessible to the market. The market must also be informed of the product's existence and its differentiating features and perhaps motivated or encouraged to try it.

The final mix of activities will constitute a total "package" which has been constructed to appeal to one particular segment of the market. These then are the main marketing management functions - marketing research, product policy, pricing, distribution and promotion.
CHAPTER 4

MARKETING OF SERVICES

4.1 Introduction

Marketing as a concept and as a set of functional managerial activities gained recognition initially in the field of consumer products and was extended gradually to industrial products. A sound body of knowledge now exists in both fields at the academic level but amply supported by practical case experience. The examination of the applicability of marketing to service industries is, however, a relatively recent area of interest and marketing of services has not, to date, obtained the level of respectability accorded to product marketing. Although services would appear to be a natural progression in the development of marketing thought, no commonly agreed body of knowledge has emerged. This is amply illustrated by the scant coverage of services in basic marketing textbooks. Baker (1979, page 56) notes that "... products will be taken to include physical goods and services unless stated to the contrary" and Kotler (1980, pages 132-133) mentions services as a sub-classification of products and not as a separate category.

There is no attempt, however, to claim that developments have not been forthcoming. A large number of publications are available which examine the question both at the level of individual services and at the more general theoretical level. It has not been possible, however, to combine the many different approaches into a single comprehensive theory which would provide a sound basis for the application of marketing thought and technique in any service organisation.
These different approaches can be grouped into four major areas each of which has made a significant contribution to knowledge in the area. It is worthwhile briefly describing these because, although each can be criticised from one aspect or another, it is likely that they have laid the foundations on which future thought will be based.

4.2 Definitional and Taxonomic Approaches

Perhaps the earliest approaches concerned attempts to define services and construct taxonomies based on the differences and similarities between services on the basis of several characteristics. Regan (1963) defined services in the following manner: intangibles yielding satisfactions directly (e.g., insurance); tangibles yielding satisfactions directly (e.g., transport); intangibles yielding satisfaction jointly when purchased either with commodities or other services (e.g., credit deliveries). Rathmell (1966) defined services as: rented services, owned goods services, non goods services and marketed services.

These approaches attempted to explain more fully the nature of services as opposed to physical products. Whereas products are generally held to be physical goods represented by a noun and services, activities represented by a verb, neither tends to be a pure product or service. Each one incorporates an amount of the other to some greater or lesser extent. Rathmell proposes that to adequately appreciate the difference between the two, it is necessary to determine in which portion the utility is to be found - in the physical characteristics or in the nature of the action. He further maintains that rather than viewing the two as totally separate, they should be conceptualised at some
point on a goods/service continuum, with pure products and services, if they exist, at either extreme and all other offerings at intermediate points depending on the relative importance of the goods/service component of each offering.

The development of taxonomies based on distinctly identifiable characteristics of services is illustrated by Stanton (1975). He maintains that these distinct characteristics create marketing problems and result in marketing programmes which may be very different from anything in the product marketing field:

i) Intangibility - services cannot be identified by sensation, leading to problems of evaluation

ii) Inseparability - services cannot be separated from the seller leading to problems in distribution and scale of operation of the organisation

iii) Heterogeneity - the output of one seller or of many sellers of the same service cannot be standardised leading to problems in quality assessment

iv) Perishability - services are perishable and cannot be stored; demand fluctuates and cannot be catered for by inventory control.

The universality of these characteristics has been attacked by Wyckham, Fitzroy and Mandry (1975). They agree that services are intangible but disagree that this presents consumers with substantially greater problems of evaluation than in product purchase decisions; they cite examples of services which are separated from the seller by branch networks, licencing and the use of agents, eg: insurance; they argue against heterogeneity as being exclusive to the service area and
cite, again, examples of services which have been standardised; finally they maintain that perishability can be overcome to quite some extent by training staff to increase their efficiency, developing communication devices and creating the technology to deliver services over time in the way production is geared to meet future demand.

Discussions of this type are useful in the furtherance of a clear definition of services but it would appear that in reality they have no greater contribution to make than that made by attempts to classify consumer goods by, for example, shopping behaviour or industrial goods by intended usage.

4.3 The Functional Approach

Branton (1969) recognised also that most goods embody a service element and services have some tangible representation. As a result, clear lines of demarcation between the two are difficult to draw. Whilst supporting the idea that services can be classified by degree of durability into those which are perishable, semi durable, and durable, he preferred to take a different approach focussing mainly on the functional difference between products and services. He outlined four:

i) Service quality assessment is difficult
ii) Examination of services is difficult
iii) Markets for services are imperfect
iv) Distribution systems are imperfect and personal rendering is required.

This issue has been examined extensively in the literature (Bessom,
1973; Donnelly, 1976; Judd, 1964). Commonly agreed functional differences have been summarised, in addition to the above, by Bateson (1977):

i) Lack of inventories  
ii) Lack of middlemen  
iii) Impossibility of separating the consumer from the production process  
iv) The delivery system must go the the market or bring the market to it resulting in in-market locations or multisite operations  
v) Lack of patent protection  
vi) Highly competitive markets made up of small firms.

Bateson proposed, however, that the above are all facets of intangibility and, as such, should not be regarded as separate factors. If it is agreed that there are few pure products or services as proposed by Rathmell (1966) and reiterated by Shostack (1977), the usefulness of an approach which endeavours to separate the two categorically is to be questioned. Levitt (1972) takes the argument one stage further by maintaining that service industries as a separate category do not exist.

In addition to these fundamental criticisms of the approach, each of the functional differences cited should be closely examined to establish the validity of the difference and its importance to marketing management. For example, it could be claimed that certain services may hold inventories (insurance policies) and that inventory itself is a function of capacity available regardless of the nature of the offering; channels of distribution may be short or long and intermediaries can be identified; the consumer is not, in all cases,
necessary to the production process, for example, divorce proceedings enacted in the absence of the consumer and proceedings for minor driving offences; many product firms have in-market locations and multisite operations; certain goods industries suffer a lack of patent protection; highly competitive markets may be found in goods markets in addition to service markets.

Therefore, whilst furthering enquiry into the area, it can be seen that neither of these approaches has enabled the development of a theoretical body of knowledge which is relevant to services in general.

4.4 Conceptual Approaches

A rather more recent approach has been termed conceptual. It encompasses attempts to delineate the service area more clearly by redefining problems, decision processes and solutions.

Bateson (1977) maintains that principles need to be developed at a level of abstraction which transcends industry specific practices but is not as abstract as the all-encompassing consumer behaviour theories. Such principles provide a framework for marketing decision making in practice. Three conditions, it is claimed, are necessary for the development of this type of framework, which Bateson proposes are met by Services.

i) There must be a perceived body of common problems at the management level in service industries. Eigilier (1977) has supported this
proposition with a survey which revealed ten common problems.

ii) There must be real structural differences between services, industrial and consumer products. Bateson notes that intangibility is representative of such a difference. He takes the proposition one stage further than most authors when he differentiates between intangibility as related to processes and intangibility as a mental perception, i.e.: the market is unable to state service needs or experience.

iii) There must be a generalised decision process which can be observed or codified. He cites as an example a framework developed by Sasser, Ohlsen and Wycoff (unpublished) which breaks decisions into three parts: the service concept or consumer benefit concept (Bateson's terminology); the service delivery system and the service level.

In addition to the three requirements, Bateson maintains that new concept development can only take place if all three can be related into a consistent framework. He proposes that a link can be established from problems facing management, through the decision process to the structural differences of intangibility and the simultaneity of production and consumption. The factors that he considers form that link are the need for differentiation against the competition and profitable management of fixed resources, factors which are common whether examining services, consumer or industrial products. Although the links may be common, the components of the framework which are being linked will differ considerably.
Other authors have proposed frameworks for considering services. Eighlier and Langeard have derived a model of the service business which demonstrates the way in which consumers' perceptions of a service can be affected by the multiple interactions between the business, the market and service components (in Bateson, J, 1977). Shostack (1977) takes a rather different view, proposing a "molecular" model. It is based on the contention that any market offering is part tangible and part intangible and should, therefore, be visualised as a total market entity composed of multiple elements regardless of where the emphasis is placed.

By conceptualising the offering in this manner, it is easier to appreciate the inter-relationships of the multiple elements and the dominance of intangible or tangible aspects. She proceeds to discuss the management of tangible evidence as a primary priority of management as this is what the consumer uses to "judge" the product. Consequently a tangible dominant offering should be presented with an intangible image and an intangible dominant offering represented by tangible evidence.

Unwin in 1975 proposed a similar idea based on the advertising of services which he termed customised communication, i.e.: positioning the service through advertising. However, in contrast to Shostack he proposes that services when newly introduced should stress intangible features but as the service becomes more standardised/mechanised more weight should be given to tangible evidence.
4.5 The Application of Marketing to Specific Areas

Other authors have looked more specifically at issues and problems in the service sector. Donnelly (1976) argued for the use of intermediaries in the distribution system. Sasser (1976) discussed techniques for matching supply and demand in the service organisation to improve productivity. Levitt (1972) proposes a rather different approach to improving productivity through industrialising the service process, i.e.: substituting machines and preplanned activities for variable human performance. This concept is not new. As long ago as 1963 Regan cited examples of mass production techniques used in the manufacture of commodities, being adapted to develop service technologies, for example, mass transit systems for transportation, TV courses for education, group tours for holiday travel, comprehensive insurance policies. He foresaw problems in the industrialisation process through impersonalisation of services which might reduce the extrinsic quality of the service for the consumer in the short run and lead eventually to what he termed a "general massification of taste".

Donnelly's article (1976) proposing the use of intermediaries in the service system also forwarned of a loss of control in the process and less personal contact. It could be argued, however, that as services become more standardised and widen their application and level of awareness in the market, increased knowledge amongst consumers obviates the need for such a high level of personal contact. As quality becomes more consistent consumers no longer need to rely on personal representation of the service but gain confidence in their abilities to make a correct choice on their own. Gronroos (1977) also stresses the importance of the delivery component in service mixes. He
maintains that customer benefits remain ideas and do not become services until a delivery system is added to the process. Consequently, rather than placing the delivery component at the extremity of the marketing system as Shostack's molecular model implies, he places it in the centre as the method linking the idea with the market. The delivery system must incorporate not only physical elements but also personal communication in order to translate the idea into a service. The model is illustrated below.

![Diagram](image)

This again indicates a service offering in the initial stages of its life cycle when personal representation may be important. However, if it is amenable to "industrialisation" or "standardisation" over time, the model may have to change to incorporate more non-personal communication within the delivery system and less personal representation.

4.6 Conclusions from the Literature

Although very different in approach these attempts to deal with the question of the application of marketing to the service sector share a common theme. They suggest a different mode of thought from that proposed in consumer product or industrial marketing. It should,
however, be noted that not all authors agree that a separate concept is required. Bonoma and Mills (working paper) contend that the same rules apply to both products and services but the major question is one of emphasis when operationalising the market offering. They argue that services should be tailored to resemble goods as much as possible. In so doing they utilise the concept of industrialisation of services to justify the change in emphasis from personal attention to impersonal, accompanied by a standardised service delivery mode.

They recognise, however, that if industrialisation is to progress, as in the product field, innovation and creative adaptation of technology will be necessary to counter such problems as supply and demand irregularities. As an initial step, they advocate a move by suppliers of services towards greater consistency with customers and a greater emphasis on tangible evidence rather than intangible service characteristics. There is no consideration in their argument, however, of the reaction of consumers to this move towards automation and standardisation of the offering.

A final point, and a basic one, incorporated in this developmental service concept is that consumers do not have to be directly involved in the production process. If it is possible in the product field to remove consumers from the process by conducting new product research and post-sales evaluation, it should be possible to undertake the same activities in the service sector.

Although the above research is of very recent origin, further developments in the field are in evidence. Blois (1980) criticises all the
preceding research on a fundamental level. None, he claims, are consumer oriented. Definitions, taxonomies and conceptual frameworks are based not on research evidence of how consumers perceive offerings but on the author's perceptions. This, he submits, is not an adequate basis for determining whether goods and services are different or whether they should be marketed differently. He criticises functional approaches on a similar basis but more strongly, as having a production orientation. His thesis is based on whether consumers perceive differences between products and services, on what basis this distinction is made, if any, and whether these bases create marketing problems which are so different that there is, as a consequence, a reason to believe that marketing goods and services is different. A small experiment outlined in his paper is an initial attempt to obtain such information. Although exploratory in nature, and therefore not amenable to generalisations, it enabled some interesting comments to be made which are to be pursued in future studies.

It can be concluded from the preceding discussion that the application of marketing thought and practice to the service sector is evolving as a substantial research area. Academics and practitioners, to date, have been unable to agree an approach but the individual contributions have been valuable in identifying a number of important issues. One issue which has not been considered in any of the approaches is the additional complexity which arises when an organisation in the service sector does not have a traditional profit orientation but operates with some other organisational focus. The application of marketing to non profit organisations has developed as a separate field of inquiry and will be discussed in the next chapter.
CHAPTER 5

MARKETING OF NON PROFIT MAKING ORGANISATIONS

5.1 Introduction

The non profit sector of the economy is one which encompasses such diverse organisations as charities, nationalised industries and local authorities and although of great importance to the economy in terms of the goods and services provided, marketing thought has concentrated on those organisations whose primary objective is profit based. The literature indicates a number of attempts to discuss the application of marketing ideas and practices in the non profit sector but these have been few in number and rather than contributing substantially to knowledge of the sector have tended to emphasise the lack of coherence in previous approaches. To date, no overview of the sector has been developed, terminology has been confused and any applications of marketing which have been identified have referred to very specific types of organisations. Although these applications may be generalisable to the whole, a concise outline of the sector is a necessary pre-requisite. The subsequent discussion will review the literature in the area to expose the terminological difficulties. There will follow a description of the organisations in the sector and these will then be combined to show the interrelationships between them and provide a clear delineation of the sector.

A number of characteristics specific to non profit organisations are identified and indicate that traditional thought and practice in marketing should perhaps be re-evaluated in accordance with the
5.2 Review of the Literature and Discussion of Terminology

The non profit sector was developed as a new field of enquiry in marketing by Kotler and Levy (1969) who proposed that the Marketing concept should be "broadened" in its application to non profit or non business organisations. They maintained that the concept in its traditional form was too narrow as it excluded the activities of these other types of organisations. Their main proposal was that concepts and principles which had become well established in business organisations were applicable to a universal range of human activities or institutions, eg: political contests, police administration, social welfare agencies, hospital services and education.

Criticism of the new concept was immediately forthcoming on the basis that it was too broad and defied definition (Luck 1969). Indeed, Kotler and Levy did not offer a definition to support their reasoning. However, interest has grown from these early beginnings. Shapiro (1973) maintained that marketing is applicable to the non profit sector as it is to the profit sector and illustrates his argument with examples of the possible transference of components of the marketing mix to charitable organisations.

In addition, field studies have been undertaken to exemplify the use of marketing techniques in specific non profit situations, ranging from family planning to the performing arts (Zaltman, G and Vertinsky, S 1971, El-Ausary, A L, and Kramer, O E, 1973, Mindak, W A, and Bybee, H M
The area, however, is a confused one. Complexities arise for any researcher from problems of definition. Clear statements have not been made by writers as to the exact nature of non profit organisations and whether this is different from or similar to a non business organisation. Terms have been applied to the use of marketing in the area such as social marketing and societal marketing but definitions of these concepts vary between authors.

The resulting lack of clarity can be illustrated by reference to various texts and publications where these topics receive some coverage.

5.2.1 Non Business Marketing

Kotler (1980) devotes a chapter in the 4th edition of Marketing Management: Analysis, Planning and Control to what he terms non business marketing. He contends that all organisations whether business or non business have marketing problems which can be aided by the application of marketing principles. In this latest edition, he attempts to clarify the issue by suggesting a classification of organisations along two dimensions - whether the organisation is publicly or privately owned and operated; whether it is organised for profit or non profit purposes. This classification indicates four types of organisation:

i) Privately owned, organised for profit

ii) Public sector, organised for profit

iii) Public sector, non profit organisation (Government agencies, schools and hospitals)
4. Privately owned, non profit organisations (religious, cultural, social cause, political, philanthropic, social, knowledge and protective organisations).

Whilst forming a useful framework for classifying organisations it is not clear, however, whether the term non business marketing is applicable to all four categories cited above or whether it is to be applied to only certain of the groups. In the British context, non business marketing would not be considered to be applicable to the first two categories but could be a useful term to describe the application of marketing to public sector non profit organisations and privately owned non profit organisations. Whether the same is true in the American context is debatable because of the difference in structure between the American public sector and that which exists in Britain. Any experiences of applications in the former are, as a result, unlikely to be directly transferable to the British context.

In addition, the organisation of the Philanthropic movement in America has developed in a format which is unfamiliar in Britain, eg: the United Fund, Foundations and Community Chests and inadequate recognition is, therefore, given to the different circumstances of voluntary activity in the UK context.

As a consequence, it would be misleading to attempt to apply Kotler's classification scheme with its accompanying examples in any situation other than the American environment or try to identify organisational problems in the non profit sector which would be transferable to a different situation.
5.2.2 Social Marketing

Having attempted to construct a classification scheme as a basis for the examination of the non profit area, Kotler does not pursue the implications of this scheme for the development of marketing thought but focuses his discussion on social marketing, a concept which he introduced in 1971 (Kotler, K and Zaltman, G). It is unclear whether he means social marketing, as he defines it, to apply to public sector non profit organisations or any one of these classifications. Social marketing is defined as "the design, implementation and control of programmes seeking to increase the acceptability of a social idea, cause or practice in a target group". (Kotler 1980, page 687).

Whilst examples are cited for the application of the concept (public health, campaigns to reduce smoking, alcoholism, drug abuse and over-eating, environmental campaigns to promote wilderness protection, clean air and resource conservation, family planning, women's rights and social equality), Kotler notes in a footnote (II, page 687) that the term is also used to denote socially responsible marketing by business firms or to any marketing done by non profit organisations. He acknowledges in this footnote, however, that more specific terminology is required.

The major implication of the chapter appears to be that social marketing is a term applied to the marketing of ideas and causes, however, differences stated by Kotler in "Marketing for Non Profit Organisations" (1975) between social and business marketing do not support this implication, especially in a British context:

1) Business marketing tries to meet identified needs and wants of target markets; social marketing tries to change the attitudes and
behaviour of target markets. Do the attempts of the Post Office to encourage individuals to use off-peak telephone hours constitute social marketing or business marketing?

ii) The major aims of business marketing is to make a profit by serving the interest of the target market; social marketing aims to serve the interest of target markets without personal profit. Public utilities and public transportation services would appear to be represented by social marketing in this instance but do not constitute ideas or causes as suggested by the definition.

iii) Business marketing is the marketing of products or services through the medium of ideas; social marketing is the marketing of the ideas themselves. It could be argued that marketing the idea of family planning is social marketing but behind the idea is often the offer of a product or service.

This exposition does not clarify the differences between business and non business marketing nor where social marketing is applicable. Reference to other works leads to further confusion. Webster (1975) regards social marketing as a concept which is applicable to "all manner of non profit organisations", Cannon (1980) takes a similar view but includes, in addition, issues such as consumerism, social responsibility and the contribution of marketing to economic development.

A recent Marketing Education Group Conference (1980) included a number of sessions under the title social marketing. Papers on the topic ranged from specific ideas such as kidney donorship to the wider issues of consumer dissatisfaction, consumer sovereignty, and consumerism.
5.2.3 Societal Marketing

Finally, there is the issue of societal marketing. Kotler (1976) defined it in the context of conventional marketing thought. It concerns the efforts of an organisation to achieve consumer satisfaction and company profit objectives but within the overall consideration of the broader interests of society, implying some need for social responsibility. Presumably, incorporated in this concept would be some notion of consumerism and environmentalism.

Terminology, therefore, poses some of the greatest obstacles to development of thought in this area. There is no commonly agreed definition of the non business area or adequate separation of the social aspects of marketing from societal marketing or social marketing, either in the American literature or in the British context. The preceding discussion suggests, however, that social aspects of marketing might include such issues as consumerism and consumer dissatisfaction and that societal marketing might represent an additional business concept or philosophy encompassing social aspects and focusing on the social responsibility of organisations; social marketing might refer to the marketing of ideas and causes alone but would require clearer differentiation from marketing of other offerings whether by a profit seeking organisation or an organisation with other primary objectives.

As most of the developments in the non profit area have occurred in an American context, the difficulty of delineating this field precisely is increased. It is, therefore, perhaps more useful to construct a framework based on British terminology then to pursue the ideas proposed
above and attempt to apply them in a different environment.

An examination of the area reveals two major sectors - the public sector and the voluntary sector. Each of these will be divided into its constituent organisations and a definition of each proposed. Problems specific to each type of organisation will be identified and a context created within which empirical research could be undertaken.

5.3 Definitions and Characteristics of Non Profit Organisations

5.3.1 Public Sector

The public sector comprises that part of a nation's economic activity which comes from within the scope of central Government. It includes public corporations, local authorities, government departments and public bodies.

5.3.1.1 Public Corporations

A public corporation is an industry which is owned by individuals collectively as members of the community or society. The term is synonymous with nationalised industry. The resources of such industries are used for the benefit of that community rather than for the private interest of the individual owning the industry. They are created by a special law and, as such, are not subject to ordinary company law. However, they have a separate legal status from that of the Government and can, therefore, sue and be sued. They are exempt from forms of parliamentary control which are applicable to Government Departments and have independent financial means which enable them
to be self-financing either by borrowing from the Treasury or the public or by obtaining revenue from the sale of goods and services.

Nationalised industries are either accorded the status of state monopolies or may remain in a commercially competitive situation. State monopolies are presented by public utilities, i.e., groups of industries in a monopoly situation supplying essential goods and services, for example, transport, gas, electricity, telecommunications, railways, and water supply. Although the term monopoly implies a total absence of substitute offerings and hence no competition, elements of competition can be found within the sector. Railways are in competition with road travel, gas in competition with electricity as a source of power. However, the monopoly status arises from the legal prohibition of any other organisation establishing itself in direct competition for the provision of the same service. It has generally been considered that nationalisation of these industries is beneficial in order for the efficient provision of a service which requires massive investment in equipment and plant. More than one unit per area for provision would not be economically viable because of the size of the investment required. Certain nationalised industries, e.g., British Airways, have maintained a commercially competitive posture in the market place alongside privately owned concerns because of the rather different environment of their operations.

5.3.1.2 Local Authorities

Local Authorities are local Government units whose powers are invested in a council elected by and politically responsible to a local electorate but which is legally subordinated to, and is the creation
of a central Government. Each authority is, therefore, closely linked to central Government in its operations but organisationally retains its independence. The situation is complicated by the separate electoral system which permits a council to be elected which is of a different political persuasion from that of central Government. Policies of the central authority may, therefore, be opposed at the local level. A measure of control is maintained by central Government firstly through Government legislation which presents Local Authorities with statutory obligations in the provision of services and secondly through financial resource allocation. Central Government provides a proportion of Local Authority finance by means of the rate support grant. This can be increased or decreased at the discretion of the Government. The remainder of the finance is provided by each Local Authority through the local rating system and, consequently, deficiencies can be corrected. The issue is, however, a delicate one for Local Authority councils.

Local Authorities use the financial resources at their disposal to provide a range of services to the local community which can be divided into four categories (Richardson, P G, 1980):

Protective, eg: fire brigade, refuse removal, drainage, flood inspection, licensing

Communal, eg: roads, street lighting, countryside protection, facilities, parks and sports grounds

Personal, eg: education, welfare services

Trading, eg: local passenger transport
5.3.1.3 Government Departments

This category of the public sector comprises provision of goods, services, and regulatory organisations, which are directly controlled by central Government and are financially dependent upon it. Each Department reports to a Minister who is responsible to Parliament for the policies of the Department. The National Health Service is an example of a service provided by the Department of Health and Social Security.

5.3.1.4 Public Bodies

There are a whole range of other quasi Governmental organisations, often of a regulatory nature which have been established by central Government but retain a certain independence. Examples from previous years would include the Price Commission and the Industrial Reorganisation Committee.

5.3.2 The Voluntary Sector

The complexity inherent in this sector is well summarised by Hatch (1980). He examines the nature of voluntary organisations and arrives at a fourfold classification, but is forced to conclude that despite this, these organisations share few common essential characteristics. At a general level voluntary organisations are those which are not established by statute or under statutory authority, they are non-commercial in that their primary aim is not profitability and are not simply informal groups, but exhibit a formal structure of responsibility and authority. They are distinguished from commercial activities on the following grounds: the services provided are for the benefit of clients, members, or the public at large rather than shareholders; they
are non profit making and not dependent for their resources on private fees; there are a mixture of motives held by those involved in the organisation often including a strong moral element. These types of characteristics enabled Hatch to construct a classification in the following manner:

i) Volunteer organisations which depend for their results on the effort of voluntary labour resources, eg: WRVS

ii) Mutual aid organisations which depend for their results on the interaction of their members, eg: Alcoholics Anonymous

iii) Special Agencies concerned with schemes and projects with a community orientation which depend heavily on Government and local authority grants, eg: the preservation of an historic building, tenants associations

iv) Funded charities, eg: NSPCC

These categories are not mutually exclusive but attempt to provide a framework within which voluntary organisations can be examined. For example, on a general level, it can be appreciated that the first two categories encounter most problems in mobilising individuals to help in the achievement of organisational objectives and the latter two in attracting resources.

The voluntary sector is further confused by the concept of charity. Most voluntary organisations possess charitable status and, as such, must share certain basic characteristics before such status is granted for the purpose of rate relief and tax advantages. Any organisation, for example, which applies for charitable status, must show that its objectives are located in one of four areas:
i) The relief of poverty

ii) The advancement of education

iii) The advancement of religion

iv) Some other purpose beneficial to the Community

Although this last category would appear to be very broad, any application which cites it as justification for charitable status is scrutinised by the Charity Commissioners according to the strict criteria. The remaining terms which are often held to be confusing in the voluntary sector, eg: trusts, associations, societies, friendly societies, industrial and provident societies, all refer to specific legal formats of charities. Charities can be divided into unincorporated and incorporated organisations.

Unincorporated organisations comprise:

i) Associations, societies and clubs whose founders are personally liable for the debts of the organisation

ii) Trusts - an organisation which represents a formal relationship between three parties. The donor agrees with the trustees to put into their hands money or property to be used for the benefit of the third party. Whereas the trustees are the nominal owners of trust property, they may not benefit from it and must ensure that it is used for the purposes set out in the trust deed. Not all trusts are charitable, those which are must be established for a purpose which the law recognises as charitable.

iii) Friendly Societies - self help voluntary associations which are established to help alleviate problems of sickness, indigence, misfortune. The most common example today is the Working Men's Club.
Incorporated organisations are organisations which are owned by their members. They may take two forms:

i) The Company - an organisation limited by guarantee. There are no shareholders in this type of organisation but at least two members must agree to guarantee to pay any company debts up to a limit (usually) of £1 each. This removes all problems of personal liability

ii) Industrial and Provident Societies - this type of organisation is incorporated but with an identity separate from that of its members. An example would be the National Federation of Housing Associations

These legal formats do not necessarily constitute a charitable organisation. They must first show that their objectives fall within one of the appropriate categories mentioned earlier. However, most voluntary organisations apply for charitable status in order to benefit from the financial concessions which accompany the status.

It would seem reasonable to conclude that the non profit sector in Britain is a complex one comprising many different types of organisations but one which provides a necessary complement to public and private sector activities. The interrelationships between these different types is represented in Diagram 1 which will constitute a frame of reference for the research study.
Non profit Public Organisations

Public Sector

Public Bodies

Government Departments

Health industry

Public Corporations

Nationalised industries

State Monopolies - Public utilities

eg gas, water

Local Authorities

Transport,
Leisure, Libraries etc.

Voluntary Sector

Voluntary organisations

Mutual aid

Charitable Status - Friendly Societies, Trusts,
Associations, Industrial & Provident Societies.

Special agencies

Funded charities
5.3.3 Characteristics of the Non Profit Sector

This brief outline of the non profit sector enables a number of characteristics to be identified which are common to the majority of the organisations in either of its two constituent parts.

5.3.3.1 The Public Sector

i) A primary objective other than profitability

ii) Difficulty of evaluation of strategies concerning social objectives

iii) Lack of competition in many cases which creates a need for artificial standards to be established

iv) The necessity to serve many publics, often on a non discriminatory basis

v) Variations in pricing policies, eg: cost recovery, cost contribution, no price

vi) Varied financial sourcing

vii) Public attention and criticism of expenditure of public funds especially on promotion and marketing research

viii) Lack of continuity of policies due to political instability

ix) Conflict between central Government and local Government policies

x) Lack of funding for investment due to non discriminatory pricing

5.3.3.2 The Voluntary Sector

i) Multiple objectives

ii) Servicing of dual publics for resource attraction and allocation

iii) Increased competition for financial assistance

iv) Nebulous nature of benefits to donors
v) Pricing complexities when decision is taken by donor rather than organisation

vi) Public awareness and criticism of expenditure of public funds especially on promotion and Marketing Research

vii) Accessibility when distributions channels not readily available or easily visible

viii) Lack of continuity of "purchase"

ix) Difficulty of stimulating interest in an exchange where the donor benefit is not obvious and may vary subjectively.

Taken together, these characteristics indicate that fundamental differences exist between organisations in the profit sector and those in the non profit sector. It would, as a consequence, seem unlikely that conventional marketing thought and practice could be directly transferred from the one to the other. The next section presents an examination of marketing and marketing management within the non profit context and indicates the areas where traditional thinking may have to be adapted or developed.
CHAPTER 6

MARKETING THOUGHT AND PRACTICE REVIEWED

6.1 Introduction

The list of characteristics derived from an examination of the public and voluntary service sectors demands that the application of traditional marketing thought and techniques within this context should be questioned.

6.2 The Conceptual Level

Firstly, if Kotler's definition of marketing is accepted, the exchange process with which it is concerned may be of a different nature for a non profit organisation. In the commercial field, a transaction is undertaken by two parties, each of whom perceives that which is received to be of greater value than that which is given in exchange.

In the case of the public sector organisation, it is difficult to identify the value of the exchange to the organisation where the service is provided in the public interest. In addition, the individual's perception of value in conventional terms may also be questioned where consumption of a public service is compulsory, e.g. education, where payment is made indirectly by everyone although any one consumer may not need to, or choose to, use the service subsequently provided, e.g. the Health Service, Local Authority leisure services, or where services are provided on a monopoly basis and the consumer has no choice between service offerings, e.g. postal services.
In the voluntary sector, the exchange process is confused by a separation, in many cases of those who provide financial resources and those who receive the benefits. In such instances, determining the value of the exchange process to donors is problematic. The voluntary organisation itself is perhaps best described as an intermediary between the two parties rather than a direct participant in an exchange.

It is perhaps partly because of the different nature of the exchange process that the emphasis in both sectors appears to remain firmly on the provision of a service or the nature of a cause rather than the value of the offering as defined by the individual, whether contributor, user, donor or client.

6.3 Managerial Aspects

6.3.1 Objectives

In both sectors, the traditional emphasis which is placed on profitability in organisational objectives becomes secondary to social objectives. However, social objectives are not easily definable, defy quantification and present problems in evaluation. The public sector, in addition to its social responsibilities, may have financial criteria to satisfy and the importance of these relative to social objectives may vary significantly with prevailing political policies. The voluntary sector, in its role as intermediary between donors and clients, may have to establish multiple objectives which potentially place conflicting demands on and within the organisation.
6.3.2 The Offering and the Market

In the public sector, the offering is often viewed as an essential which is provided for the public on a non-discriminatory basis. In addition, public sector organisations need to attract substantial financial resources if provision for all who may choose to use the service is to be adequate. The attraction of resources and provision of services is spread widely across the total population and it might, therefore, appear that market segmentation is not applicable in these organisations. Market segmentation is considered to be a useful concept in marketing strategy formulation to ensure that resources are utilised most effectively by identifying groups of individuals in the market who share unsatisfied needs and allocating efforts accordingly. Public sector organisations would be strongly criticised if attempts were made to segment either in the area of resource attraction or provision. To restrict resource attraction to certain segments of the general public, principally those using the services offered, would not be acceptable or viable financially. In the provision of certain services, however, the market does seem to segment itself into users and non users, eg: those undertaking sports activities in Local Authority sports centres, those using telephone services. However, it would seem to be contrary to public policy to permit this situation to continue without an investigation of the remaining segments whose leisure, communications or other needs might not be adequately served at the present time by the services available. This is not to imply that the current non user segments should be approached in any manner which might be considered discriminatory as regards the remaining population but that different strategies which might encourage utilisation might be developed. An example of an attempt
to undertake this venture is illustrated by the introduction of payment stamps for telephone, gas and electricity services. This strategy has enabled those whose financial circumstances previously prohibited or restricted their consumption of the services cited to manage payments more easily. Whether this strategy was introduced to facilitate utilisation by the consumer, or whether the aim was to enable easier collection of charges, however, is not known. In the voluntary sector, the service may again be viewed as essential from the point of view that the voluntary organisation often exists to provide a service which is not currently undertaken by the state and in which private concerns have shown no interest. However, the target market may be more closely defined in terms of potential clients, eg: those suffering from a particular disease or those who are disadvantaged in some other aspect. Additionally, segmentation of the donor market can be attempted which may lead to greater efficiency of efforts in attracting resources, eg: large corporate concerns, wealthy individuals, the general public.

6.3.3 Marketing Research

In the tradition of marketing, the necessity to obtain information about the market and the whole range of marketing activities has been well established. In the public sector, there may be resistance to the instigation of large scale information collection for two reasons:

i) There is often a prevailing attitude amongst providers of public services that the provider can best determine what is good for the people. This is well illustrated by the following quotation: "The official approach (to public service provision) tends to be radically different; social planners usually have a firm view
about the kind of thing it would be good for people to have. This view may have emanated from a political source or from the planner's personal value system. What the community may really need does not necessarily coincide with such presuppositions. The social planner should be willing to adopt the more objective posture of commercial firms". (Chisnall, P, 1977).

ii) Public suspicion may be aroused if official information collection is undertaken. Although this might be ostensibly to enable services to the public to be improved, such endeavours may be misconstrued as the assimilation of facts about the community for purposes of manipulation.

In both sectors a common criticism could be made of the expenditure of public funds, whether voluntarily donated or subtracted at source, on information collection. There may be a feeling that this money would be better spent on service provision, the stated rationale for its collection.

6.3.4. Promotion

This is the most visible of marketing activities and can be readily observed as an important function of many public and voluntary organisations. Buzby promotes telephone services and celebrities lend their support to causes undertaking fund raising activities. As in the case of marketing research public criticism can be levelled at the use of funds for the more commercial types of promotion, eg: television advertising. However, although promotion can be considered unnecessary as a method of maintaining present market position in a competitive environment, because competition often does not exist,
promotion can be justified for encouraging mass awareness of and interest in those services which are commonly available to all, to dispel misconceptions and to promote the image of the public sector organisation. However, if the service is viewed by providers as an essential, too little emphasis may be given to the promotion component mix.

6.3.5 Pricing

Traditional ideas about pricing strategy must change in non profit sector management. The commercial focus of profitability is not the main one in the organisation. Public service pricing policies exhibit variations which range from no price (ie. completely subsidised services) to a price which covers costs and contributes to a general reserve fund for reinvestment in the future.

Completely subsidised services are generally those where a measure of consumption is compulsory or at least extremely likely, eg: education, national health and where the welfare of the individual might be in question if a charge was made which the individual could not pay. Those services where a charge is made range from charges where provision is heavily subsidised, eg: Local Authority leisure facilities; realistic charges per unit of consumption, eg: passenger transport, to charges per unit plus a standing charge, eg: gas and electricity.

In areas where charges are made, organisations endeavour not to discriminate between classes of customers according to ability to pay. They maintain a lower price overall than would be viable for
private concerns to enable every individual to afford the basic service. However, some cases of discrimination can be identified, eg: industrial consumers of gas and electricity pay a higher charge per unit than domestic users. This is justified on the basis that larger consumers use up finite resources more quickly than individuals and households. Therefore, their contribution should be proportionately greater to increase funds for research into substitute products. There would also appear to be greater flexibility of charging procedures for certain services offered to the public than exists in the product sector of the economy, eg: differential charges for lower income groups such as pensioners.

In the voluntary sector, pricing has a much different perspective. If donations are to be attracted, the amount contributed remains at the discretion of the individual donor and, as such, prices are not set. Pricing strategy must be viewed more as a case of communicating the benefits which can be provided by certain monetary units, eg: for a certain sum the organisation can undertake specific relief activities. Where voluntary organisations are providing services to the general public, eg: a zoo, pricing policies may operate on a more commercial basis than is normally acceptable in the non profit sector if surpluses are required for reinvestment in facilities.

In conclusion, it can be deduced that due to the conflicting social and financial objectives in the non profit sector, pricing may have to be considered in a different way from in the commercial or profit based sector.
6.3.6 Distribution

One of the major problems facing many organisations in the public sector is the issue of adequate distribution of services to all members of the community who wish to use them. Enormous amounts of financial resources are necessary to provide national services and vast networks to distribute them, eg: gas and electricity. Herein lies the justification for nationalisation. At the local level, where it is necessary to provide a service for the local community which requires performance of the service in one location, distribution becomes a question of where best to locate the service centrally for ease of access for the whole community rather than the more traditional view of distribution as a function which aims to take the product as near to the consumer as possible. Examples can be found in the siting of Post Offices and leisure facilities. Provision of these services in conjunction with other service provision to achieve economies of distribution effort and resources has only been considered on a minor scale in the case of the Sub Post Offices run jointly within a General Store. In the main, provision is made at a separate physical location. Distribution strategies within a voluntary organisation may be concerned either with the above question of location of facilities or, in the case of many charitable causes, in making the organisation accessible to the donor to facilitate collection of money. Many different strategies can be identified in this area: the street collector who could be likened to the postman; the placement of collecting tins in public places, eg: public houses, post offices; publicity which cites addresses to which contributions can be sent; covenant by standing order directly from the bank to the organisation.
6.4 Examples of Studies in the Non Profit Sector

This exposition has indicated that although non-profit organisations exhibit characteristics which are not found in profit-based organisations, these may not preclude the application of marketing thought and techniques. Rather, they indicate that marketing has a role to play but perhaps in a different form from that traditionally applied to profit-based organisations.

This view is supported by various pieces of research and publications which have attempted to determine the present usage in and applicability of marketing concepts and techniques to organisations in the non-profit sector. Although discrete in their coverage of one type of organisation alone, these studies provide some insight into the area and emphasise the relevance of marketing to non-profit organisations.

6.4.1 The Voluntary Sector

Ford (1976) has undertaken a preliminary study of marketing analysis applied to a charity organisation in Wales. His results suggested that a marketing orientation was a useful approach to the problems facing that organisation and indicated that further research would be forthcoming in that area. Williams (1977) in his study of marketing applications to the problems of Outward Bound concluded that attempts to apply marketing techniques from the profit sector directly is not necessarily successful, but using marketing to provide a perspective for thought and analysis or a framework for consumer orientated thinking enables problems to be viewed in a way which suggested a practical approach to their solution.
6.4.2 The Public Sector

Interest has also focussed on the public sector. Gaedeke (1977) contends that although marketing might appear inapplicable where a certain measure of consumption is compulsory (eg: education) information provision remains a necessity and marketing techniques can be of value in this area. Other public sector organisations which face a certain amount of competition may also need to avail themselves of marketing expertise, eg: transportation and recreation.

Attempts by the post office to improve its public image have been well documented (Brutton, M 1976) and the argument for a marketing perspective is outlined by Wesil (Wesil, D 1974). British Rail, examined by the Select Committee on Nationalised Industries in 1960, was claimed to be developing a lively and sophisticated type of organisation for selling. This has not become apparent, however, and further references to its capabilities in this area have not been discovered. Criticism was made in 1968 of British Rail by the Prices and Incomes Board during an investigation of rail charges. It was claimed that British Rail had no knowledge of the different elasticities of demand for the services it provided, inhibiting the development of a marketing strategy based on individual market segments. It concluded that market research studies were needed, incorporating additional surveys and investigations into possible areas of unsatisfied demand for specific services.

The London Transport Board was similarly criticised for failing to undertake consumer research studies to determine the pattern of origin and destination of bus passengers and studies to establish on which
journeys public transport competes with private cars or foot travel. Promotional strategies were attacked also on the basis that they were ineffective. Advertising, it was claimed, was positioned on buses and in underground transport locations where users would be likely to see them but few sites were chosen to promote services to non users. This situation is indicative of an organisation which assumes the trapping of marketing without any real understanding of the objectives behind the techniques. (Hovell, P J and Jones, E H 1975).

Rather more fieldwork studies are reported at the Local Authority level. Cowell's (1978) study of a sample of Local Authority sports centres uncovered little in the way of marketing either at the conceptual level or in practical application of techniques. Some successful fieldwork studies are to be found, however: Marketing applied to a Local Authority library (Yorke, D 1977) and the success of marketing techniques for a museum (Miles, J 1976)

6.5 Potential for Further Research

It would appear that research into the application of marketing concepts and techniques to the non profit sector of business is in the early stages. It is a field of enquiry where, in a large number of cases, a dual problem exists. Not only is knowledge of the problems experienced by non profit organisations limited but many of these organisations are service organisations.

Developments in marketing theory have been based in the product, profit orientated sector of the economy and it is only recently that other
sectors, such as non profit organisations and service industries have received attention.

This is surprising as the non profit service sector is an area of enormous significance. Advanced economies, such as the United Kingdom, are increasingly dependent on the contributions of service industries eg: efficient transportation systems, effective methods of communication, availability of adequate power supplies, health, education, and welfare services. The public sector is heavily involved in provision of these services and mixed economies of modern industrialised communities have come to depend substantially on maintenance of a balance between the production of tangibles by industry and the provision of complementary services by public sector organisations and those in the voluntary sector. In other words, non profit service organisations are vital to the economic system.

As both goods and services, in economic terminology, provide utilities, logically the full range of marketing techniques are applicable, and should be so regardless of the orientation of the organisation towards profit or other objectives. Gaedeke (1977) provides examples to support this. Marketing research could, he contends, uncover markets for services which are not adequately catered for at present, and areas where resources could most usefully be deployed, eg: there is a greater potential for home improvement loans where there is a high level of home ownership. He argues that client profiles assume even greater importance in this area - profiles of those who consume services and those who finance them. Service mixes can be developed in a similar manner to product mixes and communicated to the market
with the same enthusiasm exhibited by manufacturers of products. Communication strategy should encompass a wider area, however, because of the necessity to establish and maintain corporate image and communicate objectives and policies to all parties. The public nature of the service makes it all the more vulnerable to public opinion and criticism and, consequently, public approval of policies must be gained and favourable attitudes encouraged and reinforced. In addition to these directly transferable techniques from the product/profit sector, other problems can be identified for which more imaginative marketing solutions may be required. Examples might be as follows:

i) Increasing competition leading to development of more individualised services and a transfer of emphasis from quantity considerations to quality issues and higher standards. A more competitive environment may force organisations to consider a fundamental problem which many of them share, that of irregular demand and the necessity for creative management of demand to ensure satisfaction of disparate groups.

ii) The improvement of productivity from large scale investment in plant and equipment.

iii) The collection of information by the authorities, an activity which may be viewed with much suspicion.

iv) Pricing policies for services to which the public feel they are entitled by their contribution through taxation and rates.

v) The justification for expenditure of public funds on promotion.

The study of non profit service organisations is, therefore, a complex one. There are problems inherent in the application of marketing
theory and techniques developed in the product area to services and additional ones accruing from the rather different characteristics of the organisations in question. These should perhaps be considered prior to any attempt to transfer current practices directly to organisations which exhibit so many differences from those in the profit based product sector. As in the previous section, it could be argued that any study should be undertaken with consumer orientation, for surely consumers' perceptions of these different types of organisations and their offerings is the logical basis for determining the applicability of present marketing orientations to these areas.

There are problems inherent in such an approach. One study, recently attempted, failed to produce any results due to the inability of the author to attract a sample of the population. The lack of response, it is suggested, stemmed in part from the reluctance of individuals to discuss areas of their lives which have a more private bias. It is likely that this reluctance might be found in other areas of public policy.

The immense size of the service sector of the economy and the great range of services offered precludes any major study by one individual of the application of marketing theory and practice to service organisations on a general level. Despite the limitations inherent in the selection of one smaller area, exploratory studies of single service industries are feasible and could usefully be exploited to collect information to fill the many gaps in the existing limited body of knowledge. Studies of this nature may enable the development of hypotheses for future testing on a wider scale. It was decided,
therefore, to use this approach and develop a study which would explore some of the issues identified in the literature. The Leisure Services sector was selected as the focus of the study for reasons which will be outlined in the next section.
CHAPTER 7

THE LEISURE SERVICE SECTOR

7.1 Introduction

The choice of the leisure sector as a research area was not an arbitrary one. It exhibits certain characteristics which reveal potential for the examination of the application of marketing ideas and practices in a non profit service area. Firstly, it is characterised by both public and voluntary non profit organisations and, in addition, a private sector which affords a useful area for comparison. Secondly, it forms a market of growing significance at the personal and social level. Thirdly, there has been little interest in the managerial aspects of leisure service provision. Fourthly, problems can be identified for which marketing has been able to offer a solution in the product sector.

Before attempting empirical research, however, it is necessary to explore the following areas:

i) Definition of the leisure sector and leisure services

ii) The importance of the sector in terms of growth

iii) Specific problem areas regarding the application of marketing

iv) Potential for the application of marketing in the solution of managerial problems.

7.2 Definition and Classification of the Sector

The leisure sector is a term in common usage which describes the
collection of organisations, facilities and individuals which make leisure opportunities available. To delineate and describe those constituents parts more precisely has, to date, proved to be a formidable task. There are two reasons for this difficulty:

i) The leisure domain contains a wide diversity of leisure services, some of which might be difficult to classify as "leisure" in all circumstances, ie: adult education, allotments, libraries.

ii) Research into leisure provision, leisure behaviour patterns and participation has only recently been undertaken in any depth and, as such, is still in its early stages.

Attempts to give meaning to the term leisure sector can be divided into two types; those which are based on quantitative data obtained from statistical sources of information; those which have utilised classification schemes of a non quantifiable nature. Some examples from these two areas reveals the inadequacy of existing knowledge about the leisure sector.

7.2.1 Statistical Sources

Parker's (1973) examination of National Income and Expenditure tables (1971) revealed two categories of relevance, namely, miscellaneous recreational goods, entertainment and recreational services. Whilst quantifiable in terms of national expenditure (£718m and £566m respectively), the two categories were considered sufficiently inadequate in their coverage of the leisure sector for Parker to include in addition, half the national expenditure incurred by alcoholic beverages, tobacco, motor cars, radio and television, books, travel, catering and other leisure services (not specified).
This example illustrates that although changes in expenditure can be calculated by comparison with previous years (in the example cited, 1960), the resulting information is of little help in defining the area in a precise manner because of the arbitrary selection of the areas for inclusion.

Martin and Mason (1978) attempted a similar analysis of the area by UK expenditure figures in 1973 and 1978. The categories included in this study were as follows:

Reading - books, newspapers and magazines
Viewing and listening - television, radio and audio
Do-it-yourself - do-it-yourself and gardening
Hobbies and pastimes - arts and crafts, photography, music, toys and pets
Alcoholic drink - consumed inside and outside the home
Eating out
Gambling
Formal entertainment - cinema, theatre
Spectator sports
Sport and active recreation
Holidays and travel - accommodation within the country, second homes, holidays abroad, caravans and camping equipment

In addition, they included an analysis of the leisure industries by turnover (for example, Airfix industries, Black and Decker, EMI) and of Government spending on leisure.

Three criticisms of this type of analysis are proposed:

It can be readily appreciated that the two examples are not comparable in their selection of leisure categories; neither of them distinguish between the provision of leisure goods and that of leisure services;
no recognition is accorded to those leisure services for which no charge is made, especially leisure services of a voluntary nature. Further examples of statistical information about the leisure sector can be cited. The General Household Survey, for instance, (1973 and 1977) includes information about participation in a variety of leisure activities, both formally and informally provided, and a number of variables are used in the analysis.

The Sports Council's annual report (1977/1978) includes details of participation and also changing patterns in the provision of recreation facilities over a number of years. None of these studies report adequately on the nature of the leisure sector and the viability of using the statistics offered is also questioned (Local Government Trends 1980). It is, therefore, questionable whether statistical sources can provide the necessary data to enable a comprehensive outline of the area to be developed.

7.2.2 Non Statistical Classification Schemes

The problems cited in the preceding section focus attention more strongly on more qualitative approaches to a definition of the leisure sector. A number of schemes are suggested for consideration.

7.2.2.1 Classification by Array of Activities

Such a scheme would typically include the Arts, crafts, performing arts, hobbies, sports, games, athletics, outdoor recreation, social recreation, volunteer services, travel, literary pastimes. In addition to active involvement of this nature, observation of leisure activities should be included, e.g.: Spectator sports.
7.2.2.2 Form or Method of Organisation and Structure of Activities

Leisure activities might be described along this dimension according to whether they encompass competitive activities, organised classes, "drop-in" activities, clubs, special events, workshops.

7.2.2.3 Facilities or Buildings used in the Delivery of the Activity

Typical of facilities associated with leisure services would be the home, parks, playgrounds, gymnasiums, golf courses, bowling rinks, amusement parks, theatres, leisure centres, community centres.

These approaches, however, can also be criticised in fairly fundamental areas. Firstly, each scheme relies on lists of activities or facilities. It would be extremely difficult to compile a comprehensive list, firstly because of the number of facilities, resources and activities available and secondly because of the subjective nature of leisure, rendering the inclusion of any one a personal, rather than generally, accepted choice.

A second criticism could be made that the compilation of lists does not facilitate analysis of the area. A further scheme would be necessary to form coherent groupings within the list on some meaningful basis.

7.2.2.4 Type of Provider

An approach which avoids the problems cited above is that suggested by Rapoport et al (1975) to indicate the nature and scope of the leisure sector. The method of classification is confined to leisure
and recreational resources institutionally provided and uses "type of provider" as the basis. Four major categories can be identified:

i) Private: This includes all those resources which are owned and administered by private clubs and organisations or by industrial or business concerns for the benefit of their members.

ii) Commercial: These are provided by individuals and organisations with the express purpose of making a profit. The category contains a collection of different types of enterprise which vary in terms of background, financial structure, organisation and problem areas. Examples would be found in such areas as gambling, entertainment, tourism and holidays, stately homes, estates and gardens, leisure parks, tennis courts and swimming pools.

iii) Public: These are essentially of two types
- Those provided by public authorities specifically for leisure use, eg: urban parks, swimming pools, libraries, museums
- Those provided out of public funds where leisure use is either secondary or restricted to some sector of the population, eg: facilities in educational establishments, forest areas, water facilities such as domestic supply reservoirs and canals

iv) Voluntary: This sector is basically private although it has a somewhat public sector ethos, partly due to public support for voluntary bodies. Voluntary provision includes sports and arts bodies, hobbies groups, youth movements, play movements, neighbourhood movements, pressure groups.

This classification has an attractive quality. It provides a very general framework and does not require subjective specifications of
institutions into leisure and non leisure categories. As such, it is adequate for the purpose of a research study.

7.3 Growth of the Leisure Sector

Although it is impossible to determine accurately the growth or otherwise of the supply of leisure services within the leisure sector from statistical sources, growth can be illustrated by reference to a number of individual areas.

Local Government Trends (1980) identifies growth in participation in certain sports and the increasing provision of facilities to cater for this need. For example, between 1973/74 and 1977/78, the number of swimming pools increased by 70% from 500 to 850 and sports centres by 775% from 40 to 350, in the same period. In addition, Vickerman (1980) reports that over the 1967 and 1977 period there was a more than five fold increase in expenditure by central and local Government at current prices and claims that "there has undoubtedly been a massive increase in public sector involvement in leisure provision."

This point is also supported by Martin and Mason (1976).

At the level of the consumer, further evidence of growth is available. Rapoport and Dower (1979) report a tremendous rate of growth in demand for goods, services, facilities and an increase in information related to activities which are generally considered to be leisure pursuits. This growth in demand is considered by many sources (Martin, W H and Mason, S (1976), Veal, A J and Travis, A S (1979)) to be the result of growing incomes, more free time and greater availability
of cars. It is not possible to determine where this demand has been concentrated as trends in leisure requirements have not been established in all areas of provision.

Local Government Trends (1980) also warn that it is not possible to determine whether an increased desire amongst the population has encouraged the provision of new facilities or whether the converse is true. Hence, the complexity of demand estimation, both current and potential, is increased by the number of variables to be considered.

Despite the absence of supporting evidence, personal experience would indicate to any observer that growth has occurred in all four leisure sector categories cited above. Voluntary organisations are more abundant than ever before (see Hatch, S 1980, chapter 2 for a fuller discussion); industrial organisations today offer leisure facilities as part of the employment "package" - this is readily ascertainable from a perusal of employment advertisements in the national and local press; Channon (1978) writes about the diversification and expansion of industries such as Grand Metropolitan, Trust House Forte, Lex Service and Ladbroke's into the leisure field.

The major impetus, it would seem however, has come from the public sector. At the national level, through Government policy, leisure services have become part of the expected bundle of services provided for public wellbeing. Funds have been allocated for the creation of leisure facilities and channelled through the Local Authorities to manifest themselves in the form of sports centres, conservation areas, parks, theatres and museums. The Government's role in leisure was
highlighted by the report of the Cobham Committee in 1973 and their view of leisure as part of the social services has been confirmed in the recent white paper on sport and recreation (1975).

This era of expansion indicated in the previous discussion may, however, have reached a plateau from the point of view of consumption and provision. Leisure spending is very responsive to the economic cycle and the fluctuations in the leisure market are generally more severe than those in more "essential" areas of expenditure. The 1972/73 consumer spending boom exhibited a rise in spending in real terms of 17% compared with the 12% increase in all consumer spending. In the reverse situation, however, the period between 1973 and 1977 revealed a much greater decrease in expenditure in the leisure market than the 2½% decline at constant prices experienced by the total consumer market. The decrease in spending during these years, however, does not indicate a reduction in the number of leisure activities "consumed", rather, an emphasis of the cheaper products in the leisure market and a cutback on the more expensive forms of leisure. (Martin, W H and Mason, S 1978).

1978 and the first half of 1979 constituted a consumer spending boom similar to that of 1972/73. However, economic trends indicate the commencement of a recession from mid 1979 onwards and it is reasonable to assume that this will be accompanied by a decrease in leisure spending once again.

The problems of providers of Leisure Services are possibly more acute than those of consumers. The commercial sector is likely to suffer
principally as a result of cutbacks in consumer spending, offering, as it often does, the more expensive forms of leisure activities. The public sector has been directed by the Government to cut its total expenditure, providing a threat of very real dimensions to what could be termed the more discretionary areas of public service such as Local Authority leisure provision.

As a result, the emphasis for the next few years could be placed very heavily on the efficient use of resources and a high level of managerial competence for survival in an increasingly competitive market situation. It is suggested that a marketing orientation and the application of marketing techniques could be of value under these conditions. However, two major problems can be identified which may have prevented the development of marketing thought and practice in the Leisure Service Sector. These are discussed in the next section.

7.4 Specific Problem Areas

Two major problems can be identified which may have precluded the application of marketing ideas and practices in the Leisure Service Sector. The first concerns the difficulty in defining the product or offering of a leisure organisation; the second is concerned with the lack of acceptance of the marketing concept as a relevant managerial philosophy. Unless these problems can be resolved to some extent, it is difficult to see how marketing techniques could be applied effectively.
7.4.1 Definition of the Offering

In order to define the offering of a leisure sector organisation, some understanding is required of the role that leisure plays in the life of individuals. Leisure is an integral part of every individual's life style. It is, however, only one part of a relationship upon which the quality of any individual's life is based. Nonetheless, it is viewed generally as an increasingly important component and this changing emphasis has been shown in a number of ways. Central and Local Government have allocated increasing amounts of financial resources for the provision of public leisure facilities in the social services budget. In addition, over the years, conditions of employment have been changed to allow individuals more time for leisure activities. It is widely accepted today that not only have working hours been reduced for the average worker, but that these hours have been concentrated into fewer days both in the week and in the year. (Vickerman, R W 1980; Martin, W H and Mason, S 1973). This, as a result, provides the consumer with longer and potentially more useful periods for leisure.

Such an analysis, however, only concerns opportunity for leisure activities and reveals nothing about the meaning and value of leisure for each and every individual. This will be reflected in the type of activities undertaken during these periods. These activities may not necessarily be leisure pursuits in traditional forms. Certain authors report, in fact, that as leisure time, or non work time increases, a growing proportion of the population seeks secondary employment during that time. (Vickerman, R W 1980).
It is, therefore, important that leisure providers attempt to understand not only the meaning and value of leisure for individuals but the more complex question of the interrelationships of work, leisure and other activities in the determination of their quality of life. A review of quality of life, quality of working life, leisure and the interrelationship between work and leisure will illustrate the complex and subjective nature of these areas and the consequent difficulty for any leisure provider in determining the organisational offering.

7.4.1.1 Quality of Life

Quality of life (QOL) is not an easy concept to define because of its grounding in the perceptions and desires of human beings. It is concerned with the priorities that any individual accords to particular aspects of his life and as a consequence is an area of great subjectivity. Despite this, it is possible to gain an insight into life priorities by tracing the changing environmental conditions over time which to some extent determine the possible constituents of quality of life at any one period. For example, the life priorities of a 19th Century worker would have been quite different from those of a worker today. The priorities of the former would have been determined more by the amount of food, money, shelter and clothing available to him than by the range of leisure opportunities he perceived or by the capacity of his job to satisfy his intellectual needs.

Determining these priorities in the current environment is not an easy task. Needs and motivations are very subjective and were originally
treated in a generalised form (Maslow, A H 1943). A more recent attempt to obtain a subjective and fairly detailed idea of QOL was undertaken in the 1975 survey Subjective Measures of QOL in Britain (Hall, J 1975). When asked the open question:

"There's a lot of talk these days about the QOL in Britain and in other countries. Of course, QOL means different things to different people, what does it mean to you?"

23% answered in terms of family, home life, marriage, etc.; 19% in terms of being happy, contented, satisfied inside yourself; 18% in terms of money and prices; 17% in terms of standard of living, decent conditions of life; 16% in terms of social values, social norms, decent standards of behaviour.

From these replies it can be seen that QOL may have a number of different determinants for any individual. One major contributory factor, and one which is suggested by a number of the survey answers, is likely, for a proportion of the population, to be concerned with employment and the satisfaction which is derived from time spent in the work situation. It is, therefore, perhaps necessary to examine briefly the discussions concerning satisfaction which may be derived from employment, or the quality of working life.

7.4.1.2 Quality of Working Life

A considerable amount of attention has focussed on the quality of working life from the early days of the Hawthorne experiments (Lupton, T 1971) to various kinds of organisational arrangements designed to provide the worker with the opportunity to experience greater work satisfaction. Work has been divided into the smallest
unit possible for quick, repetitive performance; jobs have been integrated to allow the worker to experience the manufacture of one unit from start to finish; individuals have been separated from each other and have been formed into groups of varying sizes and types; all manner of bonus schemes, payment methods, benefits, facilities have been tried; and research is continuing in the area. Very different results have been obtained from these attempts to provide work satisfaction. One major conclusion is that people are individuals and, consequently, may respond to changes, improvement and financial rewards in different ways. Some do not respond at all. This response or lack of response may be attributed to the importance accorded to work by any individual in attaining the level of QOL which he desires. It is perhaps because some groups have not responded as anticipated in the work situation that attention has been focussed on the other portion of life - leisure.

7.4.1.3 Definition of Leisure

Research is gradually gaining a leisure orientation. Burton (1977, page 414) states that it is becoming increasingly recognised that "quality of leisure is more important in overall QOL than people realise and that many states of mind that people regard as important to attain can be reached through participation in leisure activities."

There is growing awareness that leisure should perhaps receive the same attention as work in this context, if not more, to facilitate the formulation of ideas concerning leisure as a determinant of QOL instead of work. Logically it should be so. If each individual works a 35 hour week and sleeps for 8 hours a night, there are potentially 9 hours per day available for leisure activities and
32 hours every weekend.

To discover exactly what is meant by the word leisure, the best approach is perhaps to examine the various definitions available - and there have been many. The most simplified view is that provided by the Dictionary of Sociology (1944) "Leisure is time devoted to work, sleep and other necessities subtracted from 24 hours - which gives surplus time." Similarly "Leisure is the time available to the individual when the discipline of work, sleep and other basic needs have been met." (Countryside Recreation Glossary, 1970)

The simplicity inherent in this definition can be appreciated by examining the original meaning of the word itself. The root of the word, leisure, is Greek and represents not time or activity but a mental quality. This view has permeated through the ages and is stated in its contemporary form as "a mental or spiritual attitude - it is not simply the result of external factors, it is not the inevitable result of spare time, a holiday, a weekend or a vacation. It is an attitude of mind, a condition of the soul"(Peiper, J 1952). A variation of this is that protestant view which identifies leisure with qualities of refinement, holding it to be unique because it is often associated with spiritual or artistic values (Ventobel, K 1961).

A third way of defining leisure and one which seems to be increasingly popular is the definition according to the functions it performs for the individual. "The time which an individual has free from work and other duties and which may be utilised for purposes of relaxation, diversion, social achievement or personal development."

(Gist, N P and Fava, S F 1964). Also in the same vein "a number of
occupations in which the individual may indulge of his own free will - either to rest, to amuse himself, to add to his knowledge and improve his skills disinterestedly, or increase his voluntary participation in the life of the community after discharging his professional, family and social duties." (Dumazedior, J 1960).

In a similar manner, Huizinga (1950) gives leisure the following characteristics; "voluntary and free, an interlude in daily life marked by disinterestedness, traditional and repetitive, creating order with rules, creating a permanent group out of the community when the activity ceases."

These different definitions can provide some useful ideas about leisure:

i) It is time which is separate from that devoted to economic activity undertaken solely for the necessity of an income

ii) It is time which is free ie: uncommitted to any activity of an obligatory nature

iii) It is free time which is desirable ie: which is voluntarily employed for a leisure activity.

Kaplan (1960) has expressed the above points quite neatly when he says that leisure is "an antithesis to economic activity; a minimum of voluntary social role obligations; a psychological perception of freedom; a range from inconsequence and insignificance to weightiness and importance often characterised by play."

The only point which is omitted from this definition is the use of leisure for a more personal form of development. It is, in fact,
mentioned in Smith's definition (1973) "Leisure is closely linked to people's sense of enjoyment and freedom, their capacity for self realisation and self expression, the process of recreation and renewal, the possibility of choice" and also in Farina's definition (1969) "self actualisation is the goal of leisure, it is the state or condition of being free from the lower order needs, being free to express oneself through activity, be it intellectual, spiritual, or physical, in order to strive towards one's potential as a human being." This is supported by Ellis (1977) who maintains that "when the more potent needs of survival have been satisfied, the organism is then driven into interactions of increasing complexity with the environment. This is an optimistic statement for recreational professionals. The natural state of man requires arousing interactions with the environment and to the extent that these are not met by work they will have to be met through play."

It would appear from these definitions that leisure is an extremely complex phenomenon, highly dependent for its true definition on individual needs and perceptions and forming a large portion of life satisfaction.

However, if every individual was free to explore leisure options in accordance with his desires, the discussion of the importance of leisure in QOL would be simplified. Unfortunately, employment is an obligatory part of life for a large percentage of the population and determines the economic quality of a person's life. As a consequence, work and leisure components are interrelated and research has attempted to investigate the extent to which satisfaction
or lack of satisfaction in the former component, influences the leisure content of a life.

7.4.1.4 The Work/Leisure Debate

Various theories have been proposed to link the satisfaction derived from the work situation to that derived from leisure. The two most noteworthy theories are the Spillover Effect and the Compensatory Effect (Rodgers, R H 1962). The former maintains that satisfaction obtained in the work situation determines the satisfaction derived from leisure and the latter suggests that a lack of satisfaction in the work environment will prompt the individual to seek satisfactions in leisure activities by way of compensation.

The debate becomes increasingly complex if one examines the implications of satisfaction obtained from work undertaken outside normal working hours, i.e., in the evenings and at weekends, but which is not undertaken in expectation of financial benefit. Similarly, consideration should be given to the implications of the extension of leisure into work activities, i.e., an individual who converts satisfying leisure opportunities into economic activity by opening a craft shop or pursuing a career as an ice skating professional.

It becomes increasingly difficult to differentiate between work and leisure in a large number of situations and, as a consequence, determination of satisfaction in one portion or the other in order to gain an insight into QOL becomes more complex than would have been supposed.
It can, therefore, be argued that a more useful approach to the
determination of life satisfaction is to divide life into two different
portions: committed time and uncommitted time. Committed time is
that portion which the individual has by necessity allocated to certain
economic, social or psychological obligations; uncommitted time is
that portion which is not allocated in this way and which is,
therefore, free time. It is not, however, leisure. Leisure would
only occur when the individual perceives uncommitted time as being
desirable and as presenting opportunities for activity (or inactivity)
which are meaningful to that individual. From this approach, it
would be possible to construct a graph in the following way:

```
<table>
<thead>
<tr>
<th>High satisfaction in committed time</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low satisfaction in uncommitted time</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Low satisfaction in committed time</td>
</tr>
</tbody>
</table>
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Individuals could be grouped on this graph according to the satisfaction
they experience in the two portions of their life without the complication
of the work/leisure debate.

An additional attraction of this classification scheme is that it
permits an examination of the total population and not merely those
who are part of the working population. Housewives and pensioners,
for example, would be excluded from a discussion based on work/leisure
interrelationship because their time is not committed to financial employment. Both groups may, however, have other types of commitments which may or may not be satisfying. Housewives have responsibilities such as housework, shopping, washing and ironing. They may also have a certain amount of time available during the day which is not committed and which may be perceived as desirable free time in which meaningful activities can be pursued. Alternatively, they may perceive their commitments to be sufficiently satisfying that they extend their involvement in these areas beyond that which is strictly necessary and, as a consequence, leave themselves with little time which is uncommitted.

It is suggested, therefore, that this type of analysis is more comprehensive than any which has been attempted previously and may provide a better insight into leisure perceptions and behaviour.

7.4.1.5 The Value of the Classification for Leisure Providers

From the preceding discussion, it can be concluded that the provider of Leisure Services is working in a complex area. Leisure itself is difficult to define and, even if a definition can be agreed upon, this will provide little guidance for the determination of the leisure offering. In marketing terms, the leisure provider should consider his offering on the basis of the value of the experience to the consumer. That value, however, will depend upon a complex interaction between a number of variables, each of which will contribute something towards satisfaction with the QOL. As each individual may perceive QOL in different terms and, hence, emphasise a different set of determinants of satisfaction, the value of any one leisure experience
will be variable between individuals. As a consequence, examining specific sets of variables for their contribution to QOL is perhaps of less use for leisure providers than the scheme suggested above.

By treating time available as either committed and, therefore, not available for leisure, or uncommitted and exhibiting potential for leisure, the leisure provider can undertake some preliminary segmentation of the market and begin to identify activities which are defined by the individual as meaningful and those which are not. He may, as a result, discover groups of individuals with uncommitted time where the level of satisfaction is low. As a result, offerings could be devised which would be considered by that group to be meaningful ways of spending uncommitted time.

It should be noted that this classification scheme has not been tested in the marketplace and, as a consequence, its operational use can only be surmised. However, at a conceptual level, it exhibits considerable potential. It enables a leisure provider to classify any individual on the basis of satisfaction without the complication of work/leisure definitions and would enable a more meaningful examination of a segment to be undertaken prior to the determination of the organisational offering.

7.4.2 Lack of Acceptance of the Marketing Concept

A second problem in the application of marketing is that the marketing concept has not been accepted as a philosophy for the guidance of business activities in the Leisure Service Sector. As stated in the preceding discussions, it is a concept which developed in response to changes in the commercial product orientated world and has only
recently been examined in the service and non profit sector of the economy. It can be argued, however, that the leisure sector has developed in a similar manner to many industries in the product sector and, as a consequence, should perceive the concept as relevant to its activities. Firstly, the market for leisure services has grown in terms of the amount of time which each individual has available for leisure activities (Martin, W H and Mason, S 1978) and in terms of importance to the individual as a meaningful part of life. This has been encouraged to a significant extent by Government policy. Indeed the House of Lords Select Committee on Sport and Leisure (1973) stated categorically that "the public is entitled to a good time."

Secondly, leisure pursuits of a wider nature than ever before have been made available to the majority of people through environmental and technological developments. In-home entertainments in the form of radio, television and books is common place today and entertainment outside the home has been facilitated by increased car ownership, social mobility and increased affluence. Expectations and awareness concerning leisure have developed significantly over the years.

A second area of change concerns the competitive environment in which leisure providers operate today. Initiatives by all sectors in the leisure area have increased the choice available to individuals of leisure activities. New types of provision have appeared, eg: sports centres, country parks, discotheques, squash clubs and the absolute number of both traditional and new types of facilities has increased at an astonishing rate. If sports centres, alone, are taken as an example, in 1964, the first of its kind was opened in Britain and by
1978 there were over 400 in operation with further plans for construction being developed.

These changes and initiatives have combined to produce a scenario very similar to that which faced the product sector and provided the impetus for the development of the marketing concept in that context.

The sector has expanded, developed a competitive element and operates, in many cases, with a heavy financial commitment in the areas of construction and maintenance of facilities. The offering has been broadened from the traditional rather discrete categories such as sport, swimming and films towards the idea of leisure with its many connotations, eg: relaxing, social competitive, recreational. New offerings have been introduced into the market, eg: martial arts, hang gliding, windsurfing and it is increasingly possible to identify life cycles of different individual offerings, eg: skateboarding and swimming.

Finally, the nature of the market itself has changed in terms of time available, affluence, and increased choice.

Although on this basis, a marketing orientation is justifiable in this context, in practice, little evidence seems to support its existence. Cowell's study (1978) gives some insight into managerial practices in an exploratory study of sports centres but revealed little that would support the application of a total marketing philosophy in managerial activities. It is necessary to appreciate, however, that
generalisations are dangerous and care should be taken when using them. Examples come readily to mind of areas in the leisure sector where the marketing philosophy might not be the most applicable concept. Squash, for example, is experiencing problems of under-capacity relative to demand and may, therefore, require a different approach to sports centres and swimming pools which have capacity to spare. However, further empirical data is necessary to determine whether the marketing concept is a managerial philosophy with applications in the leisure service sector. Although it is possible for any organisation to undertake marketing activities, the existence of such functions within an organisation does not imply that the marketing concept is being used to guide these managerial activities. A coherent approach to the business problem of leisure sector organisations is a necessary prerequisite if marketing activities are to be undertaken successfully.

7.4.3 Potential for the Application of Marketing

A managerial problem which is not exclusive to the leisure service sector but which characterises a large number of organisations within that sector is the demand situation confronting providers of leisure services. The type of demand common to these organisations is termed irregular demand (Kotler, P 1976) i.e: demand is high at certain periods and low at other periods. For a number of organisations demand peaks at weekends and in the evenings and drops to its lowest levels during the day on weekdays. This phenomenon can be attributed to two factors. Firstly, the working and schoolage population are only free to undertake leisure activities at these times; secondly, there are indications that the non working population have a greater
reluctance to use formally provided leisure facilities. Vickerman (1980) supports this with an example of one segment of that portion of the population. He claims that "the unemployed are deprived of, and unwilling to use existing leisure facilities to any great extent."

So a pattern develops whereby demand is high when the working population is free to use leisure provision but low in the intervening periods, not merely because the working population is not available but because the non working population shows little interest in facilities currently available. Kotler states (1976) that marketing management is the task of regulating the level, timing and character of demand in a way that will help the organisation achieve its objectives. Simply put, marketing management is demand management. He outlines the various demand states which may be encountered by an organisation and the marketing tasks necessary to manage those types of demand. In the case of irregular demand, he proposes a concentration of promotion at off peak times and variations in pricing levels as examples of strategies to bring the movement of supply and demand into better synchronization.

In addition to this rationale for the use of marketing management, even greater justification can be cited in present environmental circumstances. Under current financial conditions, demand management may, in fact, become a crucial factor in the survival and growth of leisure organisations. Resources which are underutilised at any period of time, constitute a drain on profitability, a factor of considerable importance in the commercial sector of the economy. In the non profit service sector, this factor is of greater importance. Firstly, services cannot be stored in off peak periods to be used when demand increased to peak levels, so resources which are not used are lost to the organisation.
and can only be considered as an expense rather than the accumulation of assets. Secondly, non profit organisations are subject to a considerable amount of public scrutiny and may face public criticism if resources are seen to be wasted when cuts are being made in less discretionary areas of public expenditure. In addition, in the voluntary sector, the same criticism may arise if provision is underutilised. However, if resources constitute principally labour or finance, criticism may be directed towards the utilisation of those resources for marketing activities such as advertising and personal selling.

In conclusion it is proposed that the demand situation is one area where a marketing approach would be feasible. However, the management of irregular demand requires some investigation of the market and two further problems may arise when attempting to undertake marketing research studies in Leisure Service organisations, especially when such organisations are in the public sector or of the voluntary type. Firstly, the leisure area is a complex one and determination of consumer leisure behaviour may be difficult because of the number of variables involved, as described previously. Secondly, expenditure of financial resources on an activity such as market research might be criticised by those whose contributions support the service as a waste of resources.

It is suggested, however, that market based studies, specifically oriented towards a solution of the demand problem, could be instituted without encountering either of the problems identified above. Whilst such a study could only be considered to be a preliminary analysis of
the market, and would not eliminate the necessity for more extensive research, it could provide much background information about current and potential markets at little cost to the organisation and would indicate the possible constraints on any one group in the population, and the leisure opportunities which might be perceived as viable by that group. An example of a study of this nature is detailed below:

7.4.4 A Suggested Marketing Solution to the Demand Problem

An organisation which faces a situation of irregular demand would potentially be interested in developing some understanding of the leisure behaviour and perceptions of non working groups in the population either economically or scholastically who do not appear to be interested in current forms of leisure provision. Such groups can be identified according to their reasons for lack of employment and five can be suggested initially:

i) Pensioners who are above the state retirement age and are, therefore, in theory, too old to work

ii) Unemployed workers who are, for a variety of reasons, unable to obtain employment

iii) The disabled and handicapped who are incapable of undertaking employment

iv) Pre school children

v) Housewives who, for family or other reasons, have not taken employment

7.4.4.1 Selecting a Segment

From these groups one could be selected as exhibiting potential as a target market segment for off peak leisure provision. Housewives
might be considered in preference to the others for the following, easily determined, reasons:

i) They do not require special facilities or supervision as do pensioners, the handicapped, the disabled and children

ii) They would form a more stable market than the unemployed

iii) They have received little attention from leisure providers to date and, as a result, are unlikely to have a range of specially developed leisure facilities and activities from which to choose.

This segment, therefore, constitutes a number of individuals who would appear, initially, to present few problems for a leisure provider.

7.4.4.2 Defining the Segment

Having selected this group as a potential target market segment, it becomes evident immediately that the term "housewife" is too generalised for further investigation. This is supported by a considerable body of criticism in the literature concerning the undifferentiated manner in which women are identified as market segments. Bartos (1978) claims that most advertising is aimed at "any housewife 18 - 49"; it is assumed that no woman is over this age, that brand choices are formed early and that younger families represent higher volume potential. She argues that all such women appear to be stereotyped as full time housewives with children at home. Those who do work are unmarried, ie: single girls working before marriage, the divorced woman or the widow. If a married woman works, it is because her husband cannot support her, ie: she would not work if she could afford to stay at home. It is further assumed, according to Bartos, that women with children do not work, that all non workers are housewives, that all, "homemakers" are married and finally that working women and housewives
want the same things and respond in the same way. Against this, however, Bartos argues that more and more women are working today; working women can also be housewives and housewives are not necessarily married.

The assumptions about women have also been refuted in a study cited by Douglas (1975). His conclusions show that working and non working women may have very different shopping patterns, behaviours and responses and, further, that within these two groups there are sub-classifications which can be made, each of which reveals attitudes which may not correspond to those expected of the "traditional" housewife. Therefore, the grouping "women", is not a sufficient basis for segmentation. It is, perhaps, necessary to look more closely at the group, to segment the market further, if appropriate marketing strategies are to be formulated for leisure providers.

7.4.4.3 Use of the Life Cycle Model for Segmentation

One method which has gained popularity recently has been the development of the life cycle model. Bartos suggests that women change as customers as they move through the life cycle and are influenced in their attitudes and behaviours by the presence of a husband and/or children. She further suggests, therefore, that a useful approach is to compare marketing behaviour within stages of the life cycle.

The life cycle concept of course is not new to marketers but arguably its use has been at a general level in marketing studies. A comprehensive review of the life cycle concept in marketing was undertaken by Wells and Gubar (1966). They illustrated that variables such as income and age were not sufficient as indicators of marketing
behaviour but should be linked with life cycle stages. They recognised, however, that there were problems associated with the use of the model. Firstly, no one categorisation of life cycle stages had been agreed by investigators making comparison of study results difficult. Also within each study, the size of each category can present problems. They suggested that it should be large enough to contain a reasonable sample but not so large that it contained consumers of very different types.

A further problem which has been expanded by other writers more recently (Kelly, J R 1979) is that some households do not fit neatly into any life cycle category. Kelly maintains that the family life cycle model is based on the statistical probability of a "normal" family career - courtship, marriage, parenthood, launching, retirement, widowhood. He states that as many as 1/ of Americans may not be in their appropriate family life cycle status. For example, when talking of a single person, single may mean "never married, "divorced" or "separated": the individual may be "single with children"; may be in a variety of living arrangements; may be a working parent. Official statistics may obscure such real but complex life situations.

An examination of types of households in Britain (Central Statistical Office, 1979) revealed that 27% represented married couples alone, 34% married couples with at least one child, 8% married couples with independent children, 3% lone parents with one child, 4% lone parents with independent children, and the rest were classified as "other households".
Yet even at these gross levels of segregation combinations of these groupings with variables of age and economic status may produce groups of women who may have different attitudes and behaviours because of the life situation in which they find themselves. Therefore, it is suggested that although the life cycle may be appropriate as a gross indicator and although the majority of adults may go through the "normal" pattern, variety in family structure is also evident and each pattern may involve different role expectations, constraints and opportunities, resources and obligations in different periods. If the life cycle is to be used as a segmenting variable then it should be used sensitively and with discrimination. Bartos supports this view and appeals to marketers not to assume that all women will follow "conventional" family patterns - some women may decide not to have children at all, marriage may come later in life and the family stage may be delayed.

It is suggested as a result that the careful use of the life cycle concept - together with other segmentation bases - may be of value to the marketer of leisure services. Like Kelly, it could be argued that "the family life cycle framework, whilst meriting great use in leisure research, may also be a trap when variety is not fully considered."

However, in conclusion, it can be appreciated that an analysis of the market of this nature, supported by readily available statistics from secondary sources and supplemented by an educated appraisal of the resulting life cycle stages can indicate to leisure providers the life circumstances of a particular segment, barriers they may perceive
to participation in leisure activities and opportunities which they may consider to be viable. For example, when considering housewives, those at the mid life stage defined perhaps as aged 45 - 60, married with children over the age of 16, may form a reluctant leisure segment for perhaps the following reasons:

i) Inadequate exposure to a wide range of leisure activities during school years when emphasis would have been placed on a narrow range of sports

ii) Concentration on home based activities when raising a family

iii) Insufficient time due to household tasks to develop leisure interests outside the home

As a consequence, this group may reach a stage when they are no longer constrained in time or opportunity by the family but may have little appreciation of the range of leisure pursuits currently available. Even if they have maintained an awareness of current leisure options they may not be motivated to undertake them or may consider them to be inappropriate. From this basis, the leisure provider, for example, the manager of a sports centre, can begin to consider the use to which current resources and facilities could be put which might be acceptable or changes to the existing programme which should be made. At this stage, in addition, it might be possible to utilise the classification scheme outlined in the previous section.

Certain housewives may find adequate satisfaction in the committed portion of their lives to require no further meaningful activities in uncommitted time. The leisure provider would perhaps be less interested in this group than in one which found little satisfaction in committed time and desired some meaningful pursuit in the
Taking all these factors into account, a programme of activities could be offered which might be based on the concept of a "social" occasion, i.e.: a chance to make new friends or a "health and beauty" session, emphasising fitness and weight control. This would be a significant departure from the traditional sporting focus of a sports centre but would lie within the scope of its operations.

The same type of analysis could be undertaken for other segments of the population and could form the basis for a low cost market orientated solution to the demand problem.

7.5 Proposal for an Empirical Study

It would seem reasonable to conclude from the preceding argument that potential exists for applying marketing theory and practice in the Leisure Service Sector. The value to consumers and to leisure service organisations in terms of efficiency and effectiveness of operations of utilising a marketing approach is sufficiently great to justify empirical studies in this sector. However, because it is suggested in the preceding discussion that the existing body of marketing knowledge may have to be developed to allow for the specific characteristics of both service organisations and those which are non profit based, an exploratory study is required initially to collect information to support this proposition and also to determine more clearly the area in which developments will be necessary. A study is, therefore, reported which investigates these issues in public leisure service organisations, both
leisure facilities and policy making departments. The study also incorporates a number of profit-based organisations for comparative purposes.
CHAPTER 8

A STUDY OF LEISURE SERVICE ORGANISATIONS

8.1 Introduction

The area selected for study as outlined in the previous chapters was that of Leisure Service organisations. The study was exploratory in nature and was intended to provide some indications of whether the marketing concept, marketing and marketing management were applicable to Leisure Service Organisations in conventional terms or whether characteristics were present which demanded some adaptation of traditional thought and practices. Consequently, a number of organisations were selected and a study initiated based on interviews with the managers of those concerns.

8.2 Description of the Study

The study was planned and executed in accordance with a framework suggested by Elliott and Christopher (1976). This framework divides the research process into three major phases - planning, execution, and post hoc, each of which encompasses a number of considerations. The major emphasis is placed, in the framework, on the planning stage, the rationale being the increased reliability and accuracy of the information collected if adequate attention is given to the planning process. This is in accordance with the definition of marketing research proposed by the British Institute of Management as "... the objective of gathering, recording and analysing of all facts about problems relating to the transfer and sale of goods and services from producer to consumer or user."
(in Baker, M J 1979, page 168). To be objective and systematic, a study must be planned on a sound basis.

8.2.1 Problem Identification and Definition

When undertaking an exploratory study, it is difficult to formulate precisely a definition of the problem to be examined. Such a study has been defined as a type of research "... which mainly formulates a problem for precise investigation, develops potentially valuable hypotheses, increases the investigator's familiarity with a subject that he will later study in a more formal manner, and clarifies problems involved in conducting research in concrete situations." (Oxenfeldt, N 1976, page 142). This definition distinguishes the research from those types which are undertaken to collect quantitative information (descriptive), test hypotheses (explanatory) or predict likely outcomes of an action (predictive). At best, the problem can be defined as a lack of empirical evidence in a particular area and culminates in some rather general topics for further investigation. In this instance the problem was identified as inadequate knowledge of the ability to transfer conventional marketing thought and practice to leisure service organisations.

8.2.2 Statement of Objectives

Similarly, it is difficult to state objectives concisely. As it is necessary, however, to have some definite criteria by which to judge the success of the research, the following objectives were developed:
1. To establish through discussion whether managers of selected leisure service organisations embraced the marketing concept.

2. To explore their understanding of marketing as the actualisation of potential exchange processes

3. To identify the extent of the use of marketing management techniques to develop those exchange relationships

4. To determine specific characteristics of the organisation which might have prohibited the direct transfer of conventional thought and practices to this sector, particularly the relevance of profit or non profit organisations objectives.

8.2.3 Data Source Identification

Data sources are of two types, primary and secondary. Secondary sources of information include all literature and studies which have previously been undertaken which might provide relevant information. The extent of the information pertaining to this area has already been discussed. However, since the study was initiated in 1978, there have been developments in the field which should be mentioned. The Sports Council in conjunction with the Social Science Research Council has commissioned a number of studies which have some relevance. One report "Managing Urban Sports Facilities" (Gregory, S et al, 1979) confirmed the conclusion that this type of study had not previously been undertaken and, in itself, the report was disappointing in its coverage of the role of marketing in the management of leisure service provision. In addition, Ornstein and Nunn (1980) have published a work entitled "The Marketing of Leisure" in which a similar study to that proposed by the author was reported. However, the study did not examine the application of marketing to leisure
service organisations but examined the application of marketing management techniques in a small sample of leisure service organisations and industries. As the examples used were different to those proposed in this study and as the aims of the two appeared to be rather different, the text was considered to be complementary rather than one which negated the usefulness of the study under development.

Having concluded that existing information was still inadequate it was decided to proceed to primary sources of information, ie: collect information first hand from those involved in the management of leisure service organisations.

8.2.4 Selection of Techniques

In an exploratory study where objectives are necessarily general in nature, a flexibility in information collection is required. The more formal, well structured techniques of information collection are unlikely to produce the richness of detail which is required. Consequently, the method selected relied on face to face communication between interviewer and respondent based on an interview schedule. Although the schedule included a specified number of topics for discussion with suggested prompt questions, the content was sufficiently flexible to allow the respondent to talk freely about each topic. It was anticipated that use of such a technique would elicit information relevant to the study objectives but would also provide additional detail which had either not previously been considered or which had not, in the initial analysis, exhibited the relevance which was then apparent. The Schedule is reproduced in
Appendix 1. The major topics included in the schedule were as follows:

i) Description of the organisation and its employees.

ii) Objectives both formally stated and the manager's less formal, personal objectives for the organisations. It seems unlikely that coherent and consistent marketing strategies can be applied if objectives are not formulated.

iii) Market segmentation and demand. These two topics were included to investigate the nature of demand facing the organisation and to determine whether market segmentation was recognised as a technique for formulating strategies to manage the demand of specific market groups.

iv) The marketing mix incorporating product policy, promotion and pricing. Responses elicited to questions in these areas should indicate the extent of the use of marketing techniques and the integration of components into a coherent marketing strategy.

Questions concerning distribution were omitted from the study for two reasons. Firstly, the facilities have already been constructed and managers, therefore, have little discretion regarding overall physical location. Secondly, it was anticipated that any problems arising from the siting of facilities would be forthcoming in discussions.

In addition, it was considered that the overall attitude of managers of facilities would indicate delivery policy for leisure services, i.e. the types of strategies used to make the service available to the
public. Some, for example, might be flexible, liberal and in favour of a personalised approach; others might be more restrictive, preferring a higher level of control, but of a depersonalised nature.

v) Performance evaluation. Are criteria established by a higher authority and by management itself by which the performance of the organisation can be evaluated? Are problem areas subsequently identified and strategies developed to rectify them?

It was intended that this schedule would provide adequate data from which an assessment could be made of the extent to which marketing management was being applied, whether problems existed which are pertinent to the application of marketing techniques and from which the relevance of marketing to such organisations could be determined. It was appreciated that the interviews would most likely not correspond to the logical sequence of the schedule but would cover the topics in a way which seemed natural during each discussion. This was not considered to be detrimental as statistical analysis of the information obtained was not contemplated, rather a case study approach relying on interpretation of data to identify similarities and differences at a general level.

8.2.6 Design and Preparation of Date Collection Forms

It was not necessary to design a form to collect the information. Originally it had been intended to utilise a tape recorder, however, this idea was dismissed at a later date for several reasons. Firstly, it might constrain the freedom of discussion if leisure service managers felt that their comments were being recorded verbatim and might
subsequently be quoted directly in the text of this thesis. Secondly, the time required to transcribe each interview would have been considerable without secretarial assistance. This amount of time was not available. As a result, it was decided to take notes during the discussions and transcribe these immediately afterwards to ensure that the flavour of the interview was retained.

8.2.7 Pretest

Contrary to traditional practice, the interview schedule was not pretested. The approach did not necessitate such a degree of rigour as statistical techniques were not being used for analysis. In addition, had problems emerged during the first interview it would have been possible to make alterations to the schedule before subsequent discussion, which would not have affected the reliability or relevance of the study.

8.2.8 Selection of Sample

This was one of the most time-consuming stages of the study. Initially a considerable number of directories were consulted to obtain a list of names and addresses of all types of leisure facilities. After a search through Loughborough University Library, it became apparent that this would only provide contacts in the sports area. The aim was to derive a sample of a rather disparate nature including not only sports facilities but other types of leisure provision commonly available to the public. In addition, examples were required of both public non profit leisure service organisations and also, for comparative purposes, a small number of private profit based organisations.
Efforts were subsequently directed towards leisure provision in the local area, using telephone directories and references from colleagues. This produced a number of varied contacts:

- a cinema
- a sports centre
- an ice stadium
- a country park
- a county library
- a sports centre under construction

In addition it was considered useful to interview not only managers of facilities but also a number of Local Authority policy-makers. This would provide a wider perspective on the planning aspects of leisure provision in various localities. It was felt that managers of private profit-based leisure service organisations might have more autonomy in their activities whereas those in public provision would be constrained in these aspects by Local Authority policy. As a first step a nearby County Council was contacted to discuss the involvement of the Leisure Services Department with the management of an historical interpretive centre. One problem which became increasingly obvious whilst making the above contacts and which caused the author to look again beyond the local area, was the use of public provision, especially sports centres, by educational institutions. In the immediate vicinity, a high proportion of such organisations are run on a "dual-use" basis with the Education Authorities. Facilities are utilised both by schools and by the public during the day and by the public alone in the evenings and at weekends. This was considered to be a constraint on the flexibility of the management of such
facilities and so examples of this nature were omitted.

Contacts were, therefore, sought further afield. As a visit was proposed to Glasgow for a separate purpose, it was decided to extend the visit period to incorporate interview opportunities which this large area of population could provide. The following were selected as examples of the type of leisure provision available to the general public:

- a zoo
- a motor museum
- a sports centre
- a museum and art gallery

In addition, a District Council agreed to participate. The Museum and Art Gallery declined to be interviewed as the organisation had no responsibility for marketing. This, it was claimed, was accorded to the Information Bureau in Glasgow. However, it transpired that the Information Officer was involved solely in the day-to-day provision of information about leisure facilities to tourists rather than the management of marketing activities of specific facilities. Although this, as a consequence, presented an interesting opportunity to examine a leisure organisation where marketing was not regarded as a primary function, response from the management of the facility was not forthcoming.

Four further contacts were made. An employment advertisement in a national newspaper suggested that one County Council might provide evidence of an interesting approach to leisure planning and the
management of provision. In conjunction with this interview, a restored mill and adjoining museum in the same area were visited. In addition, a literary reference suggested that another sports centre, with particular characteristics, would be of interest and a visit to this facility was coupled with a visit to the District Council.

In conclusion it can be said that the sample was not obtained in a formal manner but this, in effect, gave added emphasis to the variety of facilities selected, a variety which is typical of many local areas. The sample, therefore, can be represented as follows:

<table>
<thead>
<tr>
<th>Type of Ownership</th>
<th>Private</th>
<th>Public</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Objectives</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Profit</strong></td>
<td>Cinema</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Ice Stadium</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Motor museum</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Zoo</td>
<td></td>
</tr>
<tr>
<td><strong>Non profit</strong></td>
<td></td>
<td>Sports Centres (4)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Country park</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Library</td>
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<tr>
<td></td>
<td></td>
<td>Mill museum</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Interpretive Centre</td>
</tr>
<tr>
<td><strong>Public policy-makers</strong></td>
<td>County and District Councils</td>
<td></td>
</tr>
</tbody>
</table>
Due to the time constraints imposed on the author, it was unfortunately not possible to include examples of all types of leisure service organisations in equal numbers. As a result, the major portion of the sample comprised public non profit organisations and a smaller number of private profit based organisations. Interestingly, the zoo, which is in fact a charitable trust, has been included in the private profit making category whilst the previous discussion would have indicated that it is technically a non profit organisation. The justification for this different classification scheme lies in the overriding concerns of the organisation to become profitable, as will be illustrated in the comments on the zoo and the transcript of the interview in Appendix II.

8.2.9 Data Collection

This stage of the study was completed during the summer of 1979. The interviews were spread over a period of two months and each lasted, on average, an hour and a half. The interviewees showed no reluctance to discuss the proposed topics and a wealth of information was generated both in direct response to the topics specified and also in other areas which revealed themselves to be pertinent to the study.

One major problem encountered during this stage and also when interpreting the information collected, was concerned with the inconsistency of the interviewees' replies. When asked a direct question, eg: does the organisation have any formally stated objectives, they might give a negative answer but a later time in the discussion revealed the existence of a number of established objectives. Whether these inconsistencies arose from a lack of understanding of terminology or
familiarity with phrasing is not known. In certain instances, however, it was possible that the inconsistency was deliberate, the interviewee showing a marked reluctance to divulge too much information initially but becoming more confident and amenable as the interview progressed.

The information has been written in case history style and is included in its detailed form in Appendix II. The following sections of the thesis present an interpretation of the material in accordance with the stated objectives.
CHAPTER 9

SUMMARY OF RESULTS

9.1 Introduction

The amount of information collected during each interview varied considerably for a number of reasons. Some interviewees, for example, were able to allocate more time than others to the discussions and some were more reticent, others more forthcoming. However, it was possible, in every case, to identify the following points:

i) The organisational focus which indicated the type of approach used by management in the administration of their duties
ii) Their understanding of the exchange relationship
iii) The use made of marketing management techniques, e.g., marketing research segmentation, demand analysis to investigate and manage the demand situation
iv) The level of understanding of the concept of the marketing mix.
v) The nature of the problems specific to different types of organisation which might preclude the direct transfer of the marketing concept, marketing and marketing management from the product to the service sector.

To facilitate the explanation of these points, there follows a summary of the discussions with managers of each of the types of commercial and public sector organisations and a comment on the interviews with public policy decision makers in Leisure Service departments.
The section concludes with an analysis of each of the three areas - public sector organisations, private profit making organisations and Leisure Service Departments, based on the above points. There is no attempt to claim that all organisations in the private or public sector, or all policy making bodies exhibit the characteristics outlined in this section. Any such generalisation would be invalid. Treated as a pilot study, however, the ideas presented could form the basis for a hypothesis or set of hypotheses for wider scale testing.

9.2 Comments on Public Sector Organisations

9.2.1 Sports Centre (1)

Two major constraints operate on the management of this sports centre which have the effect of narrowing their view of leisure provision and the scope of their activities. The first is finance which is allocated on a strict basis for specific purposes by the Local Authority. The second is the construction of the building itself. The facilities exist and having been built must be used in order to recover the interest charges incurred by their construction. Utilisation of the capacity, therefore, has become a priority. In addition, the buildings have been constructed for sports activities and however widely the management might view the use of facilities i.e.: as leisure opportunities they are constrained by the sports bias created by the layout of the building.
These two factors perhaps form the basis of the impression that the consumer is subordinate in managerial decision making to the requirements of the organisation. The consumer is the means by which the centre can be operated in a viable manner and is used as a tool when problems arise to solve those problems rather than the facilities and skills of management being used to solve problems which the consumer may possess.

There does appear to be some understanding of the exchange process between the centre and its markets. The centre is offering a pleasurable leisure experience and endeavours to make it easy for groups of consumers to undertake the exchange. However, the sports emphasis derived from the building itself mitigates against any attempts of this sort. Consumers are not free to come and go in the building. The major obstacle is the reception gate which must be passed when using the facilities. Users really need, therefore, to have a specific reason to enter the building which is most likely to be defined in terms of a sporting activity than for social purposes alone. This infrastructure does not permit the establishment of the centre as a social meeting place, it is a place where sports are played or watched. Despite these reservations concerning the application of marketing in this situation, marketing management is perhaps more in evidence here than in many similar centres.

Although objectives and strategies are short term and despite the absence of any meaningful or useful research, demand is monitored and assessed. The market is segmented in a reasonably logical way and various packages are offered, as a consequence, which display
an appreciation of the integration of the components of the marketing mix. It is, perhaps, most unfortunate that these marketing techniques are only employed when the organisation realises that a problem is developing in terms of declining demand. It would be preferable if they were used continually to take advantage of opportunities to satisfy needs in the local population which have been identified by research methods.

9.2.2 Sports Centre (2)

This is a sports centre and no attempt is made to broaden its scope beyond this. The manager is adamant that the facilities are to be used for sporting activities alone and, as a consequence, implies a constraint on the operation of the centre. His comments during the discussion indicate little appreciation of the marketing concept as his major priority lay in managing the facilities in as viable a manner as possible, introducing new sports and classes in a speculative manner and discontinuing those which subsequently prove to be unpopular. His understanding of the exchange process is again limited to the provision of facilities which those who are interested in sport could pay to use. There is no evidence that he is concerned about the quality of the experience he offers, rather the reverse as the facilities themselves are not of a high standard of quality or cleanliness. Consumers are viewed in terms of a mass of individuals who need guidance and control and whose tastes in recreation are uniform and sports orientated. The manager's major preoccupation seems to be with the number of people taking each course or using each amenity, not the level of satisfaction they experience in so doing.
Each of the above impressions are supported by the objectives which the manager has developed for the centre. The references, however, to specific groups in the population, especially those which are disadvantaged, are not pursued actively within the centre and, if implemented might well conflict with the overriding desire for mass sport.

Marketing techniques are not employed extensively, partly, it must be admitted, because of the lack of responsibility accorded to the manager in areas such as price. However, if full responsibility was to be granted, the desire to make the centre a commercially viable proposition would conflict considerably with the manager's "sport for all" policy. It is this duality of views held by the manager which perhaps prevents him from taking a more liberal and more relaxed attitude to provision. If he was able to look more objectively at his managerial activities, he might perceive that the decisions he is making are consistently narrowing the range of people to whom the centre appeals.

9.2.3 Sports Centre (3)

The success of this sports centre it would seem, is based not on any appreciation of the marketing concept or application of marketing techniques but on the provision of a facility in an area where none previously existed and where a basic level of demand is present. Competition for sporting activities has not been prevalent but there are suggestions that centres built in nearby areas have contracted the catchment area and attracted some users away. Although this has not been a serious problem, and in effect has reduced demand to a level which enabled purely local inhabitants to have adequate access
to the facilities provided by their rates, problems may occur in the future. They may arise if private companies enter the sports field, if further facilities are provided by the Council which would spread the present demand across a greater number of activities or if other types of more widely defined leisure activities are established which are preferred by members of the population who currently use the centre.

At the present time the marketing concept is perhaps not applicable. The major priority is demand satisfaction in terms of physical facilities and until this demand can be catered for adequately, management may operate quite effectively with a production orientation. When such changes do occur, it is likely that the management of the centre may have to consider its offering in broader terms than sport.

It is encouraging, however, to evidence the use of a consumer survey prior to the planning and development of further facilities in the area. However, the impression was formed that the survey would be limited to questions concerning sports facilities administered to those currently using the centre. It might perhaps have been more useful to extend the scope of the survey to other types of leisure provision and require all members of the population or a representative sample to present their views. It is, however, unfair to place all the responsibility for leisure provision in the neighbourhood on the sports centre manager. If he is required to conduct a survey by the Local Authority because money has been allocated to additional sporting facilities in the budget, then his results may be of use in planning the expenditure of those financial resources. He could
not, perhaps, in these circumstances be expected to take a broader view of the leisure requirements of the local population. That is the responsibility of the Local Authority.

9.2.4 Proposed Sports Centre

Although the manager appears to appreciate the necessity of considering the consumer when providing a leisure service, his proposals for strategy belie any real intention to implement policies utilising a marketing approach.

It is, perhaps, fair to note that the facilities have been planned prior to his involvement and that he must, therefore, work within these constraints. However, during the discussion, it became apparent that the manager had a rigid idea of leisure provision and that it was most likely that his decisions would be based on his personal ideas of leisure activities without prior research into local preferences.

He has no information about potential demand levels or characteristics and shows little inclination to undertake any research in these areas. Courses, classes and new activities would be incorporated in the Leisure Service offering on a "trial and error basis". There was a tendency to talk in terms of instilling in the local population the necessity to participate in sports and the benefits gained from such activities. An approach which purports to tell people what is good for them is unlikely to be successful in a highly personal and discretionary area such as leisure. This impression is supported by the manager's desire to control groups using the centre and to introduce
a high level of supervision and guidance into the activities offered.

The manager does not, it would seem, understand, nor wish to investigate the nature of the exchange process. His overriding concern is to run the centre as a viable commercial proposition. He may, however, encounter a considerable amount of resistance and dissatisfaction in the community if he pursues the policies proposed. In Local Authority provision which is heavily subsidised from public funds, consumers may expect to enjoy a certain freedom of activity which would not be permissible in a private concern. This element coupled with the very disparate views which will be held by each individual regarding the nature of the leisure experience, will render certain policies unpopular. Users may not expect to be regulated, supervised, guided and controlled. They may hold their own rigid perceptions of leisure and of sportscentres which may not be fulfilled in the type of centre advocated by the manager. Consumers may, in addition, find the proposed "realistic" pricing policies to be unacceptable if they exclude segments of the market from participation on financial grounds.

It is unfortunate that when an opportunity such as this exists for designing and constructing a leisure provision, that so little research has been done prior to the planning stage to ensure that the local community can enjoy a facility which accords with its requirements. Even allowing for the inability of the manager to alter the physical construction, the opportunity to manage the facilities using a consumer oriented approach has not been identified. The manager appears to be unable to perceive that his personal ideas may not
be shared by the community and may, therefore, discourage participation rather than encourage it. If the potential customer is not satisfied with the leisure service provision, no amount of publicity or forceful promotion will attract him to the centre. The key is to begin with the consumer's perceptions and to build the offering around them.

9.2.5 Mill Museum

Although the manager was not available for interview, the attendant at the museum was able to provide sufficient information for the study, as his work involved him considerably in the day to day management of the museum.

Despite the operating constraints common to many types of public provision such as providing an amenity for the general public at no charge, the museum seems to have succeeded in tailoring its offering to suit the requirements of three distinct groups, in attracting financial resources and in satisfying the general public whose indirect taxes provided the basis for the development and continuation of the venture. An almost subconscious consideration of the consumer seems to have developed together with an understanding of the exchange relationship between the organisation and the market. Whilst the exchange is different from a commercial process, an understanding of the value of the exchange to the consumer had elicited voluntarily a financial response for the organisation.

This is only possible, it would seem, because the organisation has either consciously or subconsciously, formulated a mix of factors which suits specific market segments. Apart from the basic product,
additional attractions are offered which lie within the scope of the original business purpose and capabilities of the organisation. These attractions in addition, have an appeal in the area which, although not determined in advance, are proven by their success.

The major point to be emphasised concerning the management of this organisation is that there is no evidence of the conscious application of marketing. Management appears to succeed by trial and error but within an overall approach which signifies concern for the individual and his requirements when any decision has to be made.

9.2.6 Interpretive Centre

This example of Local Authority Leisure Service provision faces a number of problems which are additional to those normally encountered in a public service organisation. Management is constrained by a lack of finance and is also attempting to develop a piece of countryside to convey the significance of an historical event. This involves expenditure on physical facilities to enable the visitor to gain a mental appreciation of past events and transfer this from scaled down models of the battle to the actual site itself, which is little more than a field. Access to the site is a problem, pricing involves a number of careful considerations and promotion is expensive.

These problems are not being approached with a marketing orientation. The consumer does not form the focus for the provision but the site and its facilities are being developed solely with regard to the financial resources available; the necessity to reduce the deficit is paramount; the desire to put new ideas into practice is overwhelming.
There appears, in addition, to be little understanding of the nature of the exchange process. The organisation views the site as an area which should be preserved and developed for the benefit of the public, but, in addition, must reconcile the necessity for financial viability. The actual value of the site to the consumer has not been examined and, as a consequence, it is difficult for the organisation to determine whether the consumer perceives value in terms of financial cost or evaluates the experience on some other factor. It may be that cost is not important to the consumer if he holds some concept of value which transcends the cost of the experience. This value is more likely to be intangible in nature and will differ between groups with distinct characteristics.

Without a consumer focus and with little knowledge of the consumer's perception of the value of the exchange, objectives and managerial strategies are formulated on the basis of the organisation's perception of what is necessary rather than the additional requirements of the target market.

This has created a situation where a multitude of objectives exist, few of which seem to be attainable in the immediate future. It would appear that new projects are initiated because they are perceived as useful additions to the site and are, as a consequence, planned and added to the extensive list of projects already started. This serves only to increase the problems facing the organisation as financial resources are spread more and more thinly over a growing number of tasks. Progress on each becomes slower and concern about financial viability becomes more pronounced.
The organisation needs a clear view of what it is trying to achieve and within what time period. It should then itemise its objectives in order of priority and develop projects in strict accordance with this list. New projects should not be attempted until those being developed have been completed. This would permit a more rational and efficient use of funds and enable the organisation to construct a realistic pricing policy to supplement the Local Authority subsidy. It is not surprising that without a consumer orientation the organisation has little control over demand or appreciation of the usefulness of market segmentation. During the discussion, management communicated a defeatist attitude regarding demand problems. However, whereas it is appreciated that such types of leisure provision are perhaps more constrained in the times at which visitors appear to be attracted to the site, without further research into segments of the population which do not currently visit, this particular problem is likely to be enduring. In addition, research is necessary if strategies are to be implemented to attract current segments in greater numbers than at present. If, for example, as suggested, school parties constitute a viable segment for weekday visits but are not being attracted in sufficient numbers, it might be better to concentrate resources on this segment and forego expenditure on some of the site developments rather than accepting that no further attempts can be made due to lack of finance.

This rather negative attitude to the problems which exist extends right through the marketing management strategies currently employed. Pricing is considered to be a sensitive area because the site is currently subsidised by public funds. However, if it is acceptable to
charge the public for use of other Local Authority leisure services, such as sports centres, this perceived sensitivity may not be justified and perhaps the public might be prepared to pay a higher price than that already charged. Promotional campaigns are limited by the finance available, however, more of the budget could perhaps be allocated to this area if it was not already committed to a great number of projects. Promotion is surely of great importance to a facility which has a distinctive advantage over other amenities in the area and which is not readily visible to the majority of the local population. They need to be told of its existence and have the nature of the site clearly explained to them. However, until the organisation has identified the target market for the amenity and its relevant characteristics, further expenditure on promotion might be wasted.

Access to the site is one final area where the organisation has passively accepted that difficulties exist and that no action can be taken to overcome them. It is not easy to access the site especially if personal transport is not available. The organisation can either concentrate on the motorist or it can investigate ways of improving access to the site.

In conclusion, it would appear that this organisation has not adopted a marketing approach to solving its problems, has little appreciation of the nature of marketing and, as a consequence, finds that its strategies are not effective in achieving objectives.
9.2.7 Country Park

As with other Local Authority Leisure Service provision, constraints are operating with regard to this amenity. In addition to the absence of fees or charges for use of the park, facilities are not sited with regard to consumer requirements but are placed to enhance the enjoyment of a place of natural interest and beauty. It would appear that decisions have been made in the Local Authority to develop this area and present its historical significance but there is little evidence that these decisions accord with the desires or wishes of the public. Having decided to develop the park and allow free usage by everyone, the park has been set financial objectives which may conflict with the requirements for enjoyment by the public. For example, if current visitors are seeking a tranquil experience in unspoilt countryside, the promotion of the more commercial aspects of the park - the shop and sale of confectionary and ice cream - may produce higher levels of demand, greater congestion, more litter, noise and interference. This may substantially detract from the pleasure of the original users. There does not, however, appear to be any research to establish whether or not the consumer was considered in this way when objectives were established. This gives added support to the impression that the marketing concept was not incorporated in managerial thought either in the Local Authority or, perhaps more understandably, amongst the Rangers who, it would appear, have little autonomy, authority or managerial experience.

In considering the applicability of marketing itself, it is evident that the exchange process is of a different nature from that experienced by a commercial enterprise with its markets. The organisation
does not receive anything perceptible of value from the visitor and it is difficult to determine the nature of the value of the exchange to the consumer. The organisation has, perhaps, some notion that to provide such an amenity is "a good thing" for the local population. It also may be considered a feature which will attract tourism to the area. Whether expenditure on facilities and manpower, however, is justified to the extent evident at the park, could only be determined with reference to the requirements of those potential users and the value they place on the availability of such amenities.

Without a philosophy of marketing and an understanding of the real nature of the exchange process, it is difficult to appreciate how an organisation can successfully implement marketing strategies of either long or short term nature. In effect, there is no evidence of long term strategy except the mention of proposed provision of more extensive catering facilities. Again there is little regard for the effect that such provision might have on the nature of the experience. The aim of the strategy is simply to provide additional revenue to financial development elsewhere.

Short run strategies are aimed at providing finance of a similar nature in the region of £150,000. Although it is suggested that demand levels required considerable attention and careful management, such strategies have not been integrated with financial strategies. The two, it would seem, are to be operated independently and would be likely to conflict in the longer term.

The marketing mix, as such, does not exist. Prices are not charged
although they could be used to regulate demand for popular areas of
the site. Distribution or location is viewed as fixed and declining
demand levels accepted as a natural result of increased cost to
the consumer of reaching the area. Attempts to make the site more
accessible have not been investigated. The product itself is also
perceived as a fixed entity whereas a number of different "packages"
could be offered to different market segments. The Rangers have
proposed ideas of extending the type of offering but have found little
response in the Local Authority department to their suggestions.
Promotion, although in evidence, is not explored to the full. To
overcome some of these problems, a number of "packages" could be
suggested which could be developed integrating all four aspects of
the marketing mix, e.g. the countryside through the seasons; an
educational programme for schoolchildren incorporating coach to the
site, a guided ramble to some of the more remote woodlands areas
or a chance for children to practice map reading, orienteering or
"discovery type" activities at a price which would produce a small
amount of profit. Until the Local Authority views the management of
the facilities in a marketing orientated way, however, it is unlikely
that such potential commercially viable undertakings will be
instituted.

9.2.8 Library

The library faces a number of problems common to organisations
managed by public bodies. It is constrained in its ability to be
self financing; it has a broad set of objectives which are difficult
to quantify and evaluate; and it has a statutory duty to provide a
service for the whole community on a non chargeable basis. As a
consequence, it is not surprising that the marketing concept is perhaps more difficult to apply. Although objectives are stated in terms of the consumer, the consumer is viewed as an unidentified entity in the general public with no differentiating characteristics. Indeed, from one point of view, there is no perceived justification for an emphasis on consumer satisfaction. The library is under a statutory responsibility to provide services for the public and has no other organisational objective which might conflict with this or require that a balance be achieved between satisfying the needs of each party. On the other hand, however, the major objective is a social one and the consumer should, therefore, form the focus for decision making and strategic planning.

The applicability of marketing is also difficult to appreciate because of the distortion of the traditional exchange process. The organisation does not obtain anything of value from the consumer and similarly, it is difficult to determine the exact nature of the value that the consumer places on the library service. Surprisingly for a public organisation, there seems to be some concern for consumer requirements and little evidence of the traditional attitude of providing a service which is deemed desirable in the opinion of the organisation. However, the view of consumers' requirements is not founded on a significant amount of research and incorporates ideas about the total population rather than the needs of distinct groups within it.

Objectives, although stated, are vague and too broad to allow the specification of definite strategies. It is difficult to appreciate
how such strategies could be meaningfully constructed and applied when traditional concepts of survival and growth are not applicable to this type of organisation. Nevertheless, the assessment procedures indicate that service improvement from the consumers' point of view is an important objective and that systems can be instituted to assess quantitatively and qualitatively the progress towards improvement.

In terms of short run marketing management, techniques are being used but not within the context of a total marketing mix. As anticipated, market segmentation is not considered to be applicable and is not consciously used as a strategic tool. The interviewee, however, did identify groups with particular characteristics and discussed those in need of further attention. This indicated that an intuitive type of segmentation is practised but is not actively pursued.

The product mix receives attention and management affect alterations to align it with consumers' requirements. Distribution is considered separately and in a different context— that of branch construction supplemented by a mobile service and from the point of view of taking the library into the school.

Promotion and pricing are not integrated with these two components as closely as they might be. Promotion is limited in its application and pricing does not appear to be so relevant at first sight. However, it would be worthwhile to investigate the price perceived by consumers for use of the library service. Price should not only be viewed in terms of money but perhaps time or personal risk incurred by using the service. For a working class person, this risk may be high.
In conclusion, there is justification for a marketing approach but a rather different approach from the traditional one.

9.3 Comments on Private Profit Making Organisations

9.3.1 Zoo

The zoo faces a problem experienced by many commercial and non-commercial organisations, that of inadequate demand. The reason for this situation, however, is not because demand for this type of amenity does not exist. The potential market is large, the present offering, however, is inadequate. Seven years ago, when it appeared that the zoo did not have a viable future, a number of approaches could have been taken, the most drastic of which would have been closure. The decision to continue the venture was followed by the appointment of a manager who, by the nature of his strategy and decisions, exhibits a good appreciation of the marketing concept. The consumer is the key to the success of the organisation. If the organisation does not provide what the customer requires neither massive expenditure or promotion, nor lower prices will attract his custom. As a consequence, the new manager did not attempt to use these techniques until he had a good understanding of the nature of the exchange relationship. He realises that the offering of the organisation is more than a collection of animals in cages. It is a complete experience for the consumer including a journey to the facility and home afterwards and a period of time spent in clean and pleasant surroundings enjoying a number of varied amenities. The nature of the experience will vary according to the type of person visiting the facilities - it may be educational, it may be the
pursuit of some specialist interest or it may be an enjoyable period of time spent with the rest of the family. To accord with these rather different needs, the offering must be presented in a number of ways. In addition, access to the premises must be easy, additional amenities must be provided to cater for other needs experienced during the visit period, e.g: seating, waste disposal, toilets, catering and the facilities themselves must be attractive and comfortable. If all these factors are adequate in their presentation to the consumer he can be expected to pay a reasonable price for the visit.

However, it is not possible to correct all the deficiencies of an organisation immediately in order to make adequate provision for all segments of the market. The problem faced is a serious one concerning the image and reputation of the organisation. The manager realises that merely changing the facilities and instituting a number of changes in strategy would not necessarily reverse the declining trend in demand. The fundamental requirement is to change consumers' attitudes towards the zoo.

This can only be achieved by a planned programme of improvements over a number of years. Immediate results are not expected or forthcoming as financial resources have not been available to enable any dramatic changes to be made. The strategy adopted is to aim to attract the general public in the form of the family motorist first. The interest of this segment will not place the zoo amongst those with the most respected zoological reputation, but this segment exhibits the greatest potential in terms of numbers and has less exacting and expensive requirements than any other group. The range of offerings,
therefore, can be of a fairly standard nature which will require less expenditure for maintenance and upkeep than more specialised varieties of animals, reptiles and birds. Financial resources will, therefore, be available for expenditure on the additional requirements of this group – car parking facilities, seating arrangements, catering facilities. Although these improvements are expensive, they can be made gradually as demand increases. Due to the general negative attitude of the public to the zoo, it is not anticipated that demand levels will rise rapidly. It takes time for any organisation to improve its reputation, convey its new image to the public and motivate the consumer to visit the amenities again. The manager realises that advertising sponsored by the zoo will not be effective in conveying this new image as it lacks credibility compared with personal sources of information and independent editorial comment. He has, therefore, reduced advertising expenditure to a minimum and concentrated on these other communication vehicles.

The final area of marketing management which has, it would appear, been understood and utilised effectively is pricing. Whereas the consumer may not be very price sensitive when considering a visit of this nature in general, the manager realises that increasing prices without offering anything of an improved nature would be unwise, despite the cost increases experienced over the seven year period. Prices have been, as a result, maintained at a very low level for a substantial period of time. This is not designed to be a motivating factor to encourage the consumer to visit the zoo but is to ensure that no barriers exist, apart from the psychological one, which would prevent any individual or group from attending.
To date, it appears that the strategies implemented gradually over the seven year period have been successful. The results have not been outstanding but the objectives which have been established are being achieved in the time specified. Changing consumers' attitudes is a lengthy process and is not achieved easily without close attention to the consumer and his requirements. This is the policy which is in operation at the zoo, a marketing policy.

9.3.2 Motor Museum

The motor museum has been facing a problem typical of many commercial organisations, that of unsatisfactory demand levels. However, because of the commitment of the organisation to the perpetuation of the car collection, little analysis has been undertaken to establish why the problem exists. There has been too much emphasis on cost reduction in peripheral areas to ensure that adequate funds are available to maintain the vehicles and too little attention to the cause of the decline in demand. It is unlikely that closure of the gardens or restrictions on promotional expenditure will substantially affect the situation, and the proposed strategy may, in fact, result in a further decline in admissions.

A marketing approach is indicated in this situation. Management has little information about the potential market preferring, it would seem, to concentrate on identifying those groups which will not visit the centre rather than trying to increase demand amongst those who do and seek out further segments for attention. Research into the requirements of target markets is a necessary prerequisite. Are special events most popular? Would more facilities for children
increase demand? What is the day tripper interested in? Is this a dry weather or wet weather experience? Many questions could be asked which would enable management to identify segments of potential interest, their characteristics and the nature of the experience they are seeking.

It would then be possible to decide on a programme of facilities, activities and events to attract as many people as possible at the appropriate time of the day or week. Promotional expenditure and techniques would be indicated by this analysis. It appears that in previous years the gardens were considered to have greater potential to attract visitors than the current demand levels indicated. Increased expenditure to promote the gardens vastly improved admissions both to the museum and the gardens. When promotional expenditure was reduced, admissions failed to increase further and, in the case of the gardens, began to decline. Management proceeded to adopt the rational, but perhaps illadvised, strategy of reducing promotional expenditure further to maintain profitability. Admissions continued to decline. Research again is necessary to establish the effectiveness of promotion to support the impression that it has an important role to play in demand stimulation.

Pricing is a third area which has not been considered from the consumer's point of view but from an assessment of the increases necessary to maintain real income for the museum. If management is correct in its assumption that the actual price charged is not of great importance when a customer decides where to spend his Sunday afternoons then it could be argued that perhaps the present pricing
level is too low and could be increased without affecting demand and, consequently, improving profitability. However, management lacks information on the consumers' perception of price for such an experience.

In conclusion, it would appear that there has been no attempt to embrace the marketing concept or use marketing and its associated techniques to solve the problems of the organisation. Some areas can be illuminated in which marketing techniques could be of use to the management if they adopt a rather different perspective in their decision making. If demand continues to decline, the car collection will eventually cease to be a viable venture and will either have to be heavily subsidised or be closed to the public. No amount of conviction in the value of the collection will diminish the present problem, the focus must be moved to the consumer.

9.3.3 Ice Stadium

The ice stadium exhibits a number of problems which are not unlike those faced by the organisation where marketing management has made a contribution to successful performance. For example, demand is not constant and regular but irregular and, overall, inadequate. It would seem unlikely that marketing management techniques would be of use to the organisation, however, until a change is made in the basic approach of the manager. He remains steadfast in his opinion that no competition exists because there are no comparable ice skating facilities in the immediate vicinity. However, a large number of alternative leisure opportunities do exist in close proximity to the ice stadium and these are competing for the discretionary time and income of potential consumers.
No appreciation of the marketing concept was indicated. The emphasis throughout the discussion was placed on the facility, the sport and the necessity for financial viability. There was no recognition of the possibility of securing financial viability through an understanding of the consumer and his needs.

The applicability of marketing, in the interviewer's opinion, is not in doubt. There is a potential exchange to be made and, as demand is irregular and often inadequate in total, that exchange needs to be managed to the satisfaction of both parties. However, again the stress was put by the manager on the value of the exchange to the organisation with little attention given to the value that could be offered to the consumer. The only area in which any indication is given of the provision of value to the consumer, is that concerning the serious skater. The general public are not considered in this respect.

Marketing management is in evidence to a small extent. Long range strategies are not considered, and this is not surprising as the manager concentrated solely on short term profitability. Short term strategies have been formulated to improve demand levels, however. These, again, were developed in terms of the offering, in isolation from the rest of the marketing mix. There has been no attempt to perceive the offering as a total bundle of satisfactions for an identified market segment. Some efforts have been made to segment the market and price and schedule the offering accordingly, eg: children half price Saturday mornings. But this strategy has not been fully developed to include the other elements of the mix, nor has it been
developed and integrated into the total range of opportunities offered by the stadium. The total offering should comprise a number of opportunities, each complementing the others, and each composed of an integrated mix of product/service, price, promotion and distribution. A partial approach is unlikely to be successful and has been shown to be inadequate in the past. In conclusion, significant numbers of changes are required, beginning with managerial attitudes and approaches to problem solving.

9.3.4 Cinema

No evidence could be found in discussions with the manager of the cinema of the existence or use of the marketing concept. Rather a complacency was revealed in his attitude which made it difficult to determine whether he holds any identifiable managerial philosophy. He seems completely unconcerned about the performance of the cinema in financial terms and as the company employing him has not criticised any aspect to his management style, he is content to continue to operate in his accustomed way. He does not strive towards any objectives but appears to be content to allow the cinema to continue in a static situation. He shows no desire to understand the needs of the market or the value of the experience to any group of consumers. Films are chosen and shown on an intuitive basis and if not immediately successful in terms of admissions are replaced with others.

Although fluctuations have been identified in attendances and patterns have been established, no attempts are made to manage peak demand levels which are often too high for the cinema's seating capacity, or to introduce strategies to encourage attendance at off peak times.
The only recognition, it would seem, accorded to this demand situation is to endeavour to provide certain types of films which would accord with the characteristics of the available population at certain times. eg: films for children during the summer holidays. Whether this was a conscious strategy, however, or whether the choice of films made available to the manager was biased in this way, was not determined.

As the manager did not appear to operate with a marketing philosophy nor did he appear to understand the nature of marketing, it is not surprising that marketing management techniques are scarcely in evidence. No objectives have been established, demand is only assessed on a limited basis and the value of market segmentation techniques is not comprehended by the manager. The marketing mix is viewed as a number of discrete variables, over which, it would seem, the manager has little control. Those under his discretion are not utilised fully and the manager shows little inclination to do so. He performs the minimum of managerial tasks and relies on factors such as uniqueness of the offering in the area and favourable positioning of the cinema to produce adequate attendance figures.

His overall attitude is well summarised in a comment made concerning promotion of the cinema as a form of entertainment in the local area. He said "If I was 25 I probably would (use more promotional techniques) but I am too old for that sort of thing."
9.4 Comments on Leisure Services Departments

9.4.1 Leisure Services Department - County Council

This is an example of a department which exhibits no appreciation of the marketing concept, marketing or marketing management techniques. In its operation from its formation in 1974, it has not experienced any problems with any of the schemes introduced to the local population. Demand has remained at a consistently high level such that the Department has been able to concentrate on increasing the quantity of leisure services available. The population has been extremely receptive to very different types of leisure activities which have been developed, even though these have been conceived without prior investigation of the market. Anything which appears to be "a good idea" is tried, and as all such ventures have been successful to date, the policy will be continued. Despite the extremely detailed plan of objectives and activities displayed by the Head of the Leisure Services Department, little mention was made in discussion about the progress towards these objectives. The Department Head mentioned that a research programme had been instituted to attempt to rationalise the shortage of facilities in the area into a coherent plan but implied that it lacked importance because most of the facilities not currently available were "gradually being provided one way or the other". He did not specify how this was happening but there is no suggestion that the Leisure Service Department is contributing towards this progress. Mention was made of an athletic stadium under construction by a private company and the impression was gained that the Department is content to allow basic facilities to be provided privately and concern itself only with more specialised
events and amenities. Although not required to give serious
attention to demand, market segments, specific requirements of the
population, pricing and promotional policies at the present time,
the Department may find, as many commercial concerns have done, that
eventually the market will be saturated with leisure provision and
activities. The Department may subsequently discover that it has
committed itself to leisure services which have a transitory rather
then lasting appeal. People build up regular visiting habits to
sports centres and country parks but the level of repeat demand
for exercises such as the waterbus service may be considerably
lower.

A more viable strategy might, therefore, be to develop a more widely
based policy for leisure provision determined firstly by general
requirements for leisure provision, then subsequently giving attention
to specialised types of activities. This would ensure a base from
which to grow and would be a useful mainstay in times of economic
stringency. Such a policy would, however, demand a more consumer
orientated approach and, whilst perhaps requiring more preparatory
research initially, insure against the longer term problems suggested
by the present strategy.

9.4.2 Leisure Services Department - District Council

Despite the excellent opportunity afforded this Department to establish
a network of leisure provision without any inherited problems or
policies, the Department has approached the task without much
consideration of the needs of the community. The emphasis, as in
many other Local Authority departments, has been placed strongly on
the construction of large buildings to be used for a variety of specified purposes. Many having been built and a number still in the planning stages, the Department is beginning to realise that this is not the only way of providing leisure opportunities in an area but that more informal, smaller, locally situated constructions can be a successful way of providing for the needs of communities. No prior research has been undertaken which might have indicated a very different approach involving a network of small leisure areas. The exchange process does not appear to have been seriously considered with a consumer orientation either. The impression gained is that the Local Authority has an obligation and the finance to provide facilities and is doing this in accordance with its own ideas of necessary provision. The value to the consuming public has not been explored and, as a consequence, no viable pricing or promotional strategies have been developed.

As a result of the above it is not surprising that marketing management is not in evidence. Objectives have not been established, demand is unknown and the overall task is considered to be one of providing buildings and amenities and then filling them. There is, as a result, no basis for formulating strategies nor for assessing performance, although the Director proposed a number of ways in which this is being done.

It is unfortunate that this Department had not considered its approach more carefully before beginning its planning operations. It is fair to recognise that constraints have been placed on the organisation by the Regional Council and the Development Corporation. However,
these are not so great that a Marketing orientation would not have been applicable. It is likely that in the future, the organisation will encounter a number of problems, the most basic of which will concern demand levels and patterns. The difficulties of managing off peak and peak demand could have been avoided if the Department had concerned itself more with the requirements of specific groups in the population and less with providing large scale general use facilities. These latter types of provision are expensive to maintain and are costly in terms of the time and effort necessary to ensure full utilisation and the consequent minimisation of subsidies from the ratepayer.

9.4.3 Leisure Services Department - District Council

The major problem faced by this Department is the provision of adequate leisure opportunities in the area with financial and political constraints. The Department has adopted a very wide view of leisure opportunity which it finds difficult to cater for adequately when financial limitations are imposed. However, it has accomplished a number of its objectives by attempting to mobilise the voluntary sector and utilise their resources to make up for deficiencies in Local Authority operations. It has not experienced the same success, however, in overcoming political influences. Long term strategies are difficult to pursue when the political bias of the council may change. This change may necessitate a different focus for leisure service provision accompanied by an alteration of strategies. The political influence may also require the Department to commit itself to programmes of construction of facilities which may not be required by the local population and, as a consequence, produce insufficient
income to justify their existence. This creates an additional strain on the finances of the Department. The discussion indicated that a marketing approach has been partially adopted but that the constraints outlined above make it difficult for the Department to approach its problem with a total marketing orientation.

The nature of the exchange process as perceived by the Department illustrates that marketing is applicable to public leisure service provision. The Department is prepared to admit any definition of leisure proposed by consumers and endeavours to arrange for the opportunity to be created in whatever way possible. However, the Department also considers that the Local Authority should benefit from the exchange as well as the consumer. This benefit should be in financial terms. Although constrained from undertaking any formal research into consumer requirements, the Department endeavours to provide an integrated programme of provision and activities which are priced and promoted in a way which is in accordance with consumer requirements but which also satisfy the objectives of the Local Authority. Whilst this is a complex task when Local Authority objectives change frequently, the Department has achieved a measure of success. It is aware of demand problems, undertakes consumer orientated strategies to solve these and also appreciates the advantages of segmenting the market from a consumer's point of view.

It would appear that the organisation is biased in its activities towards satisfaction of consumer needs and has adopted the appropriate policies to do this with the constraints imposed by a Local Authority system.
9.5 Analysis of Marketing in Public Sector Organisations

9.5.1 Organisational Focus

Two types of organisational foci were identified. Six public sector organisations exhibited a product orientation and two a selling orientation. Two reasons are suggested for the former orientation: firstly, the demand levels for the facility are so high that management concentrates its efforts on providing more physical facilities to satisfy demand; secondly, certain amenities comprise natural environmental sites, eg: country park, which have been selected as worthy of further development. Management attitudes emphasise the improvement of the physical facilities on the site and the presentation of its natural characteristics rather than a prior consideration of the requirements of the local community. The selling orientation exhibited in two public sector organisations, sports centres, has developed, it would seem, over a period of time from a production orientation. After the construction of a leisure facility in an area of population, the initial enthusiasm for the usage of the facilities declines and demand levels gradually stabilise into a regular pattern of utilisation. The type of demand which results is often characterised by periods of peak demand interspersed with lower levels of participation. This pattern may become more pronounced if competition either from other types of Local Authority leisure provision or from commercial organisations increases in the area. As a result, management feels a strong obligation to orientate its efforts towards ensuring full utilisation of capacity. Although financial objectives are not specified, it is recognised that the lower the level of utilisation, the higher the requirement for subsidisation from ratepayers' contributions. There was no evidence of a marketing orientation in
Any of these organisations.

9.5.2 Understanding of the Exchange Relationship

There did not appear to be any attempt or desire to investigate the exchange relationship between the organisation and the public. The prevailing view was typified by the comment of one sports centre manager who said "the facilities are available. It is up to the public whether they use them or not."

9.5.3 The Use of Marketing Management Techniques

There was some evidence of formally stated objectives and most managers were able to outline their perceptions of the aims of the organisation. In a number of cases, however, the stated objectives were conflicting and it was difficult to identify strategies which had been developed specifically to achieve any one of them. In one example, the interpretive centre, the objectives were numerous and although previous projects had not been completed, additional ones were added to the list annually. This placed a further strain on financial resources and made the possibility of achieving any of the aims progressively more remote.

In instances where objectives had been established when the facility was created, these had been abandoned by managers when they perceived that the changing political environment required frequent alterations to objectives. In addition, there was no differentiation between long term and short term objectives.
Of the specific marketing management techniques discussed, the following picture emerged: Marketing research was not used in any of the organisations; demand was analysed in some instances but was confined to a summation of admissions to the facility at different periods of time; market segmentation was employed on a limited basis as a strategy in a number of the sports centres but not to the extent that demand pattern problems might suggest.

9.5.4 Understanding of the Concept of the Marketing Mix

The level of appreciation of the concept of the marketing mix was low. Although the discussions covered each component of product, price, and promotions separately, it was evident that these areas were not considered as parts of an integrated whole but as discrete areas of managerial decision making which would be administered in isolation from each other. It was encouraging to note, however, that two sports centres had introduced a number of "leisure packages" into their operations which indicated some attempt to reconcile the product/service, its price and the necessary promotional considerations with the requirements of specified groups in the population. These "packages" were not formulated, however, by market research on the basis of information obtained from the segment, but on the organisations' perception of the required nature of the package.

9.6 Analysis of Marketing in Private Profit Making Organisations

9.6.1 Organisational Focus

Four examples of commercial organisations were studied and two different foci were identified. One organisation, the motor museum,
was strongly product orientated and this was, perhaps, due to the commitment of the owner of the facility to the perpetuation of a personal collection of vintage cars. The ice rink and the cinema also appeared to embrace the product concept, not because of any enthusiasm for or commitment to the product/service itself, but as a result of a certain complacency in the organisation and belief that those who wished to skate or view a film needed no encouragement or special consideration. If this was the type of leisure experience they had chosen, they would use the facilities. The final example, the zoo, exhibited a good appreciation of the marketing concept. Whilst emphasising the necessity to improve physical facilities at the zoo, the manager clearly indicated his belief that the success of the organisation relied on improvement in terms of consumers' requirements, not those perceived to be desirable from an organisational viewpoint.

9.6.2 Understanding of the Exchange Relationship

Neither the motor museum management nor that of the cinema indicated any desire to understand the exchange relationship between the organisation and the market. The manager of the ice rink expressed an appreciation of this relationship when discussing the "serious" skater but did not extend his understanding to the general public, the other major sector of the ice rink market.

The manager of the zoo, however, was able to discuss, in a fairly comprehensive manner, the value of the experience to the consumer and also to the organisation. He appreciated that the experience offered by the zoo in the past held little value for the consumer and, if
adequate financial returns were to be attracted, improvements were necessary to increase that value.

9.6.3 The Use of Marketing Management Techniques

As was anticipated, objectives were stated in financial terms primarily but only two managers could claim a detailed knowledge of their financial targets. In one instance, the motor museum, this target was of a short term nature. The other example, the zoo, had a longer term view of organisational aims and had developed strategies accordingly. The use of specific marketing management techniques was not extensive. Marketing research was not practiced by any of the organisations, at the time of the interview. However, the managers of the zoo had recently prepared a study and the manager of the motor museum intended to do so in the future. Demand was analysed by all four organisations in terms of admissions and patterns of demand had been identified. Detailed examination of demand characteristics had not been undertaken on a formal basis although the facility managers each held a view about the type of consumer using the amenities. This had enabled the managers to formulate some ideas about market segments but these were very rudimentary concepts and were not used as a strategic tool to manage different demand situations. Whereas this is a criticism of the activities of the ice rink, the cinema and the motor museum, the manager of the zoo cannot be criticised on this basis. He had identified relevant market segments in the population but was not concerned with improving demand levels at off peak time as his major priority lay in improving the general level of demand. Once this had reached an acceptable level, he proposed to attend to demand fluctuations.
9.6.4 Understanding of the Concept of the Marketing Mix

The concept of the marketing mix did not appear to be appreciated by the managers of the ice rink, the cinema or the motor museum. Decisions were made about each component in isolation and there was no attempt to integrate the resulting strategies into a total concept. The zoo manager, however, was aware of the benefits of so doing. He had considered each constituent component in relation to identified groups in the market and subsequently had developed integrated strategies to ensure an optimum level of satisfaction could be achieved by each group.

9.7 Analysis of Marketing in Leisure Services Departments

9.7.1 Organisational Focus

The Directors of three Leisure Services Departments in Local Authority organisations were interviewed. Two illustrated by their preoccupation with the construction of facilities and the development of new activities the existence of a production orientation. There were, however, circumstances which explained this approach. In one instance, the Leisure Services Department had the responsibility of developing a programme of Leisure Service facilities where none previously existed and, having been allocated a budget for building purposes, found it necessary to spend the money within a specified period to ensure that the same level of finance would be available in the next year's budget. The second Department, also recently formed, had discovered a population which appeared to be receptive to any event, activity or facility offered. Both organisations, therefore,
concentrated on development programmes which appeared to be successful when implemented and found no justification for altering their approach. The third Department had taken a more marketing orientated approach and appeared to recognise the importance of the consumer to the success of its activities. However, in this instance, a history of leisure provision had been established and problems of utilisation of facilities had occurred over time which, perhaps, required this more consumer orientated approach.

9.7.2 Understanding the Exchange Relationship

The Department which had assumed a marketing approach also exhibited an understanding of the exchange relationship. It was prepared to accept a much wider definition of leisure than sport and had, as a consequence, identified that, for example, voluntary aid can be a valued leisure pursuit for members of the community. The other two Departments, because of the success of their activities to date which had required no understanding of the exchange relationship, showed no inclination to investigate this area.

9.7.3 The Use of Marketing Management Techniques

Two of the Departments had formally stated objectives. Those of one such Department were fairly vague and could not readily be quantified and evaluated. The other Department had developed a detailed, three level, set of objectives which were extremely comprehensive. However, no strategies had been formulated to achieve the aims of the Department nor was there any indication that progress had been made towards their attainment. The third Department, that of the Local Authority in the
new town, had no formally stated objectives because, it was claimed, there had not been time to formulate them. A number of buildings had been constructed, however, since the Department had been formed in 1974 and a programme of leisure events had been developed and was operational in the area. The Director proposed his view of the objectives of the Leisure Services Department but these were of a general nature and did not suggest that they had been used as a basis for the programme of development. No differentiation was made between long and short term objectives, perhaps due to the changeable political climate which precluded long range planning to some extent.

The general all-pervading policy of providing leisure and recreational opportunities for the whole community seemed to invalidate the use of marketing management techniques such as demand analysis and market segmentation. None of the Directors were able to cite circumstances where such techniques had been used or might be applicable. Marketing research studies were not undertaken by any of the three departments. The impression was given that the department was intuitively aware of the facilities and activities required by the local population. The only concession to information collection was the use of Sports Council Surveys detailing recommended provision for each region of the country. This data was subsequently compared with existing amenities and a list of requirements developed. However, although this task had been undertaken some time previously, there was no evidence that strategies had been developed or plans formulated to rectify the deficiencies and progress towards the objectives which had been stated.
9.7.4 Understanding the Concept of the Marketing Mix

It became apparent during the interviews that each component of the marketing mix was managed as a separate entity. There was no attempt to integrate components into a total "bundle of satisfactions" tailored to meet the identified needs of specific groups. This can be explained by an appreciation of the operations of Local Government. There is a rigidity inbuilt in the system whereby financial resources are allocated to specific budget accounts.

As a result, the finances available for developing services would be completely separate from those allocated to promotion. On the whole, it is not possible to transfer money between accounts so unless the Council, who decide the allocation, have an understanding of the marketing mix, the budgets they set will not be related and will remain unchanged.

9.8 Barriers to the Transfer of Marketing between the Product and Leisure Service Sectors

The final point to be considered is whether specific problems exist which present difficulties in transferring the existing body of knowledge concerning the marketing concept, marketing and marketing management from the product sector to the leisure service sector.

The exploratory examination of four private leisure service organisations indicates that similar problems exist to those found in the product sector where a marketing approach has proved successful in working towards a solution. More imaginative use may have to be made of
marketing techniques, however, when applied to services rather than physical products.

The public sector, however, is composed of a type of organisation which differs in nature from commercial concerns. The characteristics of these organisations suggest that the marketing concept, marketing and marketing management may be difficult to apply in their traditional form and some development of traditional application of theory may be necessary for successful implementation.

The study comprised a number of Local Authority organisations. Local Authorities are branches of Central Government and controlled to some extent by that body, organisationally they retain their independence and have, as a result, a measure of authority and responsibility for freedom of action. Central Government exerts its control in two ways: firstly, through statutory requirements of Local Authorities to provide a number of services which are designated by Central Government and secondly, through the provision of financial resources to Local Authorities by means of the rate support grant. This grant normally forms the major part of Local Authority finance but the actual amount allocated to each Authority varies and is decided annually by Central Government. Local Authorities receive the rest of their financial resources directly from the public through the local rating system and can decide the level of rate necessary to provide the range of services they have undertaken to furnish to the community.

The Local Authority is administered by a Council, the members of which are elected by the local population in each area. As a result,
the political persuasion of any Local Authority may be different from that of the majority party in Central Government. This can, of course, create severe problems in the provision of services to the local community as the major political parties differ in their views of the necessary type and level of service provision.

The operational concerns of the Authority are managed by a number of Departments, one of which is the Leisure Services Department. The formation of such a Department within a Local Authority is a relatively recent occurrence, dating from Local Government reorganisation in 1974. Prior to that time, Local Authority Leisure Services had been the responsibility of a number of smaller departments, eg: parks, baths. It was not until 1974 that Local Government began to allocate substantial budgets for provision of Leisure Services. The directive that such services were a vital part of community life and should be fostered by Local Authorities came from Central Government. Local Authorities, in the main, accepted this new responsibility and Leisure Service provision, as it is known today, began to develop. The three tier system of Council, Department and facility has, however, created a number of problems. The structure is hierarchical and, as a consequence, responsibility and authority remains at the top with the Council. The Department and the management team of an amenity can make recommendations for policy and activity but these may be rejected or, if accepted, altered to correspond with the majority Council view. As the Council is political and elected by the populace, it is likely that the views held by the Council, the programmes implemented and the decisions made will accord with the political bias of the Council and may change at re-election. It can, therefore, be
appreciated that the task of planning for leisure provision in an area in the longer term by Local Authority Departments will be a difficult one. Closely allied to this point is the tendency for Council to propose programmes of development for the area based not on the requirements of the local community, but on a personal or political basis, especially when considering re-election.

Despite these general political undercurrents, on the whole the policy of Local Government has been to provide leisure facilities for the whole community. In general, these services are financed by taxpayers' and ratepayers' contributions and, as a result, should be available for use by everyone in the local population. The result has been the growth of a number of large scale multipurpose facilities and the development of sites of interest considered to be desirable for the public in general. Without any prior research into the actual requirements of a community, and each locality will be different, this base of provision may be adequate in the short term if no alternative leisure provision exists. It is likely that in any community, there will be some demand for the provision which is made. However, as initial enthusiasm for a new facility wanes to some extent and regular demand becomes established, patterns of usage will develop. In addition, as further amenities are provided either by the Local Authority or by private concerns, demand for the original service may decrease as individuals choose the type of provision most suited to their requirements. This can create problems within the facilities themselves. Although not intended to be operated on a profitable basis, it is necessary to ensure that the individual taxpayer and ratepayer is not unfairly burdened, contributing a
disproportionate amount to facilities which are underutilised and, 
as a result, attract too little revenue. Facility managers may not 
have the managerial expertise to develop strategies to manage 
irregular demand patterns. Their backgrounds have invariably been 
in physical education where the emphasis has been on sporting 
activities. To regulate the level and timing of demand for amenities 
may require a much broader view of the organisation than sport and 
an adaptation of the use of the existing amenities. They need to 
understand, as a consequence, the nature of the exchange process in 
operation. It is a complex process in which the consumer may value 
the experience in a number of different ways, eg: social contact, 
educational, recreational, relaxation mental or physical stimulation. 
It has already been noted that price is not perceived by managers as 
an important consideration in the selection of a leisure activity. 
As one interviewee said "it would not matter how low the price was 
set, the working classes would still not use the centre - their 
interests lie in other areas." It is an understanding of these "other" 
areas which is important and the barriers which are perceived by the 
population to usage of the facilities provided.

This implies the need for research. Information is the cornerstone 
for the development of marketing strategies. It has been observed, 
however, that the structure of the system does not facilitate the 
information collection process. Neither the Department nor the 
management team or, more often the manager alone, have the time or, 
perhaps, the expertise to undertake research. This function has not 
been incorporated into the system, perhaps because of the pervading 
impression which is given that those in authority know what the public
should have. It is not surprising that without research, information is not available about the local population and its requirements. It is only to be expected that decisions regarding the nature of new facilities and services and day to day managerial considerations of existing ones should be taken without regard for the overall opportunities for satisfaction which is subsequently offered to the public.

In conclusion, it is fair to suggest that managers of Local Authority Leisure Services cannot be expected to adopt a marketing approach. The resources under their administration are provided by a higher authority, they have little managerial expertise or training, their staff are few in number and may be appointed on the basis of the physical contribution they can make to the organisation. The manager himself has had no responsibility for or involvement in the planning process and is, perhaps, discouraged from making any plans himself by the Council approbation which is a necessary prerequisite to implementation of those plans and by the short term nature of the system.

Before any conclusions can be drawn concerning the application of the marketing concept, marketing or marketing management to public sector leisure service organisations further research is necessary to establish whether these constraints exist throughout the public sector and whether they present real barriers to the transfer of traditional theory from the product sector. There are indications from the study that this is indeed the situation in Britain and that, as a consequence, marketing theory may require some adaptation and development if applications are to be successful.
CHAPTER 10

CONCLUSIONS

Whilst it is not possible to conclude that marketing theory and practice are applicable for the management of all organisations within the service sector of the economy, the research has indicated that potential exists for the development of conventional marketing thought for use in Leisure Service organisations.

It has been shown that initial explorations into the application of marketing within this sector have been inadequate. Although there is a growing body of knowledge concerning marketing of services and several attempts to discuss marketing in non profit organisations, academics and practitioners have tended to ignore the fact that many service organisations in Britain possess both characteristics, i.e.: they are not primarily profit based and they are providing services. No studies have been identified which attempt, firstly, to establish how these two variables interact, the types of organisations produced and the major characteristics which result. This study has suggested from an examination of both profit based Leisure Service organisations and those which are non profit based, that a number of different characteristics can be perceived which preclude the direct transfer of traditional marketing thought and practice from its conventional basis in the profit based product sector directly to either of these types of organisation although the transfer is easier in the profit based service sector. Developments and adaptations to the current body of marketing knowledge may be necessary in a number of areas,
especially when both the organisational focus and the offering are different.

Whilst it can be accepted that the marketing concept is applicable regardless of the type of organisational objective or offering produced, the application of marketing as defined by Kotler may need to be reviewed. The major reason for this is that the exchange relationship may be of a very different nature from that experienced in the profit based product sector. It is difficult to understand, for example, the value placed by the consumer on a service offering, and even more so for one provided by a non profit organisation. In addition, the non profit organisation itself may experience difficulties in defining the value it receives from the market. Marketing management also receives a different perspective in this context. Any organisation with objectives which are primarily social, may experience difficulties in quantifying its aims and evaluating them. Formulation and management of the marketing mix can also be a more complex area. For all services, whether profit or non profit, problems arise when defining quality levels of offerings; packaging is a concept of less relevance; stocking and distribution pose difficulties; promotion of an intangible requires more imagination and creativity. However, when discussing these techniques in a non profit context additional complexities are experienced.

The offering is often one which might be termed as essential, and although Leisure Services are not a necessity for survival, their contribution to the overall quality of an individual's life has been recognised. In such a situation, the provision of an offering
which must be freely available for use by a whole community implies a standardisation of features for common appeal. This may result in a service which serves a few of the public adequately but is not ideal for the majority.

Pricing policies are more complex when developed for a service as decisions regarding price cannot be based on costs of physical raw materials but are dependent on some assessment of time and the value of that time. The pricing of non profit services must take account of this factor but may also face social constraints. In order for a whole community to enjoy a service, it must be priced at a level which is sufficiently low for the poorest paid individual to afford. Happily, some progress has been made in this area. Many Leisure Service activities can be priced according to physical input which facilitates the delivery of the service, eg: sports hall and badminton rackets. In addition, concessionary pricing schemes are acceptable practice in this area. However, if the same problem was posed in the transport service industry or gas and electricity supply, solutions would not be so readily available.

Promotion, as stated earlier, requires skills which are not necessary in the product sector. Services are intangible and, as such, cannot be displayed and exhibited readily to consumers. The marketer must endeavour to communicate the value of the service to the consumer. How can the value of a leisure experience, however, be communicated to a population each of whom may hold very different perceptions of leisure? In addition, non profit service organisations must justify promotional expenditure to those whose contributions, ie: rates are
paying for the service, and, by some means must communicate with even the most disadvantaged groups and possibly those least accessible through normal media.

Finally, distribution is a component of the marketing mix which may be regarded by service marketers as inappropriate to some extent. Delivery, it is claimed by certain academics, takes place simultaneously with production of the service. This point can be debated and has been discussed in the text. Additional factors considered to be important in this context are, however, physical location and use of personnel. The reverse of the conventional distribution practice operates in many service industries, especially non profit organisations. Rather than taking the offering as near to the consumer as possible, attempts are made to site facilities in central locations which can be accessed readily by the majority. This is partly due to the difficulty of marketing services through the conventional distribution system and partly, perhaps, to allow adequate personal attention at point of sale. It does appear, however, that in the case of the non profit organisation with social objectives of reaching the majority, the construction of a major facility in one location to service a public of many thousands is not adequate. The offerings of the facility must be standardised, personal attention will be lacking unless numerous staff are available continuously and those living at a distance from the centre, especially those in lower income groups may be effectively excluded from the centre. A more flexible structure of units placed strategically within an area, offering amenities to suit each small locality might be a more equitable and effective approach. Even facilities may not be necessary. Individuals can, themselves, "carry" leisure opportunities
to the public.

Consequently, it would seem that the greater the change in characteristics from the profit based product sector, the more difficult it is to transfer conventional marketing thought and experience to a different context. The most complex form of organisation is in the non profit service sector and this is the area which has received least attention. Whilst attempts have been made to investigate the application of marketing to this sector in America, any experience to date is of little value to British academics and practitioners. Many of the examples cited, eg: American hospitals and universities are not definitionally non profit making as the term is understood in the UK. Consequently, the developments cited in the American literature are often no more than a direct transfer of experience from the product sector to the service sector where the exchange relationship between the organisation and the market are very similar.

The non profit sector in Britain is of such a distinctive nature that British academics and practitioners should use its characteristics to broaden the application of the marketing concept and develop the existing body of knowledge.
APPENDIX I

INTERVIEW SCHEDULE

1. Personal
   1.1 Name
   1.2 Title
   1.3 Years in present employment
   1.4 Responsibilities - people, financial resources
   1.5 Authority - level of decision making

2. Facilities (omit for Leisure Service Departments)
   2.1 Description
   2.2 Years in Use
   2.3 Number of employees

3. Objectives
   3.1 Social/Financial
   3.2 Who sets them?
   3.3 Are they formally written?
   3.4 Personal Objectives
   3.5 Do they relate to specific time periods? If so, what?
   3.6 Are there any priorities?

4. Demand
   4.1 Who assesses demand?
   4.2 What form does assessment take and is it continuous or ad hoc?
   4.3 What is the catchment area?
4.4 Characteristics of catchment area
   - geographical
   - socio-economic

4.5 Has demand changed over the years and what are trends?
4.6 Is demand constant for provision or does it fluctuate?
4.7 Are there problem areas in demand management?

5. Market Segmentation and Targeting
5.1 Is provision aimed at certain identified groups?
5.2 Why/why not?
5.3 Who chooses the groups?
5.4 What characteristics are important for selection?
5.5 What about other groups?
5.6 Have you considered groups such as housewives, pensioners, the disabled, children?
5.7 Do you cater for them specifically and in what way?
5.8 Why do you think that they participate/do not participate?
5.9 Do you think that they might form a useful market?
5.10 Do you try to attract particular groups at off peak times?

6. Product
6.1 What sort of experience is being marketed?
6.2 Describe the competitive situation.
6.3 Does the offering have any advantage over competitive offerings?
6.4 How is the product/service mix decided?
6.5 Who is responsible?
6.6 Is it reviewed?
6.7 On what basis would it be changed?
6.8 Are different types of offering introduced on an experimental basis?

6.9 Are there services which you would like to provide but are not being provided at present?

6.10 Why are they not provided?

6.11 Could resources currently available be used in any other way, i.e. not directly related to present activities?

7. Price

7.1 How are prices decided?

7.2 Who decides pricing policy?

7.3 Are there any price concessions?

7.4 How important is price to consumers of leisure services?

7.5 Do prices prohibit attendance by some groups?

7.6 Are prices used to regulate peaks and troughs in demand?

7.7 Are prices used as a promotional technique?

8. Promotion

8.1 Describe promotional strategy

8.2 Who is responsible for promotional decisions?

8.3 What channels are used, and why?

8.4 Is any promotion aimed at specific groups; which ones?

8.5 What proportion of the budget is allocated to promotion?

8.6 How is that figure decided?

8.7 How effective is promotion?

8.8 How is this assessed?

8.9 Are there any changes which could be made to promotional strategy?
9. Performance Assessment

9.1 How is performance assessed?

9.2 By whom?

9.3 What performance indicators are used?

9.4 Is the system adequate in providing necessary information?

9.5 Is information gathered about consumer satisfaction?

9.6 Is information gathered about non users?

9.7 What action is taken to rectify problem areas?
Sports Centre (I)

The Sports Centre is situated in the centre of a new town in the South East of England. It is the largest water site in the country and is unusual in that it provides a full range of both wet and dry facilities. There are two indoor pools, a 15ft diving pit, and an outdoor pool which require, in total, \( \frac{1}{4} \) million gallons of water. In addition, the sports centre offers four squash courts, a sports hall, a fitness room, a small gym, a bowling green and golf course (external to the centre), a sports injury clinic, two cafes, a bar and a multipurpose balcony area.

The centre has a manager for overall administration, a recreation manager, an assistant recreation manager, and various coaches and supporting staff.

1.1 Objectives

There are no formally stated objectives, however, the management of the centre view their main objective as one of ensuring full utilisation of facilities. As a consequence, the centre is open from 9 am to 11 pm, seven days a week. The management realise that in order to operate at this capacity, cleaning and maintenance are not as thorough as they might be but they are prepared to accept a lower standard in these areas in order to offer the fullest range of sports opportunities to the local population.
There are no financial objectives in terms of profitability as the centre is not regarded as a profit making concern and, as a consequence, any courses run at the centre are charged on a break-even basis. The centre may, however, be expected to operate within a specified budget.

As there are no other sports facilities in the area, the centre must provide a full range of activities to suit the whole community but, in addition, an attempt is made to satisfy the more specialist interests of small groups.

1.2 Demand

Demand for all facilities is high. Any indication of off peak time are carefully considered and activities are introduced to increase demand at these times. Examples of such activities are adult recreation sessions in the morning and afternoons, an over 50's programme and Saturday morning recreation for children.

Courses and coaching are also offered at off peak times but are only continued if justified by demand.

Demand is assessed on two bases: the amount of space booked and money taken at the reception desk. Assessment is regular and it is calculated that usage levels average 95%.
1.3 Market Segmentation

Although the centre is under an obligation to provide leisure opportunities for the whole community, the market is segmented to identify groups who are available when demand might potentially be low and also groups who are disadvantaged in some respect and require special facilities or supervision. As a result, provision is currently made for the disabled, pensioners, the unemployed and housewives with young children. Activities are arranged which may appeal specifically to these groups and differential pricing is employed to attract them on a regular basis, e.g., facilities are free for pensioners and half price for the unemployed.

1.4 The Product

In the words of the assistant recreation manager "Leisure is pleasure" and this is what the centre aims to provide rather than a number of specifically sporting activities. As stated previously, no other sports facilities exist in the catchment area which extends for 8 to 10 miles around the town. Other leisure opportunities include a cinema, bingo sessions, two discotheques, a pavilion offering shows, bands and concerts. However, there are few places where groups can meet socially on a regular basis and the centre has tried to provide and foster a location with a social atmosphere.

Success in this area has been limited, however, by the physical construction of the building which is heavily biased towards sport and, in addition, the lack of free access to any of the facilities. Consumers, whether participants or not, must pass through a turnstile
at the entrance to the building and it would seem, therefore, that people are unlikely to use the centre casually but would have a specific and usually "sports" purpose for so doing.

In addition to casual or group use of facilities, courses are available at various levels of skill to encourage individuals to improve their expertise. The range provided depends on the coaching skills available at the centre and the potential demand for specific courses. If the number of people who sign for a course is insufficient to cover the cost of providing it, it is not allowed to run.

Spectator events are also staged to attract people to the centre who are not necessarily interested in participating in sporting activities themselves. Basketball is a popular example but non-sporting events have also been tried, eg: Model railway exhibition.

1.5 Pricing

The centre itself does not have full responsibility for its pricing policy. It makes recommendations which are either accepted or rejected by the Local Authority. A wide range of pricing policies are followed which attempt to account for the different financial status of groups in the community. Courses and classes are charged on a full cost basis, pensioners are admitted free of charge, children and adults (during the day) are admitted for half normal price.
A membership scheme is also in operation to build up a regular pattern of usage amongst the local community. The advantages of membership are entitlement to half price swimming charges and telephone booking facilities. This latter advantage is especially useful to those who regularly use the more popular facilities such as the squash courts. Currently 10,000 people belong to the membership scheme.

1.6 Promotion

Only a small percentage of the total centre budget is allocated to promotion. This is spent on handouts, posters and press advertising. Press is only used extensively if the centre wishes to promote a special spectator event and in these circumstances a contribution is sought from the sponsors of the event.

Although the management would like to spend more on promotion, the allocation is decided by the Local Authority and is specified for each type of expenditure. It is, therefore, difficult to spend budgeted money for any purpose other than that for which it was specified.

1.7 Performance Assessment

The centre assesses its own performance according to level of utilisation and numbers entering the centre. The appropriate information is regularly collected and analysed statistically to identify times of declining demand so that action can be taken to rectify the situation. In addition, any complaints received are investigated but these are very few in number and tend to be related to specific problems such as water temperature in the pool.
No user/non user surveys are undertaken because the staff numbers are not sufficient for such additional activities.

2. Sports Centre (2)

This Midland's sports centre was opened in 1974 and is of an unusual construction. The various facilities are housed in two separate buildings in close proximity to each other but separated by a large car parking area. One building is a traditional style sports centre incorporating squash courts, sports hall, gymnasium, cafeteria, etc. The other building encloses the swimming pool. In addition to these constructed facilities, the site also offers a stadium, hard porous area, netball courts, bowls, tennis courts and football pitches.

The manager of the sports centre has a background in physical education and has much wider responsibilities than is usual in Local Authority leisure provision. The reason for his extended control lies in the structure of the Local Authority which has not, as yet, combined the various types of recreation provision in the county under one Leisure Services Department. As a consequence, the manager divides his time between administration of the sports complex and the other areas under his control which include cricket pitches, fishing and footpaths.

Despite the authority implied by his job description entitled Top Management the manager feels that his responsibility is limited severely by the Local Authority and his freedom of action is
restricted by the committee approval necessary for every decision he makes. Under his supervision are two assistant managers and staff to police and coach in the sports complex.

2.1 Objectives

The manager has undertaken responsibility for writing his own objectives as none have been specified for the sports complex. These can be summarised as:

i) Maximise usage of facilities
ii) Provide sport for all, not just a few
iii) Encourage minority groups and sports
iv) Encourage participation of the sporting elite, the handicapped and the disabled
v) Provide courses for all abilities and all levels
vi) Work with other organisations in the area to achieve the above objectives

2.2 Demand

The manager assesses demand in three ways:

i) Experience: this is the fourth sports centre he has managed and he has learnt to assess demand informally and recognise usage patterns

ii) Social structure: by examining the local social structure it is possible to identify the types of sports which will be popular, for example, a large section of the local community comprises immigrants. He proposes that these people are not interested in squash and badminton because of the necessity
to wear white clothing which still signifies white domination. Consequently, sports such as weight lifting, judo, karate and gymnastics are more popular.

iii) Experimentation: it is not possible, in the manager's opinion, to estimate demand for new courses in advance. They are introduced and, if not adequately supported, are discontinued.

On arriving at the centre, the manager designed a questionnaire to estimate demand and analyse it. The response was insufficient to form any conclusions. However, from his experience over the years, the manager estimates that users of the centre are mainly middle class despite the large working class element in the local area.

Demand fluctuations have been identified and strategies have been adopted to manage demand. The major off peak time is during the day, on weekdays. Activities have been introduced to attract certain segments into the centre at this time, eg: schools, OAPs, shift workers. In addition, by contacting a large company nearby and publishing activities to the workforce, the manager has been able to convert the time between 4 pm and 6 pm from off peak time to peak time by persuading the workforce to use the centre straight from work.

The manager firmly believes that people like to be organised and have specific activities provided for them. Control and direction are an important facet of the job and this way of thinking permeates the management of the centre.
2.3 Market Segmentation

The aim is to provide sporting activities for everyone and so the manager makes little attempt to view the market as a number of distinct groups. The only segment which the manager identifies with any degree of enthusiasm is children. He believes that if youngsters can be encouraged to use the centre at an early age, the habit will persist in later life. His interest, it would seem, however, stems from his previous employment as a gymnastic coach. He has, as a consequence, majored on the introduction of gymnastics classes into the centre and these have been very popular, but mainly amongst middle class children. The sessions are not expensive but do not appear to attract working class children.

2.4 Product

The manager views the product he is offering as "sport for all", and will try any activity which is connected with sport and recreation. He does not agree with the wider definition of recreation which would include a whole variety of activities which are not sports based and has encouraged the council to pass a resolution to restrict any new activities to the sports area. The manager would, however, like to include in the range of activities a greater number of spectator sports but is constrained by financial limitations which prevent him from upgrading the facilities to the necessary standard. Competition in the local area is viewed again mainly in terms of sport. There is one other small sports centre in the area but it is dual-use and appears to be much less popular. It is inferior to this larger centre, also, in terms of facilities available, location and availability of car parking.
Despite this strong adherence to sport as the central focus, the manager mentioned at one point the introduction of an indoor cricket league on a Saturday evening to attract people away from the pub. This suggests that his real perception of competition is much wider than he was prepared to admit.

2.5 Price

Prices are decided by the Local Authority. The manager makes recommendations but, in general, these are ignored by the Local Authority. The Local Authority sets prices in accordance with the national average and incorporates the usual concessionary charges for old age pensioners and children. The centre runs at a loss every year and the manager believes that this is because there is no commercial outlook in the Authority. He considers that the centre could be managed as a viable commercial concern of a self-financing basis. He does not foresee the possibility of this in the future, especially as the political bias of the Authority has changed to a socialist one.

2.6 Promotion

The manager has more discretion in this area than in others and he uses promotional media extensively. His emphasis is on exposure of the centre's activities in free media and on editorial articles discussing the centre. He is also keen to attract as much sponsorship as possible and although he has not attracted large contributions to date, he is grateful for the smaller amounts which have been forthcoming. In addition, the local area is covered with leaflets and posters to publicise the centre and its activities.
2.7 Performance Assessment

The manager assesses the performance of the centre from a monthly report compiled by his assistant manager. There is an analysis of the activities offered, the demand for each type of facility, income from activities and from each amenity. His previous experience with the use of a questionnaire has not encouraged him to spend time and money repeating the exercise.

3. Sports Centre (3)

The sports centre was opened 7½ years ago in a new town in Scotland. The facilities are of a high standard and include a sports hall, a gymnasium, a conditioning room, squash courts, a general purpose room, a committee room, a creche and a cafe. The manager has been employed at the centre for five years and has a staff of 15 full time and part time workers plus a number of coaches. The sports centre is linked to a separate sports hall which offers facilities for badminton and court games.

The manager of the centre has a considerable amount of responsibility but must seek council approval for major items of expenditure, changes in staffing levels, and proposed large events or programme alterations. Mainly approval is necessary where increased financial allocations from the rates would be necessary.

3.1 Objectives

Objectives were established formally when the sports centre was opened but have changed considerably since that time as the centre
developed in line with the development of the new town. Broadly, at the present, objectives can be summarised as follows:

i) Casual usage at least 70% of peak time

ii) No more than one club allowed per sport but club membership encouraged

iii) Encouragement of both male and female participation

iv) Provision of classes and courses

v) Improvement of the standard of sport

vi) Close liaison with the regional sports development officer for full integration of all sporting activities in the area

vii) Encouragement of those with sporting potential and those seeking sports qualifications

The centre is not a commercial venture and no financial objectives have been established in terms of profitability. The centre may, however, be expected to operate within specified budgets.

3.2 Demand

Demand is assessed on present usage of facilities. This is based on the number of bookings made and those refused. Refusals can be a useful guide as they indicate where provision is inadequate. For example, in one week the centre refused 280 requests for badminton, 280 for squash, 40 for five-a-side football and 80 miscellaneous requests.

A history of booking and refusals has been established and this is used as a basis to develop new programmes of activities and ensure that the balance of provision is adequate.
The catchment area for the centre has gradually decreased as other sports facilities have opened in nearby areas of population. In addition, a membership scheme has been introduced which is limited to residents in the area and accords members significant price and booking advantages. As a consequence, demand is concentrated in a 10 - 15 mile radius of the town. It should be noted, however, that this radius does not apply to all sports and people will only travel the furthest distances for activities such as five-a-side football, squash and badminton. They would not, for example, travel 15 miles to play table tennis. The manager finds it useful to talk to users of the centre about their travel habits and activity preferences as they often have a very different perspective from himself. He may consider the introduction of a new course or activity to be a worthwhile addition to the centre but potential participants may view the distance as too great to justify participation or may perceive some other barrier which he had not considered.

The characteristics of the population are not typical of any area of the country but are differentiated by the nature of the environment. A new town often has a younger than average population but in addition Scotland has a much lower level of house ownership giving the area a higher number of young middle class families than normal as the new housing opportunities offered by the area are taken up more quickly by this group.

Demand patterns themselves have changed considerably since the centre was opened. The facilities were operated initially without any club participation. These were gradually introduced by the staff of the
sports centre as demand was identified. Having established a good overall level of demand, the manager developed a questionnaire to gain some detailed information from users about their participation patterns. The major problem area which requires attention is that of off peak demand. The initial enthusiasm of the local population has levelled out and distinct peak/off peak patterns have been identified. Off peak periods are concentrated on weekdays between 10 am and 12 pm and 2 pm and 4 pm. There appears to be potential to attract shift workers and those on flexitime in the area and also perhaps to consider greater utilisation by schools in these periods. At present various programmes are in operation on a trial basis aimed mainly at housewives. These appear to be reasonably successful and may be extended if justified by potential demand.

3.3 Market Segmentation

The main objective is to provide leisure opportunities for everyone but segmentation is being used to identify groups available at off peak time and design programmes to suit their specific requirements. The manager, however, is not in favour of broadening the concept of the centre to include any aspect of leisure but prefers to restrict activities to those which can be termed "sports". As a consequence, pensioners are not considered to be a viable target market segment but housewives can be catered for on this basis. To attract younger housewives, a creche has been provided.

In a similar way to old age pensioners, the disabled and the handicapped are not viewed as viable groups for utilisation of spare capacity, although some provision is made for them on social grounds. The other
two groups which have been identified, as stated above, are shift workers and people working on flexitime schemes. There is a considerable amount of both types of work in the area and, as a consequence, a potential market may well exist.

3.4 The Product

The product is perceived as sport, with no wider interpretation of the offering into the extensive realm of leisure. As a result, the manager does not consider that competition exists within the catchment area. Extensions within the sports area consist of courses and classes especially those for children during the summer months. A survey is currently being undertaken to establish whether the existing sports facilities should be extended or whether separate provision should be made, perhaps an ice rink or bowling alley. There is no necessity for a swimming pool as adequate provision already exists in the immediate vicinity. The major concerns are, therefore, to establish the type of provision necessary and whether further facilities should be centralised on the same site or in a different location.

One final requirement at the sports centre is a bar to extend the social atmosphere, but as Local Authorities are reluctant to grant licenses in Scotland, the possibility seems remote at the present time.

3.5 Price

Prices are set by the sports centre with reference to those charged in similar types of facilities, but prices must be approved by the Local Council. This has created a rather changeable pricing structure
which is affected by the political persuasion of the council. Labour Councils favour lower pricing policies than Conservative Councils. The manager, himself, views pricing on a commercial basis and is in favour of higher prices to cover the cost of the operation and, if possible, provide some additional return. In his opinion, demand is in general middle class by nature and, as a consequence, is not affected to any great extent by higher prices. In addition, the higher priced sports are those such as squash which do not, at the present time, appeal greatly to manual workers. This lack of appeal is based more on the working class culture rather than pricing policies and, therefore, even if prices were reduced, this segment is unlikely to increase in terms of participation.

Concessionary pricing policies are operated for children and old age pensioners and a membership scheme allowing discounted prices is available.

3.6 Promotion

Promotion does not form an important part of the centre's managerial policy. The regular clientele has been established and promotion is only necessary to increase demand for specific programmes at certain times. Leaflets are available in the centre to provide information for those who normally attend the centre and these are also sent to schools. Additional notices are required at the beginning of each season to inform potential users of the centre of enrolment dates for classes and courses. An occasional visit is made by one of the management team to schools and local groups to talk about the activities at the centre but only when an invitation is extended. No attempt has been made to actively pursue this strategy.
3.7 Performance Assessment

Performance is assessed from records maintained of usage of facilities, bookings, requests refused and complaints.

4. A Proposed Sports Centre

In October 1973 construction of a new sports centre was commenced in a small area of population in the Midlands. It is a middle class area numbering about 2000 people in the immediate vicinity but with a larger rural catchment area around the centre. The planned facilities comprising a sports hall, squash courts, a weight training room and a social area would be built over a period of a year. The site includes a further 8 acres of land for future development.

The proposed manager has worked in Local Authority sports centre management for 4½ years and was previously a PE instructor in the navy.

4.1 Objectives

The sports centre does not as yet have any objectives despite detailed architectural plans for the facilities. The manager, however, feels that his primary aim will be to identify the relevant market for the facilities and make adequate efforts to attract it. He is, in addition, in favour of managing the operation on as commercial a basis as possible, at least to the extent of covering operating costs. In his opinion, many sports centres incur large losses because the initial construction is too large and does not appeal to an adequate number of people to make it commercially viable. He suggests that the fault
lies with the Local Authority which, in general, does not begin with a commercial aim in mind but has political or social reasons for developing the provision.

4.2 Demand

The manager has no information about potential demand levels.

4.3 Market Segmentation

The major segment which has expressed an interest in the proposed centre comprises local sports clubs whose facilities at present are inadequate and which would, therefore, like to transfer their activities to the centre when it opens. The manager is not in favour of allowing this initially because it would place restrictions on usage by the general public. Clubs in themselves are restrictive in terms of the limited number who can become members and in terms of the type of people who do become members. Many people in the population do not wish to undertake sports activities of one kind frequently or on a regular basis. They prefer to have the opportunity to participate in a wide range of pursuits when it suits them. The intention is to concentrate on casual usage initially and, after four to six months, assess the level and pattern of casual demand. If it became evident that certain periods of time regularly exhibit low demand levels, clubs will be permitted to use the facilities at these times. Preferably, clubs will be formed as a matter of course within the centre by those who have not had access to clubs previously.

Young people are perceived as being an important market segment for the sports centre. They are the patrons of the future and should be
encouraged in regular sporting habits from an early age. They are, however, a problem group in terms of the impact that their activities may have on other users of the centre. They should, therefore, be strictly controlled to ensure that they do not interfere with the enjoyment of other participants. The manager would like to introduce a rule which prohibits unaccompanied youngsters from entering the building when the bar is open. This strategy is not intended to separate families but to ensure that the centre offers everyone the potential for an enjoyable experience.

4.4 Product

The manager proposed that the sports centre is not a place of sporting excellence nor a facility catering only for those who are fit. It should provide an opportunity for people to spend their leisure time in a constructive and useful way, achieving both physical and mental benefits from their participation. The atmosphere of the facility is a facet of great importance and the centre should not only be a place where sporting activities can be pursued but a social focal point where people can meet together even if they are not interested in participating in sport. However, he also stated strongly that participants would receive a considerable amount of supervision and guidance. He felt that individuals like to be controlled when pursuing leisure activities.

The mix of facilities has been decided within a strict budget. Whereas it would have been ideal to incorporate a swimming pool and more squash courts in the design, these are expensive constructions and it was necessary to establish a balance between the more profitable
types of facility (bar, squash courts) and those which return little profit (sports hall). In addition to casual use of the centre, the manager intends to introduce coaching sessions to introduce people to sports which they have not tried previously and to encourage those who wish to do so, to improve the standard of their performance. Again, he would like to concentrate on children's courses and classes so that sport becomes a natural part of their lives at an early age.

The manager is not restricted in the types of activities he wishes to offer. The Local Council has accorded him complete authority to experiment with any pursuits he considers applicable. These will include a number of events such as civic balls and gymnastic competitions, in addition to the regular activities.

4.5 Pricing

The pricing policy will be based on the average prices for similar sporting facilities reported annually by the Sports Council. However, the actual prices will be slightly above this average initially and maintained without further increase in the second year. Alongside this policy will run a membership scheme. This will be heavily promoted to ensure that as many users as possible become members, giving an additional method of control over usage of the centre, and will encourage regular usage patterns. The introduction of the scheme will coincide with a publicity campaign and free car stickers will be given to each member. Prices will be allowed to rise in the future to ensure that financial objectives are achieved even though this may exclude certain groups of the population, such as families, from the centre.
4.6 Promotion

Promotion is considered to be an important part of the manager's future policies. He has already made contact with the local press and journals and is giving talks to groups in the local community. In addition, he hopes to run a competition to design a motif for the centre, institute a poster campaign and send literature to every household with the Local Authority rate demands. No budget has been established for promotion and the manager has been accorded complete freedom in this area. In the future, promotion techniques will be based on the assessed effectiveness of promotion campaigns although the manager cannot suggest how effectiveness might be measured. Any courses which are introduced will be promoted in the press and the cost will be included in the price of the course as the manager would prefer to spend future promotional allocations on leaflets and car stickers.

4.7 Performance Assessment

Performance will be assessed primarily on a financial basis. The objective is to cover operating costs and the extent to which this is achieved will be the major criterion.

5. Mill Museum

The site of the mill museum in Yorkshire dates from 1086 when a water powered mill was constructed to grind corn. It was converted to a stream driven mill in 1843 and continued in operation until the middle of this century when it fell into disuse due to age and deterioration. Recently it has been restored by the Local Authority as a museum,
illustrating the operation of a traditional mill but incorporating a more modern oil driven engine.

The museum has one full time attendant who acts as a guide and also undertakes any necessary maintenance. Both he and the part time shop assistant are responsible to a manager who administers the concern.

5.1 Objectives

Although payment is not required for a visit to the mill, the objectives are stated as primarily financial. The mill aims to make a profit from any voluntary contributions and from sales of cards, books, flour, etc. from the small shop on the premises.

5.2 Demand

Demand comprises mainly school parties, the majority visiting the museum during the spring and summer months. Most visits take place in the afternoons during these periods and demand is fairly low at other times. Demand fluctuations of this nature are not considered to be a problem as they allow the necessary time for maintenance and cleaning of the machinery. This task demands a regular number of off peak periods when demand is low to ensure that the machinery continues to function safely and correctly at peak viewing times.

5.3 Market Segmentation

The market divides easily into three segments: Schools form the main segment and demand from this group is so great that visit times
have been reduced and schools have to book visits many months in advance. The mill caters specifically for school children by providing preprinted question cards for the children to complete during their tour of the facilities. Most local schools have found the visit to be of great interest to school children and repeat their visits year after year.

The second group comprises adults, mainly from local clubs and societies which incorporate an evening visit to the mill regularly into their schedule of activities. The third group is composed of the casual visitor. These may be drawn from the local catchment area but increasingly foreign tourists are attracted to the mill to view a piece of English history in operation. As a consequence, demand is fairly stable from year to year with each segment providing a satisfactory level and pattern.

5.4 The Product

The product is a working industrial museum providing an educational experience and a glimpse of past history. The basic product has been augmented by a series of special events staged during each year on Bank Holidays and weekends: a Country Fair held on the Mill and in the adjoining park (this attracted 23,500 visitors to a variety of displays); the mill has booked a demonstration of farming techniques as practised in the past; a Medieval day; a steam engine exhibition; an open day when craft stalls were exhibited for visitors. Each of these attractions has been popular in the local community and has integrated well with the overall theme of the mill museum.
5.5 Price

No price is charged but an 'honesty box' is prominently displayed to all who pass through the museum. This elicits a good response from adults but children are not expected to contribute.

5.6 Promotion

Advertising is not undertaken but leaflets are printed detailing forthcoming attractions and are handed out at each event. Mobile tourist caravans operated by the Local Authority are another means of information dissemination. In addition to these more specific types of promotion, information about the museum is included in any leaflet produced by the Leisure Services Department of the Local Authority.

5.7 Performance

Performance is assessed informally by the number of guided tours booked during the year. There is no financial assessment as the concern is not viewed as a commercial venture.

6. Interpretive Centre

An interpretive centre is a site which has some historical or natural significance which is no longer physically visible. The area is preserved for public viewing and supporting literature and information is provided by which visitors may appreciate the site for themselves. This interpretive centre is based on the site of an historical battle. The progress of the battle has been indicated by signposts along a
marked route and the full spectacle can be appreciated in the display centre where posters and models describe the various stages.

Additional facilities include toilets, a cafe, a cinema/projection room, a bookshop and a gift shop. It is, however, for every individual to explore the battlefield and imagine the sequence of events which occurred in history.

The site has been developed by the Local Authority and is managed by a warden and a deputy warden. There are additional staff to assist with cleaning, car parking arrangements and sales in the shop.

6.1 Objectives

Objectives, whilst not formally stated, have mainly been concerned with the implementation of various projects at the site. In most cases, these have been restricted due to lack of finance.

In 1977 it was proposed to increase the number and size of the displays but the work has not to date been completed. At the same time, plans were developed for the establishment of a brass rubbing centre in a local hay loft. Although planning permission has been granted and brasses have been collected, the finance has not been available for the conversion of the loft or to pay the additional staff necessary to manage the venture. One project which is nearing completion is the commencement of a canal trip through the site. The canal and its moorings have been renovated but services have not commenced operation because the weather has prevented access to the start of the canal trip. A final proposition, in 1977, was to develop a steam railway service on the site. This would be operated by a private company but
would provide additional revenue to the Local Authority. This project has not been started.

Despite the rather slow progress of some of the above projects, others were under way in 1979. These can be summarised as follows:

i) The proposed installation of battery operated listening posts around the battlefield.

ii) A publicity film to show in schools and organisations and perhaps continuously on the site itself. This project has been started.

iii) Additional heraldic standards on the battlefield.

iv) Full size replicas of field cannons to be acquired if the budget permits.

v) A tape slide presentation when staff are available.

vi) Extension to the car park

vii) Persuance of right to use two adjoining fields for major spectator events.

viii) Installation of Battle Toposope to indicate the direction of the battle when staff are available.

ix) Development of scheme to engage the Royal Shakespeare Company to perform on the site in 1985.

6.2 Demand

Demand levels are assessed by number of admissions to the site. These average 30,000 individuals per annum plus 10,000 from school parties.

Demand is seasonal, reaching a peak in the summer months, especially at weekends. At the weekends demand is characterised by the casual
visitor, and during the week mainly by school parties. Demand, however, is very variable overall and depends on factors such as weather and petrol prices. Unfortunately, access to the site is difficult for the individual without transport as it is situated 3 miles from the nearest bus stop and those with transport are finding the cost of travel increasingly expensive.

6.3 Market Segmentation

The market is basically segmented as suggested above into the casual visitor with a car and school parties. Other groups such as local organisations (WI) have been considered and, in some cases, contacted. However, these groups are generally in favour of evening visits which are not possible because of staffing shortages. In order to rationalise the venture and minimise the costs, a shortened season has been contemplated. However, closure of the site at other off peak times would not reduce operating expenses significantly.

6.4 Product

The product is a tenuous one as described in the general introduction. It is an opportunity for the public to appreciate in some tangible manner the significance of a past event in history. This can only be done by displays and models of the battle, in conjunction with the site itself. Part of the experience for the individual is the integration of the reproduced models with the actual atmosphere of the battlefield. This site has a unique offering which is not replicated elsewhere in the catchment area. However, it is recognised that there are competing attractions, eg: a zoo, a castle, a stately home, a country park. These are not recognised as competition to be countered but as complimentary facilities. It is believed that there is little value in
attracting demand from these other amenities and, as a result, the centre endeavours to stage special events at different times from those offered at other amenities.

6.5 Pricing

Although operated by the Local Authority, prices are charged. This is a sensitive area as the public is often reluctant to pay for provision directly in addition to contributions through the rating system. However, when cuts are being made in public expenditure, revenue, although only totalling half of the costs incurred in running the centre, contributes to the viability of the concern. Price increases, however, must be justified and the additional income is normally spent on some visible improvement to the centre, for example, to increase the size of the display room.

6.6 Promotion

Although a considerable amount of effort is accorded to this function, the budget allocated to promotion is fairly low - £3,000 per annum. Use is made of a variety of media and every opportunity for publicity is exploited. Press statements are released, photographs are sent to the national newspapers, visits to the site are arranged for representatives of the Tourist Board, trade stands are hired at Tourist Workshops, hotels, tour operators, schools and libraries are circulated with leaflets.

It is recognised that there is a need to update promotional literature regularly, but there are severe constraints on time, money and personnel.
6.7 Performance Assessment

Performance is assessed on the basis of financial status at the end of the year. In addition, the Local Authority is keen to undertake a comprehensive survey to enable plans for the future to be formulated more precisely and in closer accord with the requirements of the target market.

7. A Country Park

The park was opened in 1969 to develop and manage an extensive area of countryside and woodland. The area has strong historical associations and incorporates a feature of great popularity for tourists and the local population in the vicinity. Since 1969, a number of facilities have been added, including an exhibition, an auditorium, a shop, toilet and picnic areas. The country park is linked to a second area of scenic beauty and each is managed by a Head Ranger, two assistants and four additional staff, but under the central direction of the Local Authority.

7.1 Objectives

Although no charge is made for use of the country park and its facilities, formally stated objectives are financially based. The reason for this is the linking of this site with the neighbouring area, also controlled by and under the development of the local authority. Finance in the region of £150,000 is necessary to further development of the second site and this target has been established for the country park to achieve by the end of the year.
This money will be raised by shop sales of books and cards and also from the sales of ice cream and confectionary.

The Rangers themselves would like to develop more activities within the park both for the casual visitor such as orienteering, a steam railway and scenic drives, and also for schools. However, little finance is available for this as the country park is not run as a commercial venture.

7.2 Demand

Demand is not formally assessed but occasionally cars are counted in the car park to furnish some details of demand levels. Information is, however, available concerning the extent of the catchment area. A chart on the site provides figures as follows:

- Nottinghamshire  41%
- Yorkshire        40%
- Lincolnshire     9%
- Derbyshire       9%
- Other            1% (source not given)

In addition, records are maintained of numbers of visits made by school parties. These are normally booked in advance and number on average four per day, but occasionally other parties do arrive without prior notice.

Demand levels exhibit weekly and seasonal patterns. Peak demand occurs during school holidays and at the weekends especially in the summer months, on weekdays demand is generally low. Demand can also be
assessed by area of the park used. One small portion close to the facilities incorporates a feature of great historical interest and demand is concentrated around this point. The rest of the park is rarely used.

This created a dual problem of demand management. Demand in the popular portion of the park must be strictly controlled if the natural beauty of the area is to be maintained and walkways have been constructed to manage the flow of people through this area. Secondly, whereas it might seem advisable to try to stimulate demand for the more remote areas of the park, the lack of manpower available to police the woodland area makes this strategy difficult at the present time. In general, a decline in demand overall has been detected, possibly due to the rapid rise in petrol prices. As the country park is situated approximately 15-20 miles from the nearest centre of population, travel costs have increased considerably.

7.3 Market Segmentation

Although there is no specific policy of market segmentation, and the aim is to provide facilities which will have a general appeal, several groups can be identified amongst those who visit the park. The major identifiable group could be termed educational and comprises, on the whole, school parties. Guided tours are provided around the major points of interest. These are also available for the casual visitor and appear to be popular with those individuals who have a specific interest in history and/or nature. To develop this aspect more fully, the Rangers visit groups in the local communities such as W.I., W.E.A. and nature societies to give talks about the park and encourage visits to the site.
7.4 The Product

The product is, at its most basic level, an open space which can be used for a number of purposes. The unique aspect of the site, relative to other competing country parks, is found in the historical feature which could not be provided elsewhere. There are a number of other attractions nearby, each of which has something different to offer within the country park setting and these must be viewed as a serious source of competition for the patronage of the casual visitor. An additional consideration is the proposed construction of a "Disneyland type" facility which will attempt to simulate some of the experiences to be enjoyed at the country park but with many other attractions. This will be a privately owned commercial venture, the cost of which may prohibit more than the occasional visit by consumers. The country park, of course, is free.

7.5 Promotion

Promotion is managed by the Local Authority and the Park Rangers have no responsibility for this aspect. Promotional suggestions have been made from time to time by the Rangers but these have generally been ignored by the Local Authority. Promotion is restricted to leaflets distributed to libraries and information provided on the motorway to prospective tourists.

7.6 Performance Assessment

Performance is not assessed formally in any way by the Local Authority or by the Rangers themselves. The Rangers, on an informal level, do however, try to gain some idea of the number of repeat visits made to the park and assess the level of casual versus regular visitors.
8. City Library

The library is situated in the centre of a large East Midlands city. It was opened 2½ years ago and the original city library which dated from 1880 was closed. The library is controlled by the County Council Library Department, itself part of the Leisure Services Department. It is the main branch for the area with responsibility for 19 local branches and a mobile library service. The manager of this major branch is entitled 'District Librarian' and he has under his responsibility 180 staff to service the branch directly and a further 80 staff who manage resources for use in the branches.

8.1 Objectives

The main objective is stated as a statutory responsibility to provide a comprehensive service to the public. The details of this service are decided by the Local Authority and are incorporated into an overall development plan for the library service. The plan is determined by population growth in the area and the availability of finance. In terms of facilities, development of the service began in the 1920's and continued in the 1930's and 1950's. An extensive programme was undertaken in the 1970's with the provision of three new branches and further additions will be made in the 1980's.

The District Librarian was unable to state specific objectives for the service but maintained that activities were undertaken with the overall aim of "providing something for everyone at all times". He did admit, however, that the resulting service tended to be middle class in nature.
8.2 Demand

Demand is not formally assessed and never has been. Library provision began as the "university of the working class" to give those who wished to further their limited education the opportunity to do so. As areas of population grew, branches were built. The same policy exists today but with less consideration for the growth of the population, the development of the infrastructure of an area being a greater determinant, eg: the building of a new shopping centre. Some record may be kept after the branch has opened, however. When the new City Library opened in 1976, potential demand was unknown. Over the next three years 50,000 people joined the Library, about 10% of the City's population. Library use exhibits seasonal variations with heaviest demand in the winter and lowest demand from May to September. On a weekly basis, demand peaks on Saturdays and Mondays and daily at lunchtime and in the early evenings. This pattern is not shared by the other branches but is specific to the main branch because of the nature of the market. The local branches face heaviest demand after 4 o'clock each day.

8.3 Market Segmentation

The market is not segmented for strategic reasons as it has a statutory duty to offer a service to everyone. However, segmentation occurs naturally from the type of market which surrounds a city centre, eg: business people and students. Other categories will be served by branches in close proximity to their place of residence.

The District Librarian has recognised the essentially middle-class characteristic of library users and has endeavoured to restore the
balance by focussing attention on younger age groups. Contact with schools ensures that every child has visited a library by the age of seven and that this visit is repeated twice during the remaining school period. Staff, in addition, visit schools themselves to give talks and information. This continuous contact throughout a child's schooling is viewed as an essential activity to try to build up a regular habit of library usage amongst children. Teenagers have been identified as a segment with a very low usage of public libraries due to competing interests and good library facilities at secondary schools. On leaving school, however, they do not tend to re-establish regular library usage patterns unless contact has been maintained.

There are no attempts to promote usage at off peak times during the day because variations in demand correspond with the types of work which are necessary within a library system. Library staff have two types of work to do: 40% of work is immediate and requires the constant presence of staff, i.e.: checking books in and out; the remaining 60% must be done at some other time, i.e.: stocking shelves, ordering books and administrative duties. Staff is allocated to a library depending on the level of immediate work to be done and this staff must, therefore, complete the other duties during off peak times when immediate requirements are less.

8.4 Product

The District Librarian could not suggest any provision which competes directly with the library. Although it is often assumed that television has grown to form a type of competitive activity, this development has, in effect, stimulated library demand rather than
detracting from it. It has widened the interests of the population, exposed people to ideas, authors, literature on a broader basis than ever before and has consequently increased demand for books to support this.

The library tries to maintain a good mix of books covering a broad spectrum. The mix at any one time is decided by an analysis of stock usage, i.e. if a large number of books on one topic or a range of topics is being requested at any one time, the selection in this area is increased. As patterns change, therefore, the emphasis in the mix can be changed accordingly. The analysis of stocks and stock usage also enables popular books to be identified. These will be sent to every branch and replaced as they deteriorate and less popular books, identified by the same process, are circulated around the branches and returned to stock on a regular basis. This system alleviates the problems which arise when individuals have read all the books on a particular topic in their local branch. The constant turnover of books ensures that they can, at regular intervals, obtain another book which they have not previously seen, and so motivates them to visit the library regularly to check the selection available. The District Librarian is confident, however, that this situation will disappear completely in the near future. Computers are becoming a normal part of the library system and he forsees the day when a record of all books available in the library system in Britain will be available on microfiche. Every reader will be able to access this information quickly and request any book in the country.
The library is not, however, considered to be merely a facility for lending books to the public. The District Librarian takes a much wider view of its role in the community. It can, for example, provide facilities for local groups to hold meetings and it provides a useful medium for displays and exhibitions. Above all it has an important function as a source of local information.

8.5 Price

By law charges cannot be made for book lending. They are permitted, however, in other areas, e.g.: reservations, fines for overdue books, record lending. In addition the library supplements its budget from the Local Authority by selling products with a local interest - postcards, leaflets, posters, booklets. The District Librarian was of the opinion that some people actually visit the library solely to buy products of this nature and not to borrow books. Others, however, are attracted to make purchases during a visit for library borrowing purposes.

8.6 Promotion

Expenditure on promotion emphasises the small amount of importance accorded to this function, from a budget of £4m, £5,000 is allocated annually to promotional activities. The stress in the promotional mix is strongly placed on personal selling activities - talks are given by the staff to many groups in the local community and, as mentioned, to schools. This type of 'word-of-mouth' promotion is supported by publicity on local radio, leaflets, booklists.
8.7 Performance Assessment

A formal type of analysis is undertaken on a regular basis to compare aspects of one year's activities with a previous year, eg: number of books borrowed, number of enquiries received, number of readers registered.

This analysis is supplemented by a more informal type of information collection, that is an examination of letters received either in appreciation of library services or complaining about some aspect. Every year a review is undertaken of the book selection policy of the library to determine whether users requirements had been correctly anticipated or not. In addition branch usage is examined to determine the continued viability of each branch. If a branch is becoming less well utilised, it is not closed as a matter of policy but is vigorously promoted in the local areas first to establish whether it has a service to perform there or not.

9. Zoo

The zoo is situated on the outskirts of one of the largest towns in Scotland. It is owned by a trust which is administered by a Board of Directors. Direct management of the zoo, however, is the responsibility of one man who has occupied his present position for 7 years. He supervises a permanent staff of 25, with casual labour additionally supplied by the Manpower Services Commission.

The facilities were built in 1947 and comprise the normal amenities expected of a zoo. However, the standard of provision is extremely low.
in certain areas, eg: toilets, provision for the disabled, catering facilities. The land owned by the trust totals 137 acres which is much greater than most of the other zoos in Britain. Edinburgh Zoo, for example, is half the acreage. At the present time, only 40 acres of the trust land is in use but the remainder is available for development when necessary.

Whilst exhibiting great potential in the future, the zoo is, at present, suffering from a poor reputation which has been established over a large number of years. Its facilities had been allowed to deteriorate to such an extent by 1970, it was not viewed by the public as an attractive or interesting place to visit. Most of the best zoos have been founded on the personality and reputation of their benefactor and, by diligent efforts, have progressed. This zoo had not done so.

9.1 Objectives

As the zoo had deteriorated to such an extent when the manager was appointed, all previous objectives were abandoned and the only aim at that time, now and for the next 5 - 6 years is to create from the resources available, a good quality provincial zoo.

9.2 Demand

Demand is assessed purely by numbers passing through the gates. In 1979, 130,000 visited the zoo, an improvement of 25% over the previous year's total. The manager attributes this increase to improvements which have been made to the facilities to date. Potential demand is, naturally, much higher as the zoo is in a catchment area of 2 million people. When compared with other zoos with smaller catchment areas,
eg: Bristol, added emphasis is given to the present low level of demand. Bristol has an annual throughput of 650,000 people. Even so, the optimum number which could at present be accommodated adequately at the zoo is 240,000 and this is the present target figure. The problem, however, is a difficult one. Money is necessary to upgrade the facilities and despite the grants which have been allocated so far, a much greater gate is necessary. However, it is not easy to dispel the reputation which has accumulated over the years and the zoo needs to show the local population that improvements are being made to make it worthwhile for them to recommence patronage. Approximately 65% of the overheads of the zoo are incurred by the wage bill. Additional maintenance and repair personnel are necessary but cannot be justified unless admissions increase to cover their wages. The manager has investigated all available methods other than this for obtaining finance. The Local Authority has contributed £95,000 per annum towards renovations but it is anticipated that this will be substantially reduced when cuts are made in public spending. The Scottish Development agency has also given a grant of £100,000 towards materials. One of the major organisations which has helped the improvement programme has been the Manpower Services Commission which has donated £1 million of 3½ years under the job creation scheme towards salaries for manual and non manual workers. It is hoped that these grants and subsidies can be maintained and, if possible, increased over the remaining period of improvement. Demand fluctuations do not present a problem at the present time because, overall, demand levels are low. Peak admissions occur at the weekend, especially in the summer and on Bank Holidays. Car parking facilities have not, to date, proved adequate under peak
conditions but a second car park is being constructed to cope with these higher levels. The manager, however, is not concerned with attracting people specifically at off peak times but prefers to concentrate on increasing base levels of demand first.

9.3 Market Segmentation

There are many ways of segmenting the potential market for the zoo. The major group to be reached in pursuit of increased demand levels is the motorist. The population have gradually moved away from the location of the zoo and public transport services and road access have not been adequate. Since the construction of a major road out of the city which passes the zoo entrance, access has been made easier for the car owner. The manager believes that this group is most likely to exhibit the greatest increase in demand and may be adequate to achieve the target of 240,000. However, car ownership in Scotland is concentrated in the middle class which has higher expectations of leisure provision than the working class. Consequently, standards on the zoo premises must be maintained. Schools also form a good market segment, however, parties of school children are admitted free under the terms of the Local Authority grant and so increases in the number of school parties would not augment revenue. However, school children are a useful means of disseminating information through local communities about the improvements that are taking place and can be a useful stimulus to parents.

Another segment of the population which could be attracted in greater numbers is the casual family group. Increasing the value of the visit to the family would not involve a great amount of expense. More
informative labelling is necessary to interest adults and possibly an audio visual display in the future. However, the provision of such a facility is restricted at the present time, not because of expense, but by lack of trained personnel.

A final type of segmentation is by interest in nature and animals. The general public has a wide interest but is satisfied with the more usual types of exhibits to be found in zoos, eg: elephants, lions, tigers, monkeys. The specialist, on the other hand, is looking for different species of animals and birds, not normally on view to the public.

The zoo has a good stock of common varieties and some of the more specialised types. However, it lacks exhibits in three major areas: giraffes and great apes - because of the disproportionate expense of heating and feeding these types of animals relative to others - and birds because of the amount of attention they require. These areas, however, will have to be neglected until admissions increase and the specialist will remain a less important market segment.

9.4 Product

The product encompasses an opportunity to view species of animals and reptiles at close quarters which are not normally found in the domestic environment. Competition, therefore, in these terms, is negligible. One other major zoo operates in Scotland but sufficiently far away for local custom to be unaffected. In addition, locally, there is a Bear park and a Safari park. The charges, however, for these attractions are extremely high and repeat visits are rare. The
manager has not, however, investigated the many other activities and entertainments which might compete for the attention of the casual holiday visitor.

9.5 Prices

Prices have been maintained at the low level of 70p for adults and 20p for children for 2½ years. The manager, until now, did not think that the facilities justified an increase in price. However, since improvements to facilities are now visible, prices have risen to 85p and 30p respectively. Once in the grounds, all the exhibits including the aquarium are free.

9.6 Promotion

In previous years, promotional expenditure has been maintained in the region of £6,000 - £8,000 per annum. The manager has decided, however, that this expenditure is neither justifiable nor effective in terms of results. It has, therefore, been reduced to £400 for informative newspaper advertising. As admissions have been depressed by the zoo's poor reputation, it is unlikely that large amounts of advertising will change people's impressions. The manager believes that changes in attitudes will be effected more easily by word of mouth and concentration on free media. Use has been made extensively in the past year of local radio and editorial articles in the press, both of which have a level of credibility that paid advertising cannot achieve. Promotional techniques, whilst not favoured in general by the manager, have been employed to maintain the small amount of patronage which the zoo enjoys. A small fun fair, for example, has been built in the
grounds to provide an additional attraction for children. Such methods will be gradually discontinued as the zoo improves its reputation for exhibiting animals.

9.7 Performance Assessment

Performance is at present assessed on the basis of increased profitability or decreased deficit. In addition, the progress of the improvements to the facilities is being closely monitored as are admission figures to the zoo. A survey has recently been undertaken to determine the effect of the improvements to date on the attitudes of visitors to the zoo but results have not, as yet, been analysed.

10. Motor Museum

The motor museum is, in effect, not a single facility but part of a larger conglomerate of attractions on a country estate in Scotland. The museum contains a collection of vintage and post vintage cars, numbering about 35, all of which are in running order. Adjacent to the museum is a self-service cafeteria which can cater for 100 visitors, and a souvenir and gift shop. On the same site, the visitor can walk through 10 acres of gardens. These were created in the 19th Century and feature a walled garden of shrubs, rose and herbaceous borders, a glen of rhododendron, azaleas and rare trees and a pineum of exotic conifers. A garden centre has been constructed near the museum for the sale of shrubs, heather, seeds and gardening requisites.
An additional feature in the grounds is a motor racing hill climb which was constructed in 1969 to further motor sports in Scotland. Three events are held each year. The museum and garden complex is linked with an historic castle a short distance away. This 14th Century Medieval castle has been restored to a state where it is safe for visitors to tour the major rooms, but no attempt has been made to furnish or decorate the interior.

These facilities, plus a second estate in Scotland, are managed by a company formed by the landowner. The landowner himself plays an active role in the administration of the company and formulates policy with the assistance of a Board of Directors. A management team administers the day to day affairs of the facilities. The staff comprise:

Two managers, a part time motor mechanic, a part time office assistant, four full time gardeners and part time seasonal staff.

The management team are empowered to make decisions concerning the daily running of the facilities, but major policy decisions rest with the Board.

10.1 Objectives

The major objective of the operation is to make a profit at the end of each year. This profit is utilised for the improvement of the car collection and maintenance of the gardens. Specific objectives are established annually by the Board of Directors. However, these were not disclosed during the discussion.
10.2 Demand

Demand is assessed according to the number of admissions to the museum, the castle and the gardens. Year on year, demand has been increasing but the rate of increase has been declining and this is a matter of concern for the management team. In 1979 admissions to the motor museum totalled 55,000, the castle, 45,000 and the garden 10,000.

The gardens have experienced the most noticeable decrease in demand and their future is, at present, under review. The high cost of maintaining 10 acres of land at a level which constitutes an attraction to the public is not covered by receipts. The castle, also, is expensive in terms of maintenance and alternative plans are being developed for its future. Demand is monitored quarterly and distinct patterns in the timing of demand have been identified. Demand is virtually non existent during the winter months and, as a result, the facilities are closed to the public between October and April. During the remaining period, peak demand levels are experienced on Sundays and between 10.00 am and 11.00 am and 2.30 pm and 4.30 pm on weekdays.

The closed period is welcomed by the management team as this allows an adequate period for maintenance and renovation. The staff, themselves, undertake this work in order to reduce costs which would be incurred if outside contractors were employed. Off peak periods during the summer period do, however, present problems. The manager of the museum feels that the nature of the offering limits the opportunities available to attract visitors at these times. It is, for many visitors, a "one-off" experience which is the result of an impromptu decision rather than being a planned excursion. As a consequence, there is little opportunity for repeat business or for
establishing regular visiting patterns. One exception is the coach party, which is planned in advance. However, those selecting this type of outing are, in the main, visitors from other parts of Britain who are on holiday in Scotland. Again, repeat visits are unlikely.

The management team cannot conceive of any strategies which might persuade people to visit the facilities at off peak times. Price reductions would not provide adequate motivation because the public does not seem to be price sensitive for this type of facility. Reductions in price are, however, offered to coach parties in an attempt to increase this aspect of the business, but these reductions are operational throughout the season irrespective of time of day, or day of the week.

10.3 Market Segmentation

Those who visit the facilities have been identified as belonging to one of several distinct market segments: coach parties, motorists, car connoisseurs, garden lovers, school groups. As the amenities are situated about 15 miles from the nearest town, transportation is a necessity. Public transport is not adequate in the area. Consequently, market segments seem to be based on the common factor of usage of private transport, either hired or personal. Motorists have formed the major part of the demand over the last few years and, currently, efforts are being made to stimulate demand from the other segment, coach parties, which is under-represented in admission figures.

10.4 The Product

As described previously, the product is an amalgam of different
amenities from which four distinct types of experience can be identified:

1. Unique car collection for motor enthusiasts
2. Attractive, quiet gardens
3. A day out for the family
4. Special events for those with an interest in one particular area

This latter area has received a considerable amount of attention from the management team. Three major events a year are staged on the hill climb. In addition, a number of shows have been offered in the grounds, eg: hunter trials, radio controlled plane demonstration, sheep dog trials. These events are free of charge to the public, the rationale being that when the visitors have been attracted to the estate for an event, they are likely to prolong their visit and enjoy the other amenities for which, of course, there is a charge. The actual mix of offerings is decided by the landowner and it would appear that he is interested in experimenting with different aspects of leisure and recreation. For example, pony rides have been introduced for children and an adventure playground is being planned.

The product itself has one distinct advantage - the unique car collection which is estimated to be the best in the UK. This collection has formed the basis of the offering and additional attractions have been developed to broaden the scope of demand potential. Competition, however, can be identified, not in terms of the product, but in terms of experience - the "day out". There is a castle of greater proportions and historical significance nearby, an airfield with an exhibition of old planes and a safari park. These are not perceived as a competitive threat, however,
to the operation but as a vehicle for disseminating promotional material.

10.5 Pricing

Pricing policies are in existence but do not seem to be related to financial objectives. The Board of Directors decide prices, and increases, usually about 5p per time, are only made when warranted by inflation. Consequently, price levels are low for the type of attraction, eg: 60p for the motor museum (adults). Children under 14 are admitted free of charge if accompanied by an adult, and further concessions are made to all visitors in the form of a combined ticket for the museum and garden which represents a saving of 20p per head.

The Board of Directors have realised that the recession and increases in petrol prices have had a considerable effect on the discretionary income of the average visitor and, as a consequence, they have decided to maintain prices at their present level as long as possible. As stated above, consumers are not very price sensitive when deciding on an excursion. If they want to see the car collection or visit the gardens, the desire to do so is often greater than the consideration of cost. If this is true, it is difficult to appreciate the reasons for the low levels of pricing at the museum - the two, in fact, seem to be inconsistent and an opportunity for higher income may be missed.

10.6 Promotion

The management team faces a number of problems when determining promotional strategy. National (Scottish) advertising would be
appropriate for a tourist attraction of this nature. However the high costs of such promotion prohibits a strategy of this nature. Promotion is undertaken in the local area but this is only effective with regard to tourists visiting the locality and is wasted on the inhabitants of the area who are unlikely to visit the estate more than once a year and, in the main, are aware of its existence. Some selective advertising is placed in specialist national magazines to attract particular segments identified above, eg: motoring magazines and gardening magazines. If the past promotional strategies are examined and compared with attendances, however, an interesting picture emerges. Although the management team appears to have little confidence in the effectiveness of promotion and is reluctant to spend money on advertising, previous attendance figures indicate that such expenditure may have been successful in increasing attendance in the past.

In 1974 the management team decided to promote the gardens on a scale which had never been undertaken before. A special block was designed and advertisements were inserted in the daily newspapers in each of the main towns within a 40 miles radius. Expenditure on promotion increased from £1,230 in 1973 to £4,061 in 1974 to cover the cost of this strategy. Admissions to the gardens increased in the same period from 5,869 to 10,141 and to the museum from 33,248 to 40,734. In subsequent years, promotion expenditure was reduced again by 50% in 1975 and 1976. This reduction would appear to be reflected in the declining rate of increase in attendances over the same period. By the end of 1976, admissions to the gardens totalled 13,608 per annum and to the museum 46,215. Although it is not possible to establish
a direct relationship between increases in admissions and promotional expenditure, such a relationship is indicated and it would be interesting to discover whether the same effect occurred from a repeat promotional programme. The management team does not consider that increases are justified in the promotional budget when demand is not increasing accordingly. The museum manager has decided, however, that promotional techniques should be assessed to identify the most important sources of information for visitors to the estate.

10.7 Performance Assessment

Performance is assessed by the Board of Directors on the basis of profitability and admissions. In general, it is considered that the museum and the castle are performing adequately but the gardens do not produce an acceptable level of returns. The gardens may, as a result, be closed at the end of the 1979 season.

11. Ice Stadium

The ice stadium is situated on a busy road intersection near the centre of a large city in the East Midlands. It was built in 1939 and has been run since its official opening after the war by a private company. The facilities comprise a large rink (185 ft by 85 ft), a bar, buffet, and a shop selling skating equipment. The manager has worked in his present capacity at the rink since 1946 and is responsible for a staff of ten people.
11.1 Objectives

There are no formally stated objectives but the manager considers that his main priority is to maintain the financial viability of the concern. This constitutes a major problem because operating expenses are high. The electricity bill for one week, for example, totals £500. The manager does not seek financial assistance from bodies such as the Sports Council because he perceives their objectives to be of a different nature, with little emphasis placed on financial viability. The avoidance of involvement with grant-making bodies is characteristic of the ice skating business. 80% of rinks are owned by private concerns, the majority of which share the aim of financial viability. The manager could not state any other objectives.

11.2 Demand

Demand is concentrated amongst those aged 22-25, although there is a fairly large contingent in the under-14 age group. Demand levels range from 4,000 to 7,000 admissions per week, demand peaking between January and May and falling to its lowest levels in July and August. Demand variations are noticeable, in addition, during the week. Wednesday and Friday nights, all day Saturday and Sunday afternoons are most popular and weekday mornings are least popular. The catchment area is fairly wide due to the general lack of skating facilities in Britain. Some skaters travel from Sheffield and Bradford to use the facilities. There is one other rink in the area, incorporated in a Local Authority sports centre. However, this does not constitute a competitive facility due to its small size. The demand for the facilities can be divided into two distinct groups which form the basis for market segmentation.
11.3 Market Segmentation

The market is segmented broadly into two groups - those termed 'serious' skaters whose aim is to improve their skating expertise and the general public who use the facilities on a casual basis as a form of general entertainment. In addition to this, demand can be segmented by age. A fairly substantial group under the age of 14 uses the rink on Saturday mornings and those over 14 are attracted in the evenings, and afternoons at weekends.

Attempts are made to encourage these distinct groupings. The Saturday morning session is aimed specifically at youngsters and tuition is available at this time. In addition, children's sessions are offered from 9.00 until 10.00 on weekday mornings which constitute a type of playgroup. The general public needs little encouragement to use the facilities but evening sessions are stimulated by competitions and events which offer prizes as rewards for the winners.

The serious skater presents more of a problem. This segment requires a reasonable amount of space in which to practice ice dancing patterns and techniques. It is not possible to offer this during peak times but it is hoped that the segment will feel sufficient motivation to attend regularly at off-peak times if no attempt is made to stimulate general demand during these periods. In addition, motivation is provided by the presence of the British Ice Dance Champions who are resident at the rink and the occasional spectator events, for example, the British Ice Dance Championships are held annually at the rink. This segment may gradually decline when the planned ice skating complex is opened in Manchester. The Sports Council has initiated the idea
at an anticipated cost of £14m to encourage professionalism in skating. The manager welcomes the idea of the complex as it will relieve the ice stadium of its obligation to this segment which is not, at present, a financially viable operation. However, he recognises that it will curtail the opportunities for serious skaters who cannot afford to travel to Manchester regularly. They will not have adequate access to the complex nor will they receive sufficient training at local rinks if the professionals are, as it seems likely, attracted to the complex.

The manager recognises that distinct market segments do exist and has made some attempt to utilise their characteristics to design an appropriate experience at the requisite time. He is still, however, concerned about off peak utilisation. Overall, demand levels are not satisfactory, but he is unable to stimulate demand at peak times because this would detract from the quality of the experience for the casual skater and similarly for the serious skater at off peak times. One solution, he proposes, would be to encourage school usage during the day but he has found little response from headmasters and teachers in the past. They do not recognise skating as a useful activity for children during school time and are not prepared to accompany groups to the rink after school hours. Although there do not appear to be ready answers to this problem, the manager has made some attempts to utilise his resources in other ways as will be seen in the next section.
11.4 Product

The product is viewed more broadly by the manager than a skating rink or an opportunity for skating. He views the facilities as resources for entertainment and, as a consequence, has utilised them for a number of different events. He has offered a variety of spectator sports such as basketball matches, tennis, wrestling, boxing and has encouraged the use of the facilities for political meetings. The major problem has been one of attracting celebrities. In the past celebrities would appear for a percentage of the gate. Today they require a fixed fee which the rink cannot afford. Additional expenses are involved for seat hire and other alterations to the facilities. When these expenses are incorporated, the event cannot normally be justified unless it will produce more revenue than an evening of traditional skating activities - and this is not possible if fees are involved for personality appearances.

An additional factor which has disillusioned the manager is the apathetic nature of the population regarding his past attempts. As an example, he cited the staging of the National Coal Board Boxing Championships at the rink. The surrounding area has a history of mining industry and could, therefore, have been expected to support the event wholeheartedly. There was, however, little demand despite artificially low seat prices.

As a consequence, the manager had decided that he will, in future, confine his activities to the skating area unless a very attractive opportunity presents itself. He suggested, in fact, that a useful addition to facilities would be a gymnasium to enhance the fitness of young skaters, but capital is not available at the present time.
Although it might seem that the manager exhibits a strong product/facility orientation, he has some intuitive knowledge of the motivations of those who use the facilities and how they view the experience. The general public use the rink on a casual basis interspersed with other forms of leisure activity. They have no wish to use the rink more often. The serious skater, on the other hand, is completely committed to skating and has few interests outside this commitment. The major criticism is perhaps the lack of interest in or identification of those who do not use the facilities. The events which have been presented to the public were not researched in advance but were offered on the basis that they had been successful elsewhere. A little more investigation might have revealed opportunities which would have been successful.

11.5 Price

The manager claimed that prices were set on an economic basis. On further discussion this basis constituted an appraisal of current expenditure aligned with an opinion of what customers would pay. This estimate is constrained, however, by the necessity to maintain prices at a level which will enable the serious skater to attend on a regular basis. This normally means four or five sessions per week. There is some flexibility, eg: concessions for parties over 25 in number, under-14 reductions, but no attempt to utilise membership schemes or season tickets to manage the problem of charging serious skaters a reasonable price whilst retaining financial viability overall. He could not, however, explain his reluctance to do this.
11.6 Promotion

Comparatively little promotion is undertaken, the justification being that this is the only ice rink in the area and everyone knows where it is. In the manager's opinion it is sufficient to place an informative advertisement in the local newspaper each week, detailing times and charges. Anything further than this cannot be justified on a financial basis.

11.7 Performance Assessment

Performance is assessed on a profit basis. However, the manager was not prepared to reveal whether a financial target was set to give any indication of profits achieved. His own assessment of the performance of the rink is not based on any formally collected information but on comments from users during brief discussions as he inspects the rink during the day and in the evening.

12. Cinema

The cinema is situated in a town in the East Midlands. It was constructed prior to 1935 and extended at a later date to incorporate a much larger two level auditorium. In 1973, in line with current trends, the auditorium was divided into four separate studies. It is ideally cite in the centre of the town and, since the conversion of the only other cinema in the town into a bingo hall, faces no competition in the presentation of films in a 15 mile radius, except possibly from programmes presented at the local university during term time.
The cinema manager has worked in the industry for 34 years and supervises a staff of 35 comprising full time and part time employees.

12.1 Objectives

The cinema is privately owned and not part of one of the major national chains. The manager has no objectives set by the company nor has he any personal objectives for the cinema's future activities and performance.

12.2 Demand

Demand fluctuates from week to week and demand levels are dependent on popularity of the film currently showing. However, seasonal variations in terms of audience composition can be identified, e.g.: higher levels of demand from children during the holidays and from students during university terms. There is a conscious effort to take advantage of this pattern by presenting programmes which are considered to be popular amongst these groups. There is no attempt, however, to survey demand to establish the popularity of films in advance, but the manager relies on his own knowledge and experience of the cinema industry. Some films, he maintains, are assured of success either because of popularisation by the media, e.g.: Star Wars, or because they have achieved a "loyal" following of viewers who will return to see them on several occasions, e.g.: Doctor Zhivago.

Because the four studios are presenting a different programme at any one time, consideration must be given to the requisite mix of films to satisfy demand variations. Apparently, changes are made in products stocked at the kiosk to supplement these variations in offerings.
There are two major periods during the year when demand is particularly low - two weeks in July which are popular holiday periods and the week before Christmas when other attractions such as parties compete for attention. No action is taken to stimulate demand at these times. A similar attitude is taken to variations in daily demand. Although demand is higher in the evenings in the winter, little attention is directed at the lower levels of demand at other times.

12.3 Market Segmentation

Despite the manager's ability to identify variations in audience composition in broad terms in the previous discussion, it appears that separating out groups in the population was not a conscious strategy for programme formulation. Initially he claimed that no distinct segments existed but people of all types, ages and both sexes attended the cinema in equal numbers. However, on further discussion, he did not experience any great difficulties in identifying distinct groups. For example, he divided middle aged women into two types - those whom he termed the "bingo" types who prefer more raucous films and attend performances in groups; those whom he termed "family" types who seek more general entertainment and are accompanied by their husbands, usually on Friday and Saturday evenings. In addition, a special programme is offered for children on Saturday mornings and occasional use is made of facilities by schools, associations and local companies.

This discussion indicated that an active strategy of segmentation was not employed, even though variations in attendance were identified and definitive groups were noticeable in the local population with
seemingly well defined needs. The process of providing a satisfactory programme was intuitive rather than linked to demand patterns or specific segment requirements. A programme, however, constructed on this basis is unlikely to be optimal.

12.4 Product

There is no other cinema in the locality but other forms of entertainment exist. This is not viewed as competitive but as complimentary products which produce a spin-off effect as they encourage people to visit the town centre more frequently, become more outward looking in their approach to entertainment and hence more receptive to any leisure product available.

The product offered by the cinema comprises a mix of four film programmes. These are selected from a fairly restricted list sent to the manager and, consequently, he decides the mix based on film availability in conjunction with the time of year, i.e.: student films or children. No research is undertaken to determine the appropriate mix in line with the requirements of the local market despite claims of increasing difficulties in this area in recent years. The lead time for booking films has shortened considerably and whereas ten years ago, the programme could be decided 2-3 weeks in advance, today the lead time has been shortened to a matter of days. A contradiction arises, however, as although the manager previously claimed that he chose the films himself, it appears that this is not really the case. The Board of the company in conjunction with the film rental agency choose the films and the manager's responsibility is confined to deciding the appropriate mix for each studio programme. From the
discussion, it appeared that little information is transferred either from the local area to the Board or in the opposite direction. If, therefore, the Board and the rental agency are making decisions about the product mix from nationally based information, the mix may not be suitable for a locality such as the one in question where the pattern of audience may vary substantially from any that is nationally known.

12.5 Pricing

Pricing, in comparison with those in nearby larger towns, are relatively low (40-50p less per ticket). The manager claims that price setting is his responsibility. However, the discussion indicated that no regular procedure was adopted for reviewing prices or determining new schedules. Prices tended to remain constant until some external consideration forced a price increase. This did not imply the consideration of demand or competitive offerings and related prices, but was restricted to a single factor - VAT.

As is traditional in the cinema industry, price concessions are operational. Pensioners pay a nominal 25 pence and children under 14, 55 pence. Prices are not varied seasonally or daily for the rest of the population, nor are they used for promotional purposes.

The impression gained was that price is not a variable which can be used as a technique to stimulate demand or fill off peak capacity, or that price reviews and systematic and regular price analysis are necessary.
12.6 Promotion

Promotion is approached in a similar way to pricing. Advertisements of a purely informative nature are placed in the local press. Posters are displayed in the foyer and on the outside of the cinema and, when provided by the film rental agency, promotional cards are distributed to shops. This rather restricted advertising is supplemented in two ways, neither of which are controlled by the cinema management.

i) Film companies have in the past 2-3 years begun to advertise their productions on television and in the Sunday papers. This gains general publicity for the film.

ii) Word of mouth among the local population.

The manager claimed that large sums of money are spent every year on advertising but was unwilling to specify an amount. It seems unlikely that this would be significant if it only involved small notices in the local newspapers.

12.7 Performance Assessment

There is little necessity to undertake any formal appraisal of the performance of the cinema. Demand levels can be monitored by sales figures and any decline can be quickly rectified by changing the programme. In terms of the consumer, when questioned at some length, the manager claimed that occasionally surveys are undertaken at the box office to establish the relative popularity of films shown recently, how many times each individual has been to the cinema and how each one heard about the programmes offered. The manager could not, however, produce any copies of questionnaires or summaries of results of such
surveys. No attempt is made to survey non-users of the cinema. The manager regards demand levels as adequate and costs of such research as too high.

13. Leisure Services Department – County Council

The Department was formed in 1974 with a management team headed by an individual experienced in both administration and management. The Department is responsible for all leisure facilities and amenities in the country and for the development of new ones.

13.1 Objectives

Although the first objective stated was 'financial', the total operation is not required to make a profit, especially during these early stages of leisure service development. The emphasis on financial objectives changes, however, depending on the political persuasion of the council members. Labour Councils are not concerned with profitability but prefer to make provision available from the rates as far as possible. Conservative Councils stress financial viability more strongly.

The Head of Department has established his own detailed objectives for leisure provision in the country. The overall aim is stated as follows: by provision for leisure activities, to assist the people of the county to achieve full, rewarding and healthy lives and to raise the levels of aspiration in all activities.
The primary goal has been divided into seven subsidiary objective areas each of which has secondary objectives and specific associated activities to be undertaken. The seven primary objective areas are as follows: sports and active games, informal outdoor recreation, social activities, tourism, health and general support for leisure provision. An example illustrates how these areas are developed into detailed plans. The first level objective for sports and active games is to ensure appropriate provision of facilities for players and spectators of organised sports and physical recreation. This is subdivided into two secondary objectives: to promote and encourage sporting skills and competitive activities; to provide facilities for sports and active games. Each of these has a number of associated activities. The first includes assistance to co-ordinating and governing bodies of sport, promotion of sporting events and competition, provision of prizes and trophies, provision for coaching and training.

The second comprises a list of facilities necessary, for example, sports centres, covered sports areas, squash courts and cycle tracks. Each of the other areas is treated in a similar fashion.

The Head of the Department has based the development of objectives on two variables. Firstly, an analysis was made of reports compiled by the Sports Council which detailed requirements for the area. This was compared with a list of facilities currently available and a third list was compiled which detailed provision lacking in the area. Secondly, sports enthusiasts were interviewed to identify priority areas.
13.2 Demand

Demand in the area has not been assessed prior to or since the construction of any facilities. Initially, when a building project was being developed, demand for similar types of facilities elsewhere in the country was investigated. The facility was subsequently constructed. It soon became apparent, however, that the local population are extremely receptive to new facilities and activities. Every new leisure service offered to date has immediately been oversubscribed and, as a result, no further attempts have been made to estimate potential demand.

13.3 Market Segmentation

As demand for all facilities has been so high market segmentation has not been considered for any one of them. Also, the general lack of facilities in the area, when the Department was formed, presented the Department with an opportunity to provide, initially, a number of facilities and activities with wide ranging appeal which were likely to be successful without the need to identify particular groups not currently being served.

13.4 Product

The first facility to be owned and managed by the Department was a Marina which offers sailing, fishing and a caravan and camping site. This facility has been so popular that it has been forced to close for two days a week. Staff have been working a 60 hour week to accommodate demand and the council no longer have financial resources to pay overtime rates.
Since 1974 a variety of leisure activities have been introduced on an experimental basis which have also proved to be enormously popular. Two waterbus services have been operated on local canals giving the population the chance to see rural and city areas which are not normally popularised. In addition, an annual horse show is staged which provides an opportunity for individuals to see exhibitions of all types of horses plus various competitive events. There was no identifiable demand for such an event and admission figures were estimated to total 8 - 10,000 for the first year. 100,000 people were admitted in that year and figures have increased ever since. This pattern has been observed in all other facilities under the control of the Council.

13.5 Pricing

There is no defined pricing strategy for any of the facilities. Generally, comparable establishments are surveyed and a similar or lower price is charged. The present Labour Council favours a policy of heavy subsidisation from the rates to maintain prices at as low a level as possible. This may, however, change if the political persuasion of the Council is altered.

13.6 Promotion

There is little need for large promotional budgets because demand is so high. Local press advertising and leaflets distributed throughout the locality are the usual forms of promotion.
13.7 Performance Assessment

It is difficult to assess performance because of the recent nature of the organisation. An idea of the progress of the various facilities is gained from the rate of usage of each and, as this is generally very high, the Head of the Department believes the organisation to be performing well. Financial performance is not known but a running total of the number of tickets sold is, at present, being prepared. This is a special exercise not required by the Council but undertaken for the satisfaction of the Department itself.

14. District Council - Leisure Services Department

The Leisure Services Department of this District Council is fortunate that it has had the opportunity to commence a programme to develop leisure services for a town which has no past history of such activity. The town has been newly constructed and the Leisure Services Department was formed at the same time. As a consequence, no existing facilities have been inherited nor has the Department had to integrate the activities of a number of separate departments as has been the situation in most Leisure Service Departments after local Government reorganisation. The Director of the Department has been employed by the Council for two years and prior to that was manager of a local sports centre. He has total responsibility for daily management operations but must seek approval from the Council for any major changes he wishes to make.

14.1 Objectives

The Department is permitted to develop its own objectives but none have been formally stated so far. The Director considers, however, that the
Department is aiming to achieve three things:

i) To provide facilities for the whole community

ii) To encourage young people

iii) To provide for a broad range of interests plus the sporting elite

No objectives have been established which specify financial targets to be attained within a defined time period but the Department is expected to operate within the budget established by the Council.

14.2 Demand Assessment

Demand, as yet, has not been formally assessed because the majority of facilities are too recent in origin for a "normal" level to have emerged. The facilities are catering for a young middle class population of about 90,000 people, and have been designed to be multipurpose centres as far as possible. When demand levels have stabilised, the Department will consider the more specific needs of groups in the population. It is intended, however, to undertake surveys of the two facilities which were first established in the area. These surveys will comprise a study of the usage patterns of the facilities over a period of a week and will be followed by a number of random surveys several months later.

The Director does recognised the existence of demand trends in leisure and is prepared to consider new activities popularised elsewhere in the country. Potential demand for a new activity such as skateboarding is assessed normally by pressure exerted by the community for provision for the activity. However, the Director is not in favour of this type of assessment because it is not necessarily representative of the
long term requirements of the community but represents the rather shorter term needs of a small vociferous group. As a consequence, for example, he rejected the idea of a skateboard park because it was not sufficiently multipurpose to justify the expenditure of £66,000 of ratepayers' money. However, a temporary park was created as a compromise.

The Director experiences difficulties in proposing detailed plans for the future based on the demand estimates available because the development of these estimates is not under his control but that of the Regional Council and Development Corporation. To date, their estimates have been inaccurate. The original estimate for the total size of the population of the area, for example, was 65,000 and this has been well exceeded and is continuing to increase.

14.3 Market Segmentation

The concept of market segmentation has not been used extensively because of the necessity to establish a broadly based network of multi-use facilities. However, the catchment area is characterised by fairly young people and this group, therefore, receives the most attention. The Director does not believe that there are any distinct segments with diverse requirements in the age group between 18 and 45 years but recognises that the needs of pensioners may be different.

14.4 The Product

The product is perceived to be a type of experience available for all who wish to participate in it. The experience may be in the form of
some interest which attracts people out of their homes, a point which is of great importance in a new town. It may also be a means of increasing one's physical or mental activity levels. Taking this view into account, facilities are developed which offer experiences of both types. Those at present under the control of the Director are parks, cemeteries, baths, a sports centre, halls, entertainments, a theatre and libraries.

One additional requirement of leisure service provision is that it will provide a social meeting place. This is often important in an area where the public house has become a part of the normal life pattern. Bars in facilities are not encouraged but lounges with facilities for adults and children to take refreshment are favoured. In addition to the basic multi-use facilities provided, a number of low cost experimental schemes have been instituted to increase the variable nature of the offering. Examples are lunchtime theatre productions and a travelling opera which tours the halls in the local area.

In the future, the Director wishes to extend the sports centre possibly by the addition of an ice rink, to build a suite for functions, construct a major sports stadium and increase the community facilities available. These are often more accessible to smaller groups in the area and foster a strong interest in community life. This can create spinoffs in the popularisation of the more major facilities in the area.
14.5 Pricing

The Director maintains that there is no established pricing policy and prices are not linked in any way to expenditure. However, the subsequent discussion indicated that a number of policies are in existence. The Director mentioned, for example, that attention is paid to national surveys of leisure facility prices. The prices charged by local facilities are amongst the lowest in the country and efforts are made to maintain this differential. In addition, it seems that prices are increased in accordance with inflation overall, and that most facilities operate concessionary schemes for children and old age pensioners. The aim of this approach to pricing is to encourage as many as possible to use to facilities and, as a result, it is viewed as a promotional technique.

14.6 Promotion

The promotion budget is very low, only £1,000 for the whole of the Department. This is spent on the promotion of leisure and recreation at a general level through leaflets and editorial articles in the media. Local press is used extensively and is an important source of free publicity. Good relationships have been established and a reciprocal arrangement operates whereby the press allocates space for news about leisure services and in return receives articles written by the Department in the summer when news is less prevalent.

14.7 Performance Assessment

Performance is assessed on a number of criteria:
i) Individual appraisal

ii) Number of events and activities offered during the year

iii) Income

iv) Number of users

v) Types of promotion

Each year is compared with the previous one in all the above areas and a history is being compiled over time. It is not possible, however, to extend this analysis to all types of facilities. It is fairly easy to continuously monitor sports centre and swimming pool performance because tickets are issued. Other facilities such as football pitches, libraries and halls are more difficult to assess because of the more casual nature of their utilisation.

Despite this seemingly sophisticated performance appraisal scheme for a Local Authority Department, the Director could not specify problems which had been identified as a result of the assessment or strategies which had been developed in response to the results.

15. Leisure Services Department - District Council

The District Council administers the public services for a new town constructed in the late 1940's. It is essentially a middle class, commuter residential area with little industry. Since the town was built regional developments have effectively isolated the area and it has not been included in any motorway, rail or canal network. The Head of the Leisure Services Department has worked in Local Authority organisations for 15 to 20 years but also has experience of sports
centre management. The Department, under his control, is divided for administrative purposes into three main areas:

i) Sports centres, playing fields, golf courses, playgrounds and footpaths

ii) Community services - welfare concerns for elderly people including meals on wheels, provision of bus passes, etc.

iii) Arts and Entertainments - promotion of events, arts courses, entertainment pavilion management

The Department is also responsible for museums but none presently exist in the area or are planned for the future.

This Department is a relatively recent development in the organisation of the Local Authority. Prior to 1974 there were a number of separate Departments, for example parks and baths, but the responsibilities of these concerns were amalgamated when Local Government reorganisation occurred.

15.1 Objectives

The Head of the Department claimed that under the previous structure, objectives for leisure provision were formulated in a haphazard manner. He suggested that the current objectives could be summarised as follows:

i) To promote a programme of indoor and outdoor entertainment throughout the district. The district comprises 130,000 people, 80,000 of whom inhabit the town itself, the remainder living in small villages outside the town

ii) To promote a programme of arts, music and drama produced in conjunction with local clubs and societies
After reorganisation, the activities of local organisations declined and the Local Authority feels obliged to motivate them to actively participate again in leisure provision. The Department considers that this could be accomplished by providing grants to aid voluntary organisations. However, the relationship must be treated carefully as voluntary groups have shown themselves to be in favour of financial assistance but are wary of any interference in the management of their activities.

iii) To provide publicity

iv) To provide bar and catering services

v) To manage and develop recreational facilities

vi) To process applications for assistance from voluntary organisations

vii) To monitor regularly the utilisation of facilities and develop new ones

viii) To liaise with tourist authorities

ix) To provide an information service. Whilst it is desirable to disseminate as much information to the population as possible, this creates the problem of generating interest in leisure facilities and activities in general. The more interest that is created, the more facilities are demanded by the population and it is difficult to manage this demand on a limited financial budget.

No financial objectives were included in the above list. However, the manager indicated that he favoured a policy whereby operating costs were recovered as fully as possible. The Leisure Services Department is offering a range of discretionary activities which are vulnerable under conditions of financial stringency. However, there is a safeguard
in the system in the form of massive interest charges payable on loans for construction of facilities. These must be paid regardless of the usage of facilities. Any financial contributions which can be made reduces the contributions necessary from ratepayers towards these charges.

15.2 Demand

Demand is assessed not on the basis of usage of facilities but on the adequacy of provision in the area compared with the norm for the country. No research is undertaken to establish whether the facilities which are lacking according to this analysis, are actually required by the local population. However, those living within the town itself are very vociferous and have made their requirements and preferences known.

The Department would like to undertake more research in order to plan facilities for the future but finds it difficult to allocate time to such an activity. In addition, the larger constructions are often not planned and developed according to needs perceived by the Department but are projects undertaken for political reasons.

The Head of the Department has identified changes in demand in the locality over the last five or six years. Leisure has become a part of the every day life of the community and the demand for facilities has developed a regular pattern and level. Sporting activities tend to be seasonal in nature but have become less so with the advent of indoor sports facilities.
Daily demand patterns are linked to the amount of time individuals have available and some groups have greater flexibility in this regard than others. The aim is, therefore, to identify when people are free to undertake leisure activities and then market the requisite services to them. Again, these demand patterns are changing over time as environmental circumstances alter. The meals on wheels service, for example, found that the number of volunteer women declined sharply as the incidence of working wives increased and the cost of a second car per family became prohibitive.

15.3 Market Segmentation

As stated above, the market can be segmented according to the amount of time people have available for leisure activities and when this time occurs. Pensioners and housewives are ideal segments in this respect as they are not constrained by the confines of a regular working day. Activities aimed specifically at these groups have been successful. However, it is necessary to appreciate that neither group may initially be receptive to leisure provision and any barriers they perceive to participation must be identified and overcome. Individuals reaching retirement age often find it difficult to integrate themselves back into the local community and overcome their feelings of redundancy.

Pre-retirement courses are run to try to prepare people for this stage in life and facilitate the transition from a structured work day to a situation where structure must be self-imposed into leisure time. Housewives are frequently not receptive to formally provided leisure activities and facilities. Their experience in the past has, most
likely, been confined to school sports activities and a considerable amount of re-education may be necessary to give them an appreciation and understanding of the leisure opportunities available to them today. A successful strategy has been one of encouraging housewives to accompany their children to leisure facilities, not necessarily to participate themselves but to expose them to the new concept of leisure provision. They may, as a result, identify leisure pursuits which they would not otherwise have considered to be applicable to themselves and return to the facility with friends to try them.

15.4 Product

The product has been conceived in the widest possible terms. The Department is not only concerned with the provision of traditional types of leisure provision - sports, theatres, golf courses - but extends its activities to cover the more social aspects of leisure. Grants are given to a wide variety of voluntary organisations to ensure that the many needs in the community are catered for, but this aid is not restricted to sports or entertainments based concerns. Volunteer activities such as visiting the sick and aged, provision of meals for pensioners are viewed as an important part of the leisure infrastructure of the community. As a consequence, the Department works closely with all such organisations to ensure that as many people as possible have the opportunity to undertake activities which are meaningful to them in their leisure time.

15.5 Pricing

Pricing policies are formulated on recommendations which must be approved by the Council. It is difficult to pursue any one long term policy,
however, because of the frequent changes in the political bias of the Council. Labour Councils prefer to maintain prices at as low a level as possible to ensure that lower income groups are not discriminated against. The Head of Department is not convinced that this policy is viable because the clientele which has been established tends to be predominantly middle class and able to afford higher prices. If prices were increased to a more realistic level, a lower subsidy would be required from the rates. He suggested that even if facilities were provided free of charge, the working class would still not use them because their interests lie in very different areas, eg: the pub, bingo and television.

At the present time, prices are low and the income obtained only covers 50% of operating costs (not including loan charges).

15.6 Promotion

There is no general promotional policy as each programme is designed to suit the requirements of each facility, event or catchment area. Classical concerts, for example, are promoted to a defined group in a particular way and swimming courses to another group using a different strategy.

The promotional budget totals £11,000 per annum, about 10% of turnover for the year.

15.7 Performance Assessment

Performance is assessed in three ways. Firstly, according to adherence to the budget; secondly, by personal judgement and appraisal; thirdly,
by informal surveys through discussions with individuals in the locality. The Head of the Department feels strongly that a priority task is the identification of improvements which can be made to the operation. Any changes which are implemented are reviewed at the end of a specified period and an assessment of success or failure is made. The freedom of the Department to operate in this way is, however, constrained by economic and political fluctuations.
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