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# PROVIDING STRATEGIC DIRECTION AND MARKETING INSIGHTS FOR A MATURE AQUATIC FACILITY

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## ABSTRACT

*As local communities all over the country are facing declining usage of aquatic centers as they age, recreation departments must decide how to address the increasing loss of revenue while also continuing to provide a desired service. The purpose of this study was to evaluate the current situation of a municipal aquatic center located in the Southeast United States in order to determine what steps could be taken to increase usage and decrease negative cash flow. While the Center is still very functional, little has been done in recent decades to update or market it and usage has greatly declined. The study reports how the town sought outside expertise in order to determine what elements of the marketing mix may be better used to minimize the negative cash flow generated by the Center and direct future strategic planning. The SWOT analysis developed through the use of a nominal group is described with the panel's recommendations for future steps and development options included. The town is now able to make an informed decision as to how best spend limited resources and direct efforts to not only resuscitate their aging facility, but also enhance the image of the town and develop much needed new revenue streams.*

## INTRODUCTION

Aquatic centers countrywide are in a state of decline. As America moved to the suburbs in the 50's and 60's, there was an accompanying boom in community swimming pools that are now facing maturity (Hunsaker 2000). The market is currently filled with pools in the 30-40 year range that are facing the end of their functional and practical uses (Hunsaker & Schwartz 2007). Nearly all share the same decline in attendance and draining revenue. Due to the decline of once major commercial industries, populations are moving and due to increased competition for recreation dollars, the once popular local pool has lost much of its core community base. The solution lies in either modifying or renovating existing facilities or beginning anew. To make such a decision, background research, marketing analysis, and the education of potential consumers needed (Hunsaker 2007). This paper depicts one such marketing assessment of an aging community aquatic center based on market research and focus group analysis and includes suggestions for future steps and development options.

## LITERATURE REVIEW

Strategic planning is viewed as the process to define an organization's strategy that includes decision making on various business activities. Marketing-oriented strategic planning is the process

of developing and maintaining congruence between the organization's objectives and resources and its dynamic market opportunities. The goal of strategic planning is to configure the organization's products and services such that they achieve target profits and growth (Kotler and Keller, 2009). Strategic planning is a disciplined effort that focuses on the future of the organization and to produce decisions and actions that shape and guide what an organization is, what it does, and why it does it (Bryson, 2004).

A number of papers have addressed these strategic issues. Khan et al. (1992), have adopted a strategic approach to the issue of attracting travelers to Bahrain. Woods (1994) examined strategic planning from the perspective of restaurants, often a specific aspect of a consumers' decision process while traveling. Similarly, Yu et al. (2005) performed a SWOT (Strengths, Weaknesses, Opportunities, and Threats) analysis on the Chinese hotel industry in preparation for the 2008 Olympic Games. Ramos et al. (2000) utilized a SWOT analysis to examine the perspectives of Portuguese trade associations. In a more contemporary perspective, Evans and Elphick (2005) examined the role of crisis management as an input to strategic planning in the international travel industry.

According to Rawson (1988), the swimming pool is the most expensive and least utilized amenity a community government can offer. Hunsaker (2000) states that attendance erosion and revenue decline, when it results in increased subsidy on the part of local government, indicates a swimming pool is facing functional obsolescence. At the same time, a resource that costs so much to construct and maintain should not be automatically abandoned. A number of recreation managers and marketers have researched and presented strategies on how to revitalize dying aquatic centers and enable them to once again become the central focus of area community recreation offerings. Recreational facilities are perceived as commodities and if something more attractive comes along on the market, potential customers will go elsewhere if the resource and experience are not up to consumer expectations (Hunsaker 2000).

Considering the tremendous costs associated with construction and maintenance of aquatic facilities, it is therefore imperative to understand one's general environment and potential clientele. Most managers agree that an important first step is to determine what your customers want and to what degree your facility is able to provide this (Hunsaker 2000). Herson (1989) believes a marketing assessment can enable planners to collect information upon which to make marketing and promotion decisions. Pool managers could then attract more customers if they would create incentives to bring in users based on such a marketing assessment. Rawson (1988) suggests that aggressive and innovative pool programming also based on this information is the solution.

Based on initial marketing assessments, decisions must then be made concerning the ongoing direction of the facility. Programming and planning decisions made now will likely impact operations for the next 50 years (Hunsaker & Schwartz 2007). Renovation and/or replacement to varying degrees are the most common options available to recreation departments (Hunsaker 2000). It is therefore necessary to understand the current market in order to best utilize available resources and remain competitive. A necessary step is to study how the facility is used, who uses it, when they use it and how they use it (Hunsaker & Schwartz 2007). It seems that, at a minimum, guests expect a professionally managed facility that is clean, organized and well-run. Clear communication of facility amenities, pool programming and facilitating services through web sites,

marketing materials and knowledgeable staff is also vital (Hunsaker & Schwartz 2007). Increased innovation such as age-focused experiences, the art and science of design, managing the experience and choreography of users mark common expectations of aquatics users (Hunsaker & Schwartz 2007). Sources of such information include customer surveys, focus groups and expert panel analysis.

This paper presents an illustrative case study utilizing the nominal grouping technique as a tool in preparing a marketing strategy delineating a series of strategic actions to serve as a guide and forward to the future.

1. A strategic planning process as a base for future activities
2. Identification of specific strategies and market segments to pursue
3. Provide some insights into how to operationalize/position the effort to effectively pursue the identified segments.

### **STUDY SETTING**

The product for this study was aquatic and fitness center located in Southeast United States. The Center was constructed and opened in 1973/1974. Currently, the Center offers a variety of elements to citizens of the area including:

- A 25 yard by 15 yard indoor swimming pool (open during the winter months)
- A 50 yard by 25 yard outdoor pool (open primarily in the summer months)
- A outdoor “kiddie” pool (open primarily in the summer months)
- A 750 gallon hot tub
- A work-out room with various free weights and machines
- Three hand-ball courts

The Center offers an assortment of membership-types to citizens in the area including corporate memberships, senior citizen memberships, regular family memberships, regular individual memberships and regular student memberships.

There are currently approximately 600 members of the Center. Prices for memberships range from \$100 per year up to \$330 per year depending on the type of membership and the fee structure is also broken down by “City Resident” and “Non-City Resident.” The pool is owned by the municipality and the pricing structure is lower for city residents than for those who live outside the city limits. There are a number of day passes available for area visitors as well as monthly memberships.

The Center is located in a wooded area of 118 acres off the main roads in the area. It is somewhat hidden by the area flora. There are 91 parking places adjacent to the Center (together with two bus parking spaces and eight handicapped parking spaces). A number of hiking trails are a part of this product including the “Municipal Greenway” which currently has over seven miles of hiking trails. The Center works with area high schools and swim teams. There are a number of swim meets held in the building. Senior citizen classes are held in the pools at various times of day.

The Center is also attempting to market itself for birthday parties and events for various organizations.

The town, with a population of approximately 17,000 is the county seat with the county population of approximately 77,500. The town has been a furniture building hub for decades. It is one of the primary cities in its Metropolitan Statistical Area. A number of major furniture companies are headquartered there. There are a number of elements that, when added together, help to define the current situation for the Center. It is no exaggeration to suggest that this situation has been thirty years in the making. Important elements include:

***Flush Times*** – The Center was constructed during a time when the economy in the area was strong. Like much of non-urban Southeast, the local economy was built on the back of furniture, textiles and tobacco. All were key elements of the economy when the Center was constructed.

***Strong Industry Support*** – A number of the industry leaders in the area (especially furniture leaders) pushed for the construction of the Center in the early to mid 70’s. It was considered an important community element for employees of firms who were in the area or who might move to the area.

***Changing Situation*** - Since the Center was built, there have been drastic changes in the local economy. Thousands of furniture and textile jobs in the area have been lost as the manufacturing segment of many firms has been outsourced to Mexico or China. Tobacco, long an economic pillar, has seen sales and tobacco production slide dramatically. All of these factors have greatly weakened the economic base of the area and, as a result, the tax base of the area.

***Ownership*** – A number of firms that were formerly owned by area families have been sold to bigger national and international firms who do not have strong, emotional ties to the area.

***Tight Financial Times*** – The city is financially challenged as a result of the dramatic changes in the economy and is looking for ways to economize and/or maximize all potential economic opportunities.

***High Center Costs*** – In recent years, the aquatic center has cost the city between \$200,000 and \$300,000 annually, thus generating a negative cash flow.

***Maintenance and Marketing of the Center*** – As a result of the declining economy, little attention has been paid to the Center in recent years other than standard maintenance. Further, marketing dollars have been in short supply. While the Center is still very functional, little has been done to modernize or promote the facility in recent years.

This study was initiated to determine:

1. From the perspective of marketing, are there elements of the “Marketing Mix” (Product, Place, Price, Promotion) that may be used by the city to reduce the negative cash flow from the aquatic center?

2. Are there implications from a strategic perspective (segmenting, targeting, positioning) that may be used by city management to reduce negative cash flow from the aquatic center (in short, strategic direction)?
3. From a further strategic perspective, what future steps should the city take given the current and possible future situation(s)?

## **METHODOLOGY**

There has been no strategic planning or marketing studies done for the Center in over 20 years. It was decided to use a qualitative methodology to provide insight. What was needed, at this point was a strategic approach to consider:

- a) The strengths and weaknesses of the aquatic center as a product.
- b) The opportunities and threats to the aquatic center, especially from the perspective of the “General Environment.”
- c) Segmenting – What were all the marketing segments that could be pursued?
- d) Targeting – What were the most viable segments for the aquatic center to target? If possible, could these be put in priority order?
- e) Positioning – How should the marketing effort be positioned to best pursue the targeted markets?

### SWOT Analysis:

The research session began by using a strategic planning tool called SWOT (Strengths, Weaknesses, Opportunities, and Threats) Analysis. Bedeian (1993) defines SWOT Analysis as: *“The assessment of an organization’s internal strengths and weaknesses in relation to its external opportunities and threats.”*

Hence, this is a strategic planning technique used to assist an organization when looking for competitive advantage. SWOT analysis is also very useful in helping an organization recognize the opportunities and threats in the general environment. Hitt, Ireland & Hoskisson (2001) define the general environment as *“composed of elements in the broader society that influence an industry and the firms within it.”* The elements of the general environment include the demographic segment, the economic segment, the political/legal segment, the socio cultural Segment, and the technological segment. Some texts are now also including a global segment (Hitt et. al, 2001).

Thus, this research process began by considering the strengths and weaknesses of the aquatic center as a product and the opportunities and threats in the general environment for this product. Using the results of the SWOT analysis, the process continued by looking at all the possible marketing segments that could be identified then targeting a limited number of the most viable segments to pursue. This would, hopefully, provide insight for the city in how to position the product and the marketing effort to best pursue the segments identified. In short, utilizing segmenting, targeting, and positioning (Kotler and Keller, 2009) in an effort to curtail the negative cash flow currently generated by the Center.

### Nominal Grouping:

This paper uses nominal grouping to identify potentially lucrative market segments for travel destinations. Claxton, et al., (1980) suggest that nominal grouping provides a middle ground between focus groups and structured surveys; that is, when depth of understanding is desired and extrapolation to some board population is not critical nominal grouping sessions can be a meaningful research alternative. This technique provides a cost effective method by capturing expert opinions. Ritchie (1994) describes this as a technique in six stages. A moderator begins with a panel of experts and presents them with a general statement of the topic to be covered. The individuals in the panel consider each point in the session individually and then eventually share their ideas with the group. The full range of ideas is discussed by the panel. Eventually, the idea is for the group to reach consensus on the best response ideas and to prioritize or rank these ideas (Ritchie, 1994). According to Place (2007), the benefits of the nominal group process include:

- Because of the individual generation of ideas each person involved has an equal opportunity to participate. This minimizes the situation where one person tries to dominate or the other person does not participate.
- Since evaluation of ideas is postponed until all ideas are posted, there is a greater opportunity for more ideas to be expressed.
- Since the entire group is involved in the process there is a greater likelihood of consensus by all members of the group. This leads to legitimate idea or issues prioritization.

### **The Panel:**

The panel was selected with great care. It was important that a wide variety of views be represented in the data gathering. The goal was to have a jury of expert opinion that could successfully provide insights into environmental elements, segmenting, targeting and positioning. Toward that end, a number of views were represented by the panel make-up and included: managers of other aquatic centers, marketers of recreation facilities, designers of public buildings, people with a broad knowledge of the local economy, people with a broad knowledge of local politics, and people with a broad knowledge of area economic development (See Table below that outlines the panelist's backgrounds).

The panel was sent a wide variety of information in advance of the session to get them up-to-date on the specific situation in the city. Further, the panel was provided basic information on the strategic planning questions that would be discussed during the panel session. The panelists were brought to town a day early to tour the aquatic center, the Quest Center (a health center owned by the local hospital), and the city. In the end, ten panelists participated in the study.

**Table 1: Panelist’s Background**

<b>Panelist 1</b>	The Director of a Parks and Recreation Department of another county in the same state
<b>Panelist 2</b>	The Director of Community Planning and Marketing for the Parks and Recreation Department of another city in the same state
<b>Panelist 3</b>	The Director of a YMCA in another county in the same state
<b>Panelist 4</b>	A representative from an architecture firm
<b>Panelist 5</b>	The President and CEO of the local Chamber of Commerce
<b>Panelist 6</b>	A local county commissioner
<b>Panelist 7</b>	A local city council member
<b>Panelist 8</b>	A representative from the local hospital that also has a fitness complex
<b>Panelist 9</b>	A local businessperson with strong ties to the current center
<b>Panelist 10</b>	A local businessperson who has served on a variety of local boards

## **RESULTS**

The panel was asked to consider the strengths, weaknesses, opportunities and threats for the aquatic center. After much discussion, the panel generally agreed on the findings presented below for each area. Table 2 summarizes strengths and weaknesses while Table 3 summarizes opportunities and threats.

### **Strengths and Weaknesses:**

The panel identified nine strengths of the aquatic center. These included: a unique product in the geographic area, room for future growth, the only racquetball courts in the geographic area, convenient location, more than adequate parking, draws members from outside the city limits, affordability, well qualified staff, good recruiting toll for the city, and strong physical plan. As a result of these “strengths,” the panel felt there was a solid foundation for “renewing” the Center. Analysis of responses identified eight major weaknesses in the current Center. These weaknesses include: limited signage, inconvenient accessibility, a general perception that the location was remote, outdated fitness equipment, lack of a daycare center, limited concession, not being perceived to be a family oriented, perception that the Center was being underpriced, and inability to gather marketing information about the customers. Generally, a lack of funding over the past thirty years has left the facility rather tired and outdated.



## **Opportunities and Threats:**

Six distinctive opportunities for the Center were identified by the panel. These opportunities should be viewed as strategic actions for the Center. The strategic actions suggested by the panel were the development of a marketing program to increase awareness, the development of new target segments, improvement for the facility, the development of new brand name for the facility, encouraging financial support for the county, and leverage gained from facility's unique position in the area. These opportunities provided strategic direction for the Center as it deals with its general environment. Threats to the aquatic center were also identified. These ranged from economic implications to overcoming past perceptions of the building. Threats should be a major consideration as they can provide important insights into how the Center should be operated in the future.

**Table 2: Strengths & Weaknesses**

Strengths	Weaknesses
<p>Unique Aquatic Product The only indoor/outdoor public pool in the area and the only 50 meter pool.</p>	<p>Signage There was little or no signage from local roads to the Center. There were no signs connecting the Center to the adjacent Greenway Trails, soccer fields, etc. Once in the facility, there was little signage to locations in the building. There was no central information area.</p>
<p>Room for Development There are 118 acres around the site, plenty of room for future growth</p>	<p>Accessibility It was difficult to get in and out of the building. The building is in two sections, with difficult access between them. Wheelchair/handicapped access was not convenient.</p>
<p>Unique Offerings The only racquetball courts in the area, mountain biking</p>	<p>Perception of Remoteness The location was somewhat rural and the current landscaping obscures the building. The parking areas are not well lit at night.</p>
<p>Excellent Access/Synergy Good parking, connected to existing trails, convenient to most of the county.</p>	<p>Tired Facility The lobby needed to be “livened up” and the fitness equipment is outdated. The flooring showed its age and there has been a lack of capital improvement over the last 30 years.</p>
<p>Serves Important Audiences</p> <ul style="list-style-type: none"> <li>• The three county high school swim teams practice and have meets in the Center (without the Center, the swim teams would have no place to operate.</li> <li>• The Center draws clients from an area bigger than the city (58% of AC members are citizens of the city. 42% of AC members are not citizens of the city)</li> </ul>	<p>Outdated Product(s) There was no daycare center in the facility and there are no “family areas.” There is a lack of a “zero-entry” pool, limited concessions, and limited space for expanded programming. The building was designed with certain uses in mind, but the demands have changed (there is little use of the racquetball courts for instance).</p>
<p>Good Economic Development Tool The Center serves as a good marketing tool for the city when recruiting and differentiates the city from other cities</p>	<p>Image The Center is perceived as being a place frequented by a lower class of clientele than its main competitor, the Quest for Life Center. There was a pool area in the city before this Center, and it is perceived that people have not migrated to the new pool. It is not perceived as being family oriented.</p>
<p>Capital Realities</p> <ul style="list-style-type: none"> <li>• The building already exists and represents a huge capital outlay</li> <li>• Improvements have been made to the product in the last few years</li> </ul>	<p>Cost It was felt that the pricing was too low and that non-city residents weren’t being charged enough. The school(s) usage was a burden due to costs, times, and scheduling.</p>
<p>Very Affordable</p>	<p>Lack of Marketing Information There was a lack of technology to gather relevant information &amp; lack of knowledge about the customer base. The Center couldn’t track member retention.</p>
<p>Good Staff</p>	

**Table 3: Opportunities & Threats**

Opportunities	Threats
<p><b>Marketing Efforts</b> Suggest an ongoing marketing/information program to increase awareness/sales (there had been no active marketing program in a number of years). Local citizens need to be reminded of the Center. A joint marketing program with the Quest Center (which does not have a large pool) was suggested. Pools could be marketed for birthdays, parties, etc.</p>	<p><b>The Economy</b> The economy in the area wasn't good and the city was facing budget deficits. This could be a threat to the Center going forward.</p>
<p><b>Possible Segments</b> There was much discussion about which segments to target. This is covered in detail later in the study. It was felt that there was great "opportunity" in pursuing a variety of unique segments.</p>	<p><b>Politics</b> The Center would be easy for politicians to shut if money really got tight. Local politicians can, at times, be shortsighted depending upon their political situations. There was a perception among some elected officials that the Center was costing too much money. Politicians had allowed the center to become stagnant in the first place.</p>
<p><b>Facility Development</b> It was felt that the Center was too nice to abandon and that it was a "diamond in the rough." Suggestions included building a zero entry pool, a multipurpose room, a bubble over the outdoor pool, a climbing wall and a new cardio-fitness center.</p>	<p><b>Planning</b> There was no recreation "master plan" and a lack of a focused, organized marketing plan for the Center.</p>
<p><b>Branding</b> It was felt that the name of the facility should be changed to better reflect what is going on in the building. A name-change might also give the Center an opportunity to update its image with more users.</p>	<p><b>Competition</b> The "Quest for Life" Center, affiliated with the local hospital is formidable competition when it came to work out areas. The country club, a local golf club, has an outdoor pool, tennis, etc. Both of these are thought of as more "upper-end" than the Aquatic Center.</p>
<p><b>City/County Involvement</b> The Center is currently supported only by the city. It was felt that the county should also be contributing to the Center as their citizens use the facilities as well. This would ease the financial load considerably.</p>	<p><b>Cultural Trends</b> It was felt that there was no growing interest in aquatic activities in the area in general.</p>
<p><b>Leverage</b> The Center has some "leverage" as it is the only pool available for local high school swim meets.</p>	<p><b>Building Costs</b> Operating costs will not go down. The building needs considerable capital investment.</p>
	<p><b>Marketing</b> Fighting old perceptions of the Center while trying to tap into new market segments. Trying to be everything to everybody.</p>

## **Strategic Directions:**

Having considered in detail the Strengths, Weaknesses, Opportunities and Threats for the aquatic center, the panelists were then asked to use what had been discussed to suggest future, strategic steps for the Center. The results of panel discussion identified six steps:

- *Develop a Five-Year Recreation Department Master Plan:* This would encompass the entire department including the Aquatic Center.
- *Develop a Two-Year Marketing Plan:* This would include marketing elements for the aquatic center (as a result of this study).
- *Organizational Development:* Restructure/hire a marketing person for the Recreation Department – this would include specific marketing efforts for the aquatic center.
- *Product Development:* This would imply getting the aquatic center up-to-date structurally for the markets it now wishes to serve.
- *Implement the Marketing Plan:* Develop a marketing mix relative to the selected target market incorporating panel's suggestions.
- *Monitor Progress:* Monitor the marketing efforts periodically and track the progress. Modify these efforts after progress evaluation

These suggested steps outline a plan of action for the city that ranges from writing a full master plan for the Recreation Department to implementing a marketing plan using the identified segments as the target markets.

## **Segmenting and Targeting:**

A brainstorming activity was used to identify all the possible segments that could be pursued by the aquatic center. The panel was then asked to consider all the identified segments and to attempt to reach agreement on four to six segments to “target” for the Center in the near future. The panel eventually identified 22 segments that could be pursued. After much discussion, general agreement was reached on five segments to immediately target. These six segments are presented below:

- *Marketers:* Market the Center to those people in the community who already market the community in some capacity such as real estate agents, customer-contact hotel employees, Welcome Center representatives, Chamber of Commerce representatives and economic development representatives.
- *Elected Officials:* Market the Center to elected officials in the general area. These officials make or potentially can make important decisions about the aquatic center. It is vital they understand what the Center provides to the entire community. Include elected officials in surrounding communities.
- *Group Business:* Market the Center to identifiable groups such as faith-based groups, corporate groups and schools/educational institutions.
- *Families:* Families are a vital segment for the Center to pursue. The panel suggested pursuing families with children who are from kindergarten through the eighth grade.

- *Seniors*: This is an emerging market in the U.S. in general and in the county in particular. This group tends to have time, money and the need for year-round exercise.

### **Towards a Positioning Strategy:**

The final stage of the process is the development of a positioning strategy, that is, a series of action steps that persuades the target segment(s) to view the aquatic center in the most favorable light relative to competitive forces in the environment. What emerged from the discussion was the notion of repositioning the center as “new and improved.” Thus, the final question posed to the panel was “what specific suggestion would you make that would facilitate the positioning of the center?” Thirteen specific suggestions emerged from this portion of the group discussion:

1. Replace Outdated Equipment - Replace all cardio-vascular equipment.
2. Develop a Master Plan - There needs to be a master plan for the Recreation Department.
3. Lighting and Signage - Improve outdoor lighting at the Center and signage at the Center, once parked.
4. Improve Outside Appeal - Make the Center more inviting such as cutting some of the large shrubbery that now tends to hide the building.
5. Improve Information Availability - Information should be more readily available about the Center once in the building.
6. Construct a New Front to the Center - A glass front needs to be built across the front of the building for appearance sake and to ease access between the different parts of the building.
7. Study Space Usage - Assess the best use for the space now being used for racquetball courts.
8. Consider “Zero-Entry” Pool Conversion - Convert the outdoor pool to a “Zero-Entry” pool. It should be noted that such a conversion would make swimming competitions impossible. The pool would either have to be “Zero-Entry” or left as it is now. The panel, as a whole, did not recommend this or not. They simply noted that such a move would make the pool more family and senior “friendly.”
9. Deep clean the entire facility
10. Modernize the facility – Renovate the entire structure and modernize to bring it to a 2005 facility.
11. Market the facility to the best of your ability.
12. (Explore) An Agreement with the Quest Center - Pursue a joint usage agreement with “Quest For Life”.
13. (Develop a Staff) Marketing Position - Reorganize staff to include a marketing position.

## DISCUSSION AND IMPLICATIONS

The study was limited by time and money. While the city had some idea about who was using the facility, they did not have longitudinal data that could have been helpful in identifying trends. Also, a survey of people using the facility and a community survey would have been very helpful in identifying problems, opportunities and potential markets. A survey of current aquatic centers might have provided additional information in the marketing and strategic areas.

We examined a city with limited time and limited research dollars that needed some direction for their aquatic center. It needed strategic direction, marketing direction, and some general thoughts on what to do with an aging facility that still has great promise as a vital part of the city “package” of amenities open to a variety of citizens. Further, it has been and will continue to be a part of the amenities “package” used to recruit new people and businesses to the community.

In the end, the panel was well chosen and was able to put aside egos and function for the good of the city. The panel was well prepared in advance about the specifics of the situation in the city and about the research techniques/questions they would be using once on-site. In short, the panel was well prepared for what they were asked to do.

This study, utilizes nominal grouping, has produced several valuable outcomes. First, a SWOT analysis provided a list of strengths, weaknesses, opportunities, and threats all associated with the aquatic and fitness center. Based on the SWOT analysis, a strategic direction was suggested. Second, a list of six potential market segments was developed. Third, based upon these derived segments, a number of operations approaches emerged to reach the specified segments.

This paper presents an illustrative case study of the use of the nominal grouping technique to generate a SWOT analysis, delineation of potential market segments and lastly, possible strategies to reach these segments. Nominal grouping, with its use of a panel of experts offers several advantages. First, by making use of experts in the field, it permits significant insights into the problems confronting the decision maker. Second, these insights are provided in an expeditious and cost effective manner. Too often decision makers are faced with the dilemma of desiring primary information but are constricted by tighter financial and time pressures. Finally, Nominal Grouping helps to control domination by a small number of participants and/or “groupthink.” This paper demonstrates that the nominal grouping technique may serve as a cost effective qualitative alternative to more time consuming primary research efforts.

While this case study presents the use of nominal grouping in determining strategic actions for a recreational facility, the technique has been applied in many situations. Indeed, Breyfogle (2003) suggests that nominal grouping techniques are one of the basic tools of six-sigma because it expedites team consensus on the relative importance of problems, issues, and solutions. Carney, et al., (1996) suggest that nominal grouping was instrumental in bridging the gap between researchers and practitioners in a study of community nurses. Finally, the use of nominal grouping has been lauded as consumer research technique by Claxton, et al., in which the nominal grouping technique was utilized to examine consumer shopping problems for automobile repair services, home repair, furniture and appliance, grocery products, clothing, and others. The present paper further extends

the application of nominal grouping technique in determining strategic direction of a potentially ubiquitous community issue.

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