CZECH SINGLES IN THE MARKET OF SERVICES

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Abstract


The paper deals with specific characteristics of “Czech singles” with emphasis on services area. First, paper determinates the theoretical concept of services marketing in the first chapter. The major part of paper is devoted to primary marketing research. For purpose of collecting data, the method of questioning (combination of off-line and on-line approach) was chosen. The questionnaire was given to 390 respondents living in the Czech Republic. The data were analysed by SPSS software. Results showed dissimilarities in leisure time activities based on different level of education and income as well as within the gender and age category and city, where particular single person live. Females spend more leisure time on cultural events, home activities as well as shopping and caring for appearance. They also engage with friends as a form of leisure time activity more than males. Educated singles travel more and attend more cultural events and at the same time, they educate themselves more often and do sports much regularly. We also found no relationship between income and shopping as a leisure time activity. This paper describes only a partial output of the primary marketing research with focus on the leisure time spending for the defined segment.

Keywords: kruskal-wallis test, leisure time, marketing research, marketing of services, pearson chi-square, market segmentation, singles.

INTRODUCTION

Services dominate the expanding world economy as never before, and technology continues to evolve in dramatic ways. Competitive activity is fierce, with firms often using new strategies and tactics to respond to changing customer needs, expectations, and behaviours. (Wirtz, Chew and Lovelock, 2012) One of the greatest endeavors of today’s marketers is to cut marketing budgets to the level where they can fully satisfy needs of the current customer base while at the same time still have the capacity to attract new clients. In this sense, market segmentation might be used as a tool how to effectively utilize marketing efforts and yet stay competitive in the industry. (Jadczaková 2013) Companies provided services should look for new market opportunities in specific segments, which currently has a great market importance.

The lifestyle of the segment singles in developed foreign countries has been evident for many years. The phenomenon of singles is often associated with the pressure on the labour market, demand for geographical and time flexibility and individualisation of society, which emphasizes autonomy and independence. According to Such-Pyrgiel (2014) phenomenon which is named as singlehood (single is different from loneliness) is the same valuable and positive as marriage and family life. More and more single friendly culture and society more than ever allows people to live the way that they have chosen – to live their favourite life style.

Segment singles represents the purchasing power because these customers can be indicated as affluent clients. However, the comprehensive typology of Czech singles that reflects marketing approaches has not been published yet. The available studies related to singles’ description reflect especially the sociological and psychological aspects. At the same time, this segment cannot be regarded as a uniform group of consumers, it is also necessary to identify, map and describe the various sub-groups.
(sub-segments) properly. There are only a limited number of available research studies that haven't been based on advanced sophisticated statistical methods. Some researchers define “singles” as persons without partners, others include partners, or sometimes singles are also understood as persons with partners and children. The most commonly used criteria for the purpose of typology were developed by Staples and Stein. The Staples' criterion is the degree of the relationship openness: Free floating unattached, Open-coupled relationship, Close-couple relationship, Singles in one household, Accomodationalist (Vyskalová, 2011). The typology according to Stein takes into account voluntary and permanence of the state singles: Voluntary temporary singles, Stable Voluntary, Involuntary temporary, Involuntary stable singles (Stein, 1981). Donthu and Gilliland (2002) refined the singles’ profile by the integration of marketing variables describing their consumption orientations. According to Jandourek (2009) singles are individuals who do not want to enter into a marriage since such lifestyle accommodates their needs. Their motivation is mainly a bigger chance to focus on their careers, pastimes and possibility to enter more sexual relationships.

In terms of the Czech Republic, the typology, which was based on sociological research of Masaryk University in Brno can be used. This typology identifies three groups of singles: a) still unmarried (including their single mothers and fathers with children), b) divorced, the separated, widowed, c) exclusion from the marriage (different sexual orientation, priests, religious and medical reasons and so on). (Vyskalová et al., 2011) The article deals with consumer behaviour of specific target group “Singles” in the Czech Republic with emphasis on leisure time activities. The aim of the article is to assess the characteristics of this segment in the area of services marketing and to present a research on Czech singles from the marketing point of view.

SERVICES MARKETING

The world is fast on its way of becoming service dominated. It simply means that service industries have already overtaken goods industries in the wealth-creation process at least in the developed part of the world. In terms of customer life-style, services are the critical drivers of satisfaction. The higher-income customers are more service inclined. Their consumption basket is loaded in favour of services. For the developed economies, the route to retaining their present state of affluence and economic prosperity lies in services. (Verma 2012) It was recognised, as long ago as 1993, that there was value in tracing the academic development of the field of services marketing. A very helpful, evolutionary model of the history and development of service(s) marketing research has been advocated by Fisk and colleagues. Here the stages of the evolution are labelled as crawling out (1952–1979), scurrying about (1980–1985), walking erect (1986–1993), making tools (1994–1999) and creating language (2000–present). Different point of view can categorise the historical development of service(s) marketing into four historical phases – the development of ideas for the marketing of services (pre–1988), the creation of the sub-discipline of services marketing (1988–1997), a focus on customer experience and the changing roles of customers and consumers (1998–2003), and towards a unifying marketing approach through services (2004–present). (Russell-Bennett and Baron, 2016)

In most industrialized economies, expenditure on services is growing. Jobber (2010, p. 822) mentions a number of reasons why the expenditure on services is growing in most industrialized economies. In the first place, advances in technology have led to more sophisticated products and services that require more design, production and maintenance services. Secondly, growth per capita income has given rise to a greater %age being spent on luxuries such as restaurant meals, overseas holidays and weekend hotel breaks, all of which are service intensive. Greater discretionary income also fuels the demand for financial services such as investment trusts and personal pensions. Thirdly, a trend towards outsourcing means that manufacturers are buying services that are outside the firm's core expertise (such as distribution, warehousing, and catering). Finally, deregulation has increased the level of competition in certain service industries (e.g. telecommunications, television, airlines), resulting in expansion. Hoffman and Bateson (2010, p. 13) describe the service sector as one of the three main categories of a developed economy – the other two are industrial and agricultural. Traditionally, economies throughout the world tend to transition from an agricultural economy to an industrial economy to a service economy. The United Kingdom was the first economy in the modern world to make this transition. Several other countries including United States, Japan, Germany and France have made this transition, and more are expected to do so at an accelerated rate. According to McDonald and Payne (2011) this transition from an essentially industrial society has been so successful, that today, more than 60 per cent of Western economies are now in the service sector, whether measured in terms of income on numbers employed. The statistical data from the year 2014 (Central Intelligence Agency, online) show that the estimated size of the service sector as a percentage of GDP is 59.5 % in the Czech Republic (2.7 % – agricultural sector and 37.8 % – industrial sector).

A service is an intangible product involving a deed, performance or effort that cannot be stored or physically possessed (Dibb and Simkin, 2004, p. 234). A service is any act, performance or experience that one party can offer to another and that is essentially intangible and does not result in the ownership of anything, but nonetheless creates
value for the recipient (Lovelock, Patterson and Wirtz, 2015, p. 7). Services are a special kind of product. They may require special understanding and special marketing efforts. Pure services do not result in ownership, although they may be linked to a physical good. (Jobber, 2010, p. 822) Services are non-physical objects than can be felt cerebrally or physically only by the person who consumes them. The services have to be experienced then and there. Services cannot be stored or carried away for future use nor can these services be resold after the original customer has experienced them. The services provide experiences such as pleasure, satisfaction, delight, joy, entertainment, relief, happiness, cure, resolution and everything else on the positive side. (Kapoor, Paul and Halder, 2011, p. 11)

Most companies provide a service of some sort or another. For organizations such as airlines, training, universities, car rental, health or government agencies service represents a major part of what they have to offer. They are known as service organizations. Others whose business is the manufacture of products, e.g. computers, mobile phones, washing machines, service is of lesser, albeit significant importance. There are particular problems and challenges in managing services related to their characteristics. (Pirrie and Mudie, 2006, p. 1).

Services have distinguishing characteristics in comparison with physical product. According to Levens (2012), there are four ways in which the services are different from physical goods – intangibility, inseparability, variability and for specific moment they are lost or destroyed. Intangibility – the customer cannot be sure before buying, which benefits from the services it receives. This characteristic is typical of all types of services. (Ehrlich and Fanelli, 2012) Inseparability – in most cases the services is subject to the direct interaction of provider and service recipient. Customers of services are actively engaging in creating a menu of services. Customers can be identified as actual or future buyers of services with a variety of shopping role as initiator, influencer, decision maker, buyer and user. (Gamble et al., 2006) Vanity – services cannot be stored for later use. This may not necessarily be complications if the services have a constant level of demand, but markets with fluctuations in demand this characteristic may cause some problems. Variability – quality of service depends on factors that are difficult to control and is related to the human factor. Drummond and Ensor (2005) added another characteristic, such as the impossibility of ownership, because the service cannot be owned, customers can only buy access to a particular service for a certain period of time. Dahlander (1991) indicates different distinctive aspects of services as intangibility, expiry or perish ability, real time distribution, relative and subjective quality dimension, fluctuating nature, variability, heterogeneity and inseparability. According to Ruskin-Brown (2005, p. 30) services are characterized that they must be: intangible, performed, perishable, people dominated, enabling, impossible to sample, no ownership of the resource used by the customer, copyable, no second-hand resale value and open to inter-customer influence.

Marketing activity is normally structured around the “4Ps” – product, price, promotion and place. However, the distinctive characteristics of services require the addition of three more Ps – people, physical evidence and process. In services marketing, tactical tools are the marketing mix variables in expanded form. (Bhattacharjee, 2006, p. 117) According to Fisk, Grove and John (2013, p. 24) people refer to all persons, whether customers or worker, who are involved in the service production. Physical evidence means the service environment and other tangible aspects. The process of service assembly refers to the producers and the flow of activities that contribute to the delivery of the service.

A key to providing service quality is the understanding and meeting of customer expectations. To do so requires a clear picture of the criteria used to from these expectations, recognizing that consumers of services value not only the outcome of the service encounter but also the experience of taking part in it. Meeting and exceeding customers’ expectations is even more important as good and bad experiences can easily be shared via blogs, social networking sites and websites. Therefore word of mouth is critical to success for services because of their experiential nature. Marketing communication in services, therefore, must acknowledge the dominant role of personal influence in the choice process and stimulate word of mouth communication. Huang et al. (2011) describe WOM (Word of Mouth) as diffusive communication which could generate a ripple effect. All of the WOM characteristics, which were investigated (quality, authority, authenticity and interestingness), have a positive effect on resenders’ acceptance toward WOM, which, in turn, have a significant positive impact on resenders’ resending intention. Furthermore, the positive impacts of WOM characteristics on resenders’ acceptance exist, regardless of whether the valence of WOM information is positive or negative. According to Lovelock, Wirtz and Chew (2009, p. 186–187) word of mouth has a powerful influence on people’s decisions to use (or avoid using) a service. This because it is viewed as more believable than promotional activities of firms. Some marketers use a variety of strategies to encourage existing customer to provide positive and persuasive comments. These include for instance:

- having satisfied customers providing comments,
- creating exciting promotions that get people talking about the great service,
- developing referral incentive schemes, such as offering an existing customer some units of free and others.
MATERIALS AND METHODS

Primary data for the study were collected combining online (96.2 %) and offline (3.8 %) technique during August 2014. Self-administered computer-mediated online questionnaire was send via e-mail with satisfactory response rate 62.8 %. Snowball sampling method was used to collect the data offline as a method suitable for identifying specific respondents. Core principal of this data collection technique is identifying respondents who are then used to refer researchers on to other respondents with similar prerequisites. Singles were questioned about their past behaviour within the topic of spending a free time as well as segmentation questions. Closed Likert type questions on the frequency of eight free time activities were asked. The data was evaluated by two types of statistical methods on the level of significance of \( \alpha = 0.05 \). First was Pearson Chi-square (\( \chi^2 \)) test of independence for a contingency table. Pearson's chi-square test is used when we want to measure relationship between two categorical variables and for 2 × 2 matrix (2 rows and 2 columns) it is given by (1):

\[
\chi^2 = \sum \left( \frac{n_{ij} - n_{ij}^*}{n_{ij}^*} \right)^2
\]

\( \chi^2 \) = Pearson's cumulative test statistic; 
\( n_{ij} \) = an observed value in a given contingency table; 
\( n_{ij}^* \) = an expected value; 
\( i \) represents a row and \( j \) represents a column.

Second was Kruskal-Wallis (\( H \)) test which evaluate significant differences on a continuous dependent variable by a grouping independent variable with three or more groups. The formula is given by (2):

\[
H = \frac{12}{n(n+1)} \sum_{i=1}^{k} \frac{R_i^2}{n_i} - 3(n+1)
\]

\( H \) = Kruskal-Wallis test; 
\( n_i \) = number of observations in sample; 
\( n = \) sum of all sample sizes; 
\( R_i \) = rank sum of sample.

The Table I shows the distribution of the respondents according to their gender, age, education, net income and city of residence. Females slightly prevail in the sample and young people up to 35 years of age represents more than half of the sample. Only 10.5 % respondents absolved elementary and high school. Vast majority finished high school with final exam awarded by diploma or university. In net income category, singles earning less than 555 € are most frequent. Prague residents were the most frequent respondents followed by residents of Brno and Ostrava.

RESULTS AND DISCUSSION

Descriptive analysis showed most popular free time activity (see Fig. 1). Home activities described as watching TV, reading books or housework is most frequent with total of 73.8 % combining very often and often answers. Second is self-education 47.7 % followed by traveling (42.3 %) and entertainment with friends (41.3 %). On the other side of

| Table I: The basic characteristic of the sample |
| --- | --- | --- |
| n=390 | Frequency (n) | Percent (%) |
| **Gender** | | |
| Male | 162 | 41.5 |
| Female | 228 | 58.5 |
| **Age** | | |
| < 25 | 96 | 24.6 |
| 26–35 | 139 | 35.6 |
| 36–45 | 65 | 16.7 |
| 46–55 | 44 | 11.3 |
| 56–65 | 35 | 9.0 |
| > 66 | 11 | 2.8 |
| **Education** | | |
| Elementary school | 7 | 1.8 |
| High school | 34 | 8.7 |
| High school (GCSE) | 182 | 46.7 |
| University | 167 | 42.8 |
| **Income** | | |
| < 555 € | 161 | 41.3 |
| 556–925 € | 129 | 33.1 |
| > 926 € | 93 | 23.8 |
| Missing | 7 | 1.8 |
| **City** | | |
| Prague | 121 | 31.0 |
| Brno | 37 | 9.5 |
| Ostrava | 24 | 6.2 |
| Pilsen | 18 | 4.6 |
| Other | 190 | 48.7 |

Source: Authors
the spectrum, culture and sport is not popular as the rest of activities.

For those service marketers interested in product development is this information useful in introducing behavioural habits of singles. Surprisingly high popularity of home activities implies tendency to spend time within home environment. As we know from Levens (2012), service is an inseparable product requiring direct interaction of provider and service recipient. In our case the service itself could be bringing tangible products straight to homes of singles and bridging one of the possible weakness of services. Fresh food and retail product delivery is good example still evolving in Czech market. For specific companies providing product delivery the segment of singles means significant importance in the market and early adopters niche. With the advent of technology the service of automated food orders is another business with potential customers recruited from singles community. Hand by hand with quick development of e-commerce it is inevitable trend.

For a further statistical analysis the Pearson Chi-square and Kruskal-Wallis test was used to assess regularities within the data. Kruskal-Wallis can be used to compare scores in more than two groups (Bryman and Cramer, 2005). Dependent variables were free time activities and independent gender, education, income, age category and city.

### II: Pearson Chi-square

<table>
<thead>
<tr>
<th></th>
<th>Culture</th>
<th>Home activities</th>
<th>Traveling</th>
<th>Shopping</th>
<th>Grooming</th>
<th>Self-education</th>
<th>Sport</th>
<th>Entertainment with friends</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chi-Square</td>
<td>23.100</td>
<td>10.150</td>
<td>5.063</td>
<td>18.490</td>
<td>81.405</td>
<td>2.465</td>
<td>8.887</td>
<td>14.023</td>
</tr>
<tr>
<td>Asymp. Sig.</td>
<td>.000…</td>
<td>.038</td>
<td>.281</td>
<td>.001</td>
<td>.000…</td>
<td>.651</td>
<td>.064</td>
<td>.007</td>
</tr>
<tr>
<td>% cells with expected count less than 5</td>
<td>0</td>
<td>20</td>
<td>0</td>
<td>20</td>
<td>0</td>
<td>10</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Dominated by</td>
<td>Female</td>
<td>Female</td>
<td>–</td>
<td>Female</td>
<td>Female</td>
<td>–</td>
<td>–</td>
<td>Female</td>
</tr>
<tr>
<td>Cramer’s V</td>
<td>0.243</td>
<td>0.161</td>
<td>–</td>
<td>0.218</td>
<td>0.457</td>
<td>–</td>
<td>–</td>
<td>0.190</td>
</tr>
</tbody>
</table>

Source: Authors
In five from eight cases the influence of gender was found statistically significant based on the Chi-Square test (Tab. II). In all cases females were the gender which spend more free time the particular way. They have favoured cultural events, home activities as well as shopping and caring for appearance (grooming). Last but not least females engage with friends as a form of leisure time activity more than males.

University educated respondents travel more and attend significantly more cultural events such as concerts, theatre and exhibitions. At the same time, they educate themselves more often and do sports much regularly (Tab. III). Education often determinates the interest in exploring new places and experiences therefore it is obvious that traveling and cultural events are more popular within educated singles.

Singles who earn more money, spend less time on domestic activities such as reading, watching television or housework. A group of low earning then compared with two wealthier travel and sport less. Sports are the case where income make a difference albeit there is plenty of low cost sport goods and services. For businesses in sport industry the segment of singles offers interesting and flexible customers. Targeting single and well educated customers with higher income will provide effective segmentation assessment. Self-education is mostly popular in middle income group compared to high income and low income singles who are engaged in this activity much less.

Very surprising discovery was that we did not find a relationship between income and shopping as a leisure time activity. Wealthier respondents spend the same time buying. It seems that in the comparison they may spend more money, but at the same amount of time as low income singles. We cannot conclude that the richer singles spent longer time shopping despite the fact they have more money to spend. Surprisingly, spending free time caring for appearance is typical for the lowest income group. The least frequent it is in the highest income group.

Interesting differences showed the analysis of the effect of age on leisure time spent at home. Over 80 % of young people aged up to 25 years spend their leisure time at home often or very often. Similarly to singles in their forties and fifties, who also spend their free time at home in the 80 respectively 90 %. Among these groups are then singles aged 26–35 years, of which about 70 % spend leisure time home. Least popular is this activity among older group aged 36–45 years, where it is less than 60 %. Age also has an effect on sports activities, especially for the younger group. The same applies for leisure time entertainment with friends.

Concerning the city size, statistically significant differences only in spending free time with friends were found. In larger cities (Prague, Brno, Ostrava), singles spend more time on this form of entertainment compared to smaller towns and Pilsen.
CONCLUSION
Demographic profile of generation at the age of 20–40 has fundamentally changed in the Czech Republic. Crucial life decisions regarding marriage and parenthood are postponed about 5–8 years. Increasing proportion of the younger population postpones the decisions for an indefinite period or they never make them. The number of unmarried middle-aged people has been increased and the birth rate has been reduced. Generally, these facts represent overall population aging not only in the Czech Republic but all over the world. (Halás and Formanová, 2010).

The purpose of this article was to describe and explore the leisure time activities of the segment of singles in the Czech Republic from services marketing viewpoint.

The primary data analysis for the purpose of this paper was based on the survey with 390 respondents. The selection of the respondents was restricted to people who live voluntarily single and have financial independence.

Females spend more free time on cultural events, home activities as well as shopping and caring for appearance. They also engage with friends as a form of leisure time activity more than males. Educated singles travel more and attend more cultural and at the same time, they educate themselves more often and do sports much regularly. We also found no relationship between income and shopping as a leisure time activity. In larger cities singles spend more time on entertainment with friends compared with small towns.

This research has some limitations that should be considered before applying the results into marketing strategies. First, we used email contact from private database to get our online questionnaire to potential singles because it is almost impossible to detect these in population and use probability sampling. This is possible limitation for generalization of the results but at the same time we have to keep in mind that segment is constantly changing by new singles incoming and old ones leaving it. There is evident need for continuous research in the future. Second, there are only few studies on singles from marketing perspective therefore our research design has been limited to description of basics free time activities singles experience and differences within the segment caused by other variables such as gender, education, city, age and income. In future research it is possible to build on our results and extend the number of activities or compare the development within the segment.

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REFERENCES


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