

# An Expert Guide To *Marketing*



more people | more active | more often



Henry Ford is often credited with that famous quote “I know that 50% of my advertising works. I just don’t know which 50%” by business people to whom marketing is a necessary evil. To them, marketing is not just a combination of advertising, mail shots, handing out leaflets or sticking them under windscreen wipers, but a cost with no appreciable way of accurately evaluating Return on Investment (ROI). What is more, in any economic downturn, one of the first budgets to be cut is marketing.

However, speak to marketers and they will cite Coke and Nike as examples of companies which increased rather than decreased their marketing spend during the last recession and built their ‘brands’ at the expense of their competitors.

As always, reality lies somewhere in the middle. Marketing is the lifeblood of any organisation. Without it the stream of new business will dry up and no matter how efficient and effective the ops and financial departments are, the organisation will eventually wither and die.

As an industry we are facing one of the toughest trading conditions we have had to face in our short history. The natural inclination is to button down the hatches, cut the marketing spend and try to weather the economic storm. That is a business decision you have to make. The purpose of this Expert Guide is not to encourage you to spend more, but to help you spend wisely. It is designed to give you an impartial overview of how to develop a successful marketing strategy, deploy the right tactics to maximise your ROI and includes useful tips and insights from advisors who have worked with some of the biggest and most successful companies in our sector.

I am confident this document will be a useful addition to your team.

A handwritten signature in black ink that reads 'Andrée Deane'. The signature is fluid and cursive, with a long vertical line extending from the 'A'.

**Andrée Deane**  
Chief Executive Officer  
Fitness Industry Association



<b>Introduction</b>	<b>1</b>
<b>Chapter One:</b>	
Why People Buy	<b>3</b>
Need And Want	<b>4</b>
Logic, Value & Membership	<b>5</b>
Respond To Marketing Messages	<b>6</b>
Summary	<b>7</b>
<b>Chapter Two:</b>	
Local Marketing	<b>8</b>
Key Principles	<b>10</b>
Cost Of Member Aquisition	<b>11</b>
Unique Selling Proposition	<b>16</b>
<b>Chapter Three:</b>	
Creating A Marketing Plan	<b>18</b>
<b>Chapter Four:</b>	
Internet Marketing	<b>20</b>

## CHAPTER ONE - WHY PEOPLE BUY

The business of selling health club memberships has taken on a new meaning as prospects and members become increasingly sophisticated in their experience and expectations. The days of hard selling have gone, as we move into an era where influence and building relationships are paramount.

When people have been motivated enough (purely through their own internal process or more likely by the additional effect of marketing messages) to call, visit clubs/leisure centre's websites, or walk through their doors, they have not done so because they have been excited by the treadmills, or the steppers. Neither have they been motivated by the swimming pool or the smart uniforms staff wear. These are just nice touches. People have responded to something completely intangible.

They have responded to a desire, a need or probably a want. These desires, needs and wants are cultivated by the world of marketing – and they are predominately emotional. Successful marketing, has a direct effect on a business's success. Without marketing, a business simply will not survive.

Sound harsh? Then try and name a successful business which does not market itself in some way.

## MARKETING MESSAGES & POTENTIAL BUYERS

What motivates people to respond to marketing messages? Simply put, a prospective member is only interested in themselves. They have no interest in a club's/leisure centre's product or service but only what it can do for them.

People only respond to marketing and buy what is being sold for two main reasons:

- **Because they need it or think they need it**
- **Because they want it or think they want it**

## NEED AND WANT

The car industry does not persuade people to spend £25,000 on a car because it is logical or rational – no one needs a £25,000 car. They want a certain car because it will give them a particular feeling – a feeling which is worth £25,000.

A prospective member is not buying the pool, the weights, the aerobics class. They are buying the emotion they will experience as a result of using the above. People buy wants and needs, which are predominantly emotional led – as opposed to being driven by logical or rational criteria. The challenge of marketing is how best to tap into these emotional wants and needs.

Potential members **WANT** some kind of result, such as toning, weight loss, social acceptance or simply time to themselves which will inevitably relate to an emotional benefit that makes them feel good or better about themselves. This may sound confusing, but understanding the psychology of the buyer helps the successful marketer understand what the prospective member is truly after.

**People buy what they want and need.** However in today's consumer-driven world 'wants' are driving any organisation with something to sell. A small proportion of members have joined because of a need (such as their doctor has told them they need to lose weight, or they need to rehabilitate after an injury or accident), however the majority are there because of something they want. That is why successful marketers focus on the majority and their 'wants'

Nobody **needs** to have more than one TV, but they **want** it. Nobody **needs** more than one pair of shoes, but they want them. We are increasingly buying what we want, not what we need.

The following are the basic features of needs and wants:

**Needs:**

General	Factual
Non-emotional	Essential

**Wants:**

Specific	Dreams or wishes
Emotional	Non-essential

"I **need** to lose weight because I **want** to feel better about myself", sums up these qualities perfectly. The real reason consumers buy is because of their wants, which are specific: a dream, non-essential and most importantly **emotional**, emphasising the philosophy that **they buy on emotion**. If emotion is what they buy on, then emotion is what you must market. Things such as more confidence, self esteem, energy or maybe a feeling of wellbeing or being attractive.

Nobody **needs** a ¼" drill but many people **want** a ¼" hole, to enable them to hang curtains and make their living room **feel** like home.

Nobody **needs** a new toothbrush, what they **want** is clean teeth, which makes them look more presentable and **feel** more confident and attractive.

Therefore do not market facilities, market what they do for people and ultimately market what emotional feelings they will then get if they join and achieve their **desired result**.

Remember, **people respond to an emotion, but justify buying with logic.**

### LOGIC, VALUE & MEMBERSHIP

After purchasing, the emotional drivers subside and, if there is insufficient logic to justify the purchasing decision, members will cancel or not follow through with their commitment.

To prevent them from doing so, clubs and leisure centres must focus on the 'logic' which justifies their emotional decision to join. Honest self reflection on recent purchases will reinforce the fact that it fills an emotional 'want', underpinned by a logical 'need' – such as, it was bought because it was the only one left, or it was a discounted demo model, or even the extra cost is justified because of the brand or the additional quality. Emotional marketing messages reinforced with logical justification support is the reason Mont Blanc can sell a pen which writes no better than a 79p Biro for £150 and why Diesel can sell a pair of denim jeans (probably made in the same factory, with identical materials as a pair of £18 Tesco jeans) for £175.

Unless you create 'value' then the marketing message will fail and the sale will collapse. It is perceived value which allows Mont Blanc and Diesel to prosper. It is value that allows BMW to sell a similar car as Ford at a 20% premium. Value is the combination of desire (wants) and logic. BMW's brand offer for example promotes the 'ultimate driving machine' (wants), underpinned by its world leading R&D programme to create i-drive and countless other driving 'firsts' (logic). Value is very idiosyncratic: it is specific to an individual's emotional wants and logic. This explains why to some, spending over £200 pounds on a pair of jeans is acceptable but to others it is excessive and vulgar.

*'Unless you create 'value' then the marketing message will fail and the sale will collapse.'*

## RESPOND TO MARKETING MESSAGES

The acronym AIDA, used by newspapers when selling advertising, is useful when creating any marketing collateral. It stands for:

- Get their **Attention**
- Create **Interest**
- Offer something to stimulate **Desire**
- Provide a call to **Action**.

AIDA is a highly effective methodology to understand the sub-conscious process potential members go through before they buy.

### Attention

Until someone makes a sub-conscious decision that a club/leisure centre (or more likely exercise or weight loss) can benefit them emotionally in some way, they will never notice the ads and marketing messages will not register with them.

### Interest

As soon as someone starts to have an emotional appreciation that a local club/leisure centre could/will improve their life in some way, then they will start to have an interest in the offer.

### Desire

Once they decide that they want to lose weight or want to meet new friends (or whatever else their driver is), then they will enter the 'desire' phase. This is when they will start to look more consciously at ads, talk to friends and even visit potential clubs and leisure centres.

### Action

This is the phase when consumers are ready to buy. This is when marketing messages and promotional offers are most effective and when smart marketers 'win' at the expense of competitors.

Given the fact that 99% of all businesses do not have the luxury of multimillion pound marketing budgets to spend on building brand awareness, the focus for most organisations in our sector should be on promotional marketing and generating immediate sales. To do this, it is essential to understand that people only progress to the Action stage when compelled to do so - when their 'want' becomes a 'must'.

The beauty of understanding this process is that by appreciating that consumers are constantly evolving and rarely stay in the same stage for long, allows clubs and leisure centres to realise they only see key messages at a certain time and therefore the best promotional offers should be run repeatedly to ensure that they are noticed when the buying cycle is 'ripe'.

Therefore keep running the 'best' offer repeatedly until it stops working. Then and only then change it. The reason DFS has a half price sale as their promotional offer every time they promote is because they know it is very successful for their target market. They will continue to run it until it stops working or they find something that works better.

### **SUMMARY: The five keys to influencing the response process:**

**People buy 'wants' and act emotively, but they justify their decision with logic.**

Everything is worthless without value - and value is purely relative to perception.

**People do not buy primarily on facilities, product or on price – these are simply criteria and are susceptible to change.**

People only respond to marketing messages during the 'Action' stage of their buying cycle. This is why some products are bought but never used, or worn, when the emotional pleasure/rush of buying wears off.

**Do not be afraid to repeat the most successful messages and promotions – but measure their effectiveness and do not be afraid to evolve or change them when response rates start to diminish with each consecutive deployment.**

## **CHAPTER TWO - SALES DRIVEN, CUSTOMER FOCUSED, LOCAL MARKETING**

‘Out market, out manoeuvre and  
outsell the competition with  
25 Assertive Local Marketing  
initiatives...’

## LOCAL MARKETING: A DEFINITION

As a local business every health club and fitness centre has a defined area from which the majority of its members will come from and a limited number of prospects to market to.

This has a major commercial benefit because unlike national or international businesses you know exactly who and where your potential market is. In fact there is a huge shift by multi-site national brands to focus more and more activity on the local market place, as many have realised the enormous financial potential of communicating with their customers locally.

People live in local communities and tend to purchase accordingly - even on the internet we huddle together in communities, hence the success of websites such as Facebook and MySpace. Most of the purchases we make are done locally - such as clothes, food, cars, computers etc - and health club/leisure centre memberships are no different. In fact 80% of members work or live within a 10 minute drive (or walk) of their facility.

## THE LOCAL MARKETING EFFECT

Localised marketing is now very popular amongst marketing professionals. Brands have found that they cannot engage as effectively as they used to at a national level and that the most valuable asset between them and their customers, trust, can only be developed and nurtured at a local level. Therefore forget about trying to compete with the major brands instead, let them try and compete with you. Reach out into your community and exploit *your* 'local business' credentials.

If you are part of a chain, leverage the brand security it offers consumers, but work closely with and become part of your local community. Remember the old marketing adage: act national, think local.

## KEY PRINCIPLES

There is a simple three-step process which, if applied to all marketing strategies, will dramatically improve response rates.

### 1. Promote benefits

Focus on the emotional wants and needs of your potential members. Forget facilities and its perceived 'marketing assets' and focus on what potential members want to feel like after buying and using your club/leisure centre.

### 2. Promise results

Focus on the emotional benefits potential members desire (e.g. feeling good, looking great). For example, actively promise weight loss rather than passively suggesting it; promise a happy healthier disposition or better sleep rather than focus on facilities related features.

Reflect on the tactics dating agencies use: which one would you join, one which explicitly promotes '... meet a partner with us...' , or one which says '... meet someone within six months, or we will give you your money back'.

### 3. Provide an incentive

The simple addition of a call to action with a limited offer or redemption period, will generate 35% more responses than not featuring such propositions. However, the offer should be the most successful offer run to date, until it no longer remains so.

## FOUR WAYS TO BOOST PROFITS

There are only four ways to increase profits and every marketing tactic should encompass one of these:

1. **Increase number of members**
2. **Increase frequency of purchase**
3. **Increase the amount of purchase**
4. **Increase member retention**

## ADDING OOMPH TO THE MARKETING MIX

There are three marketing adages which should always be heeded:

- If it works keep doing it, improving/evolving it as necessary.
- If it does not work then simply stop it.
- Use the best, forget the rest.

## THREE WAYS TO INDUCE SALES

Every promotional offer falls into one of the following categories:

1. **Additional benefit**
2. **Financial incentive**
3. **Trial opportunity**

## COST OF MEMBER ACQUISITION

Before doing any marketing, understand exactly what the average member is worth. Without this figure how can you make a financial commitment to attain a new member? This figure is called 'the marginal net worth'.

The marginal net worth of a member is the amount of money they will spend with a club/leisure centre over a lifetime. For example:

- If the average membership is £30 per month and the average member-life is eight months, then the marginal net worth of a member is £240.
- As overheads do not increase dramatically with every new member (the heating, light and staffing costs are pretty constant) it is financially acceptable to spend up to £240 gaining a new member.
- This is not necessarily how much should be spent on marketing, but it does help understand how much can be spent on business generation.

Understanding this arithmetical fact will boost profits.

Another example; take a hair salon which runs an ad for £300 and generates five new customers who each spend £40 each (£200 in total). The simple conclusion is that the initiative made a £100 'loss' on the ad.

However, if the (economic) life of every new customer is eight months and during that time they had six treatments, at an average spend of £50, then the true value of every new customer, or put another way, their 'marginal net worth' is actually £300. Therefore the 'loss making' £300 ad actually generated £1,500 worth of business.

Conclusion: the salon should in fact be increasing the frequency of their ads not stopping them.

## ADVERTISING

Advertising on radio, TV, newspapers and magazines rarely works as part of a local marketing strategy. However:

- If it does work, keep using it and keep improving it until it stops working.
- If it is not proving effective, stop it.

If lead generation increases then advertising is working. If advertising has no impact on lead generation then it probably is not.

Sometimes the risk of advertising is too great: in this instance, lead generation should be plotted on a daily basis. Advertising tends to peak on, or immediately after, the day of placement, so a 'spike' (of enquires/leads) should be clearly evident during this period.



## REFERRALS

For most clubs/leisure centres, referrals are the lifeblood of the business therefore these should be sought constantly. Not just at the point of sale, but constantly. The day a new member joins, the week after they join, within a month of them joining and every single month after that. Use face-to-face communication, use the internet, use email, use direct mail, use posters, use hand outs – in fact use every way imaginable.

An informal audit of owners and managers revealed that between 30% to 75% of sales comes from referrals. But when asked what percentage of their marketing and sales budget was allocated to this medium, the answer was invariably considerably lower. If the majority of sales come from referrals, then surely the same proportion of a marketer's time and marketing budget should be spent on this tactic.

Every successful referral campaign should have the following key elements:

- Value for money: worth £x to the referral and a gift/financial incentive for the member.
- Scarcity: the offer or gift should be exclusive to the member's friend.
- Urgency: the referral offer must be for a limited period.

## LEAFLET DOOR DROPS

This is often an under-utilised marketing tactic in this sector, probably because there is sometimes confusion between poor distribution and poor results. Leafleting door to door will pay for its self many times over when done well. The key is to deliver leaflets effectively. Most clubs/leisure centres opt for local distributors who often fail to complete the task successfully, so the exercise is never repeated because of the poor response.

Drop the leaflets yourself or pay students/teams on a cost per lead basis. The key is to use a promotional offer which has an immediate call to action – such as 'today only' or, 'ends this weekend'. This tactic ends up in the bin very, very quickly so the call to action has to be immediate if it is to be successful.

Working out the target (geographical) area is simple. Calculate the drive-time plateau in terms of where members come from and then leaflet this area consistently, on a rolling four-to-six week programme.



## OFFER AND PROMOTE A WEIGHT LOSS PROGRAMME

Most owners and managers acknowledge that a large percentage of their members join to lose weight. However contact most health clubs and they will tell you they have no set weight loss programme at all. Tap into this massive market and initiate a weight loss programme. If you don't feel confident in doing this yourself then partner with a company/individual that does.

Do not fall into the trap of giving it away as part of the membership package. Give it value and charge accordingly. Offer a 12-week programme or provide it as an addition to existing membership. "I notice you are interested in losing weight, for a small additional investment of £x per week ....."

## MONEY BACK GUARANTEE

Remove any concern a potential member may have about choosing the right club/leisure centre by providing a money back guarantee – limit it to 14 days or less – and this will increase your sales by a minimum of 5%, month on month. The truth is if the odd person does not ask for their money back, then this technique is not being effectively deployed.

## GUARANTEE SALES WITH RISK REVERSAL

This is different to the money back guarantee in that it focuses on the emotional want or result that a potential new member is looking for. We know that the combination of an effective nutritional diet and the right exercise will result in better toning, weight loss and an enhanced sense of wellbeing. So why not offer every new member the guarantee that they will see results within their first six to eight weeks. This does not have to be a financial guarantee, but a simple offer to provide additional support or a few personal one-to-one sessions if they do not see some results (and as we know that if they follow an agreed programme they cannot fail to see some).

## USE WOMEN INSTEAD OF MEN IN YOUR MARKETING MATERIALS

This is simple. Men respond to female images and so do women, but some women are intimidated by male images.

## USE ASPIRATION BASED (BUT ATTAINABLE) IMAGES

This is an issue which could be debated endlessly amongst marketers in this sector. For most clubs/leisure centres, pictures of overweight people should only be used in before and after photography - when was the last time you saw an ad that featured an overweight or non-aspiration character/image. However, it can be used with humour, as a call-to-action (as one major chain is currently doing).

Apart from Dove, which is a clever, one product niche, brand-led marketing stance, most organisations in this sector do not have the time or financial resources to emulate Dove's creative or business strategy. Whether selling cars, food, clothes, cosmetic surgery, beauty products or even coffee, the marketing world uses good looking, happy, aspiration based character ad images to create the 'I want that'/'I want to be like them' emotion.

## PROMOTE TO THE 'GREY POUND'

Over 77% of the UK's wealth is held by the over 50's age group. In addition, by 2010 the 55-64 age group will have grown by almost 50%. The baby boomers are growing older, therefore tap into this market before competitors do. This community want to stay younger longer; they are concerned about flexibility and strength and seek greater social interaction - all are major drivers for this sector.

## TELEMARKETING

Although this tactic is often frowned upon (it does not always sit comfortably with prestige brands), there is a very good reason why all the major banks, phone companies, insurance companies and window replacement companies use this technique: it is very, very profitable.

If this is perceived to be too aggressive, then simply focus on in-house lists which will be more receptive to being contacted. Focus on members for referral and up-selling opportunities, or target lapsed members with a view to encouraging them to rejoin – or even for referrals!

Most importantly, this tactic can also prove a very effective form of market research.

## HOLD SPECIAL EVENTS, EVENINGS & WEEKENDS

People love fun. Yet when it comes to business, so often there is a tendency to remove it completely.

So why not hold an open weekend, or promote a 'bring a lawn mower and join for free weekend'. Both will attract new members but which one will get talked about more and generate the better PR opportunities.

## PACKAGE COMPLIMENTARY PRODUCTS TOGETHER

'Packaging' items together can add as much as 50% to the bottom line.

If basic membership is £30 a month, why not trial one or two of the following:

- One beauty treatment and standard membership at £49 per month
- Free sunbeds and a standard membership for £40
- Personal training and a standard membership for £60 per month.

These will all sell better if packaged correctly eg. the PT and membership package can be your 'Results Membership'. Although the package has to be costed correctly, the secret is realising that only around 60% of people will take up their full application of additional extras, but the perceived value is huge.

## PUBLIC RELATIONS (PR)

Public Relations is a 'free' way to build the organisation's profile, generate goodwill within your community and leverage 'third party endorsement' (e.g. respected people, professions or organisations). Which tactic is more persuasive: an advert in the FT for example, or a favourable article in the same newspaper, written by a respected journalist? But PR is much more than press releases, it is about sponsoring a local children's football team, linking with a local charity, taking a stand at the local fete or simply scouring the local press for opportunities e.g. to provide free memberships or trials for worthy causes. For example, given the much publicised current obesity crisis, why not demonstrate what a good community citizen your club/leisure centre is by offering free fitness classes at a local company, WI, or even school (remember one day they will be old enough to join and their parents are either members or prospects).

## PRESS RELEASES

Although these can be perceived to be free ads in local newspapers or magazines, to be successful, they have to tell stories which involve the community. As a consumer of a local magazine or newspaper, would you rather read about; 'new weight loss programme at xyz Club', or 'xyz Club challenges [name of town] to lose 10,000 stone by Christmas'.

## LEVERAGING HOST BENEFICIARY RELATIONSHIPS

Wherever possible, link with every business which shares your customer profile for example:

- Estate agents can provide 'Welcome to the Area' fitness packs.
- Sports shops could offer £10 Fitness Day Passes with every pair of trainers sold.
- Confectionary stores could promote 'Guilty Pleasure' gym day passes with every expensive box of chocolates bought.
- Local Chambers of Commerce could be co-opted to find the town's fittest company.

## DIRECT MAIL WITH QUALIFIED LISTS

All active members could be mailed once a month/frequently with information, educational/motivational articles and promotional offers. If budgets are tight do it digitally – so collect update email databases constantly.

Lapsed members could be targeted with newsletters which existing members receive, as well as at least two/three standalone 'rejoin offers' a year.



## UNIQUE SELLING PROPOSITIONS (USP)

What is your USP?: Ask yourself, your staff, your members, even competitors. Understanding what an organisation's USP is, is critical to both its marketing and its business strategy. Ascertaining what this is (i.e. why members buy into an organisation and stays loyal to it) is critical and lies at the very heart of a marketing plan.

It is not an easy task to undertake, so do not shy away from appointing a marketing professional/agency to help you define your USP: it could be the best investment your organisation ever makes. Having defined it, test it with all your stakeholders, as well as potential members and keep testing it – because markets change, consumer tastes and expectations change, competitor offerings change and your own organisation constantly changes.

## PRODUCT STRATEGY

A major strength of membership based businesses is that there are a large number of individuals who have 'opted in' to receive information, support and offers. This 'permission' provides the business with a greater advantage over normal businesses in terms of boosting secondary spend.

Secondary sell is not just about direct sales of a product or service, it could also involve strategic partnerships with third parties which share a similar customer profile and customer buying habits/practices for example, retailers who sell training kit and trainers. Many members will purchase new training shoes when taking out a membership so why not satisfy that need within your club/leisure centre. If the initial investment seems prohibitive, then link with a reputable, local sports shop for a commission on sales: 10-20% could be profitable for both parties.

## NEWSLETTERS

The more educated members are, the more likely they are to become passionate about healthy living and fitness and therefore more likely remain loyal. Whether left in the communal areas for members to pick up, or mailed to them physically or digitally, the key is to have another monthly touch point for members.

## LOYALTY PROGRAMMES

Rewarding the most loyal members underpins every successful retention strategy. Like airlines' frequent flyer programmes and coffee shops' 'tenth cup free' promotions, members who drive the business should be identified and rewarded.

Successful programmes work because they reward and encourage loyalty, increase referrals and generate goodwill from the strongest advocates for the business. These can take many forms such as:

- **Retention improvement:** 'Free sunbed for 10 visits a month' card.
- **Sales increase:** 'Free personal training for a month for ten referrals'.
- **Goodwill and word of mouth marketing:** exclusive offers for long term members.

## UP-SELL & CROSS SELL

Similar to the complimentary products tactics outlined above, this initiative has a strong Point of Sale (POS) focus. Successful retail businesses excel at this: buy a pair of shoes and they try and cross-sell polish, or buy an electronic product and talk of insurance is not far behind.

Therefore audit what can be up-sold or cross-sold within the business such as weight loss programmes or a book of guest passes for family and friends. Fundamental to the success of this tactic is the fact that the combined value of the package must be greater than the price it is offered at.

How much incremental revenue could be generated if every new member spends £50 on a book of guest passes with a perceived value of £90?

## OFFER LARGER UNITS OF PURCHASE

There are lessons we can learn from other industries. The mobile phone sector has increased market share by offering a variety of different length contracts from pay as you go, to 12-18 month contracts. The benefits are reciprocal: customers enjoy lower monthly charges and suppliers have a guaranteed longer revenue stream.

However, the fitness sector is regularly criticised for pressuring potential members into signing up to 12 month contracts, so make sure new/prospective members understand both the (financial) benefits, as well as their commitments at the outset. Any sleight of hand (in terms of persuading potential members to sign up unknowingly to long contracts) will damage your reputation in the short and long term.

## GO DIGITAL

Digital communication is the way forward in health club marketing. Today, most people have a work and/or domestic email address, therefore a contemporary marketing plan must feature a systematic capture of members' email addresses, regular e-DM (direct mailing), lead generation on a pay per click basis and traffic generation tactics to drive members and non-members to a designated micro/website.

Digital marketing is one of the most cost-effective tactical choices a marketer has. If done well, it reduces costs, increases leads and every new member and every prospect who willingly parts with their email details is, in effect, giving you 'permission' to market, sell and educate them.

NOTE: for more information on 'permission based marketing' and how it is changing the way businesses communicate with their customers, read Seth Godin's 'Permission Marketing: Turning Strangers Into Friends, and Friends Into Customers'.

## CHAPTER THREE - CREATING A MARKETING PLAN

### ‘Marketing with return on investment as its core...’

Marketing is like most things in life - simple, straight forward and replicable. It is 1% inspiration and 99% perspiration. In the last 100 years, there has been nothing completely new in marketing - even Google is just a digital version of the classified ads business.

A good starting point is to make a list of all the initiatives which have:

- Worked for your organisation.
- Worked for competitors.
- Worked in other industries.
- Then replicate them.

The following overview of tactics is designed to be both a checklist and a stimulant.

#### 1. IDENTIFY THE KEY LEAD GENERATION DRIVERS

- **Corporate**
- **Ex-members**
- **Referrals**
- **Residential**
- **Members**
  - o Who are they
  - o What do they want to buy
  - o What ‘need’ are you fulfilling
  - o What is their driver
  - o How do they buy

#### 2. HAVE A CLEAR PROMOTINAL STRATEGY

There are only three promotional strategies available:

- Financial
- Added benefit
- Trial usage

Therefore be absolutely clear what the 12-month plan comprises and ensure all promotions offer only one promotional element, across all media, at any one time. The art of marketing come from the creativity required to integrate the package to appeal to mankind’s two core drivers – fear and greed. Experiment with different promotional options to ascertain which is most appropriate for your market. For example:

- Join and get free personal training for six months
- Join and enter a free mountain bike draw
- One month free
- Two months free
- Three months free
- Try our six week weight loss programme for only £79
- Get four weeks of fitness for £39
- No joining fee
- Free iPod
- Join for free and get you first month half price
- Pay nothing until next year...

## 3. ROI AND THE MEDIA PLAN

The four main marketing channels available to any business are:

- **Personal Selling**
- **Advertising**
- **Sales Promotions**
- **Public Relations**

The following tactics invariably fall into at least one of the four marketing channels listed above. Test some or all of the following and add them to the elements of the marketing plan which can be empirically proven to work.

- Direct mail
- Door-to-door
- Dedicated sales team
- Email marketing
- Press releases
- Sponsorship
- Newspaper advertising
- Referral campaigns
- Pay per click
- Newsletters
- Posters
- Club signage
- Lead boxes
- Leaflet door drops
- Telemarketing
- Ex-member mailers
- Canvassing
- Billboards
- Database mailing
- Website data capture
- Free prize draws
- Open weekends

The constant collection of data is vital if the value of a tactic is to be evaluated.

## 4. ROBASTIC

ROBASTIC lies at the very heart of planning and evaluation in marketing. It stands for:

- **R**esearch
- **O**bjectives
- **B**udget
- **A**udience
- **S**trategy
- **T**actics
- **I**mplementation
- **C**ontrol

Although marketing is a simple business discipline which is relatively easy to measure, do not confuse short term ROI with long term value to your brand. The power of PR for example must be measured in terms of leads generated and 'opportunity to see' (OTS), as well as in the endorsement value it generates amongst influential third parties.

Arthur Rubinstein one of the world's greatest piano virtuosos was once asked what made him such a great interpreter of music. He replied "the notes are the same, but it's the pauses between them that make the difference." And so it is with marketing. The strategies and tactics might not have changed for over 100 years, but it's the creativity and implementation which separates successful marketing plans from the rest.

## CHAPTER FOUR - INTERNET MARKETING

### ‘Selling memberships whilst you sleep’

The Internet has been the catalyst for perhaps the most radical revolution in marketing. It is now central to increasing sales, reducing costs, retaining customers and boosting profits.

But most organisations are still poor at exploiting this potent marketing channel. From simple communication by regular email through to an integrated e-commerce strategy, the possibilities for health clubs and leisure centres are endless. However, this document will focus on the new member acquisition, as well as the retention of existing members.

There are five simple steps to unlimited sales from the Internet:

- Exploit website data capture to turn suspects into prospects.
- Build opt-in subscriber lists for customers, new leads, ex customers etc.
- Set up auto-response systems for strategic marketing.
- Create & utilise email marketing MONTHLY.
- Use offline, Pay Per Click (PPC) & search engines to drive traffic to your website.

### DATA CAPTURE: THE IRRESISTIBLE WEBSITE OFFER

The success of this initiative is directly linked to the ‘offer’: the higher the perceived value of the offer, the higher the conversions. A free video will generate more interest than a free report and, a free week’s trial will generate more sign ups than the video.

Adding a data capture facility on the website is now relatively easy and low cost, however to maximise the impact from this you should consider creating a sales / prospect only website (Micro site).

For those new to on-line marketing strategies, think in ‘off-line’/traditional terms. Are new enquiries provided with the same information and marketing collateral as existing members? Then why behave differently in an online environment. Think about having one website for members and a smaller Micro site for new prospects. The latter could be offered:

- **Weekly Top Tips:** a weekly email with top tips on fitness.
- **Free Report/Article:** the five secrets of X or seven top tips to avoid Y.
- **Video:** to obtain prospects mailing details, offer than a DVD for example. Offering it on-line substantially reduces costs.
- **Free Trial:** this is by far the best option especially if linked to a Free Report.
- **Newsletters:** Don’t do it. Newsletters are old hat and are perceived as boring.

**IMPORTANT:** work as hard on the ‘free offer’ as you would on the execution of collateral produced for a sales pitch: explain the benefits and make sure that there is a clear call to action and, most importantly, it has a value.

## 3. AUTO RESPONDERS

An 'auto responder' is the system which allows the automation of an entire email process: despatch, follow-up sequences and personalising emails. It involves the same amount of work whether the task comprises 50 emails, or 5000. If not currently being used, this process will revolutionise the way businesses sell memberships.

It is essential that the process is automated because as the database grows, the process will become increasingly unmanageable. When potential members sign up for a Free Offer (e.g. a five day trial worth £50), they will receive a predetermined series of emails – perhaps eight over a four week period – which will raise their knowledge and understanding of the club/leisure centre – as well as ever enticing inducements with a 'Last chance today' email on the final day.

In the absence of dedicated sales people, (a staggering 32% of clubs and leisure centres still do not), then this system could potentially double sales overnight.

A similar process could be implemented for new member retention and even referrals. It is simple to add a new member auto responder email series which provides key member touch points over the first eight weeks of their membership (the time when they are most prone to cancelling their contract), which can improve retention dramatically.

Remember, keeping in touch with members does not have to be face- to-face to be effective.



## 4. MONTHLY EMAIL COMMUNICATION

Constant contact is the key to picking up additional membership sales. A monthly email, containing interesting and relevant information and tips is vital.

If possible, tailor the communications to the audience.

## 5. PAY PER CLICK - DRIVING TRAFFIC TO YOUR SITE

A 'sales' website address should be on every piece of marketing collateral produced in order to drive potential new members on-line and capture their details. But to reap the real rewards of the internet the marketing mix must include Pay Per Click (PPC), often referred to as Search Marketing.

Unless you intend to become a full time Search Marketer for your business, focus purely on Google. Google accounts for over 75% of all search traffic in the UK with its nearest rival Yahoo accounting for less than 12%.

In short, Pay Per Click (PPC) refers to the sponsored links to websites which can be purchased on Google (and other search engines), at or near the top of the search results when people search for phrases (known as 'keywords').

The rationale for PPC is compelling:

- It is the best way to find prospects who are actively searching for your service
- Payment for the ad is only due when people click on it – Pay Per Click
- There is no downside to testing PPC
- The spend can be restricted – once this limit is reached the ads simply stop appearing
- Local businesses have far fewer competitors than those marketing nationally, therefore the cost per click is less.

**Think of Google as your Automated Sales Team** – equivalent to perhaps a sales team of two to generate the same quantity of leads as Google can. Research suggests that for every £10 spent 13 new prospects can be generated – that's less than 77p each.

**Web Video:** the next big thing in internet marketing is already proven to keep people on a website five times longer than average. The boom in social networking sites, such as You Tube, has led to consumers becoming more familiar with watching videos online, hence the growing popularity of this tactic.



enjoy!

INTEGRATED MARKETING &  
COMMUNICATIONS AGENCY

## ABOUT THE AUTHOR

Adrian Marks is a founding Director of enjoy!, a specialist marketing agency specialising in the provision of local marketing activity for multi-site national brands across industries as diverse as retail, restaurants, furniture, hotels, golf, finance and fitness.

Adrian personally, has extensive experience within the fitness industry having been part of a team that built and sold a small chain of upmarket health clubs to Livingwell (then part of the Hilton Hotel Group) for in excess of £20M in the late 1990's.

In recent years enjoy! has worked with a multitude of fitness clubs, local authorities and health club chains including David Lloyd Leisure, Marriott Hotels, Chesterfield Council, Next Generation, Soll Leisure, LA Fitness and Greens Health & Fitness.

enjoy! can be contacted on:

- 0870 742 4458
- [more@enjoymarketing.co.uk](mailto:more@enjoymarketing.co.uk)
- [www.enjoymarketing.co.uk](http://www.enjoymarketing.co.uk)

The expert guide was produced by the FIA.

[www.fia.org.uk](http://www.fia.org.uk)

Fitness Industry Association | 3rd Floor Castlewood House

77-91 New Oxford Street | London WC1A 1PX

T: 020 7420 8560 | F: 020 7420 8561 | E: [info@fia.org.uk](mailto:info@fia.org.uk)

The Fitness Industry Association Ltd is a non-profit trade association and a company limited by guarantee.