

## **Promotional Strategy**

*This activity is based on a chain of fitness centers. They want to increase their ongoing level of promotional activity, but are unsure how best to promote themselves in the marketplace.*

*Therefore, this activity requires you to determine the most appropriate promotional strategy (given the information in the following case study).*

### **About Fitness Fast**

Fitness Fast currently consists of eleven fitness centers across the city. Their goal is to expand to around 20 centers before expanding interstate. Currently, most of their fitness centers are operating at only 60% capacity. This means that they will greatly benefit from more customers (as most of their costs are fixed costs – in premises and equipment).

As a result, they have budgeted just over \$1m (which is a substantial amount for them) for an upcoming promotional campaign. Their problem is that they are faced with too many choices and are unsure how to structure their campaign. That's why they need your help/advice.

They have identified five different segments of people that are attracted to joining a fitness center. These segments are:

<b>Name of Segment</b>	<b>Needs</b>	<b>Profile</b>	<b>Proportion of Market</b>
<b>Looking Good</b>	This group is attracted to improve the physical look of their body	On average, this group is aged 18 to 35 and tend to be fairly dedicated to fitness – but they also like to party too	30%
<b>Losing Weight</b>	As the name suggests, this group is attracted to a fitness center to help them with their weight loss goals	This group is slightly older, around 30 to 45 years. Their fitness dedication seems to go in cycles (that is, up and down)	20%
<b>Just Surviving</b>	This is a relatively new segment. They view fitness as vital to long-term health and work out to help make their day-to-day life easier	This group is predominately aged 50 years plus. They don't have ambitious goals, and are happy to do a light work out a few times a week	10%
<b>Among Friends</b>	This group see fitness center as a great place to make friends and meet people.	This group mostly consists of females aged 25 to 40 years, who work part-time (due to children). They are reasonably committed to fitness, even though it is their secondary motivation	30%
<b>Pushing the Boundaries</b>	These people use fitness centers to help them achieve goals in other areas (that is, they play top level sports, or engage in extreme or endurance sports	This group is mainly aged under 30 and are extremely committed to their fitness goals, even though they may only use fitness centers on an ad hoc basis	10%

The firm is also unsure about what type of message they should communicate and the best way to present that message. To help them with their decision, they have constructed the following:

<b>Name of Segment</b>	<b>Best Appeal/s and Message</b>	<b>Best Source/s</b>
<b>Looking Good</b>	Rational – best equipment and staff Sexual – ‘want to look like this’?	Fitness Instructor Real customer
<b>Losing Weight</b>	Fear – risks of being overweight Emotional – ‘take care of yourself’	Expert/doctor Actor (little overweight)
<b>Just Surviving</b>	Two-sided – ‘now that you’re older’ Humor – ‘I used to hate to work out’	Real customer Older celebrity
<b>Among Friends</b>	Emotional – ‘where you belong’ Humor – having fun	Actors (group of friends) Staff and real customers
<b>Pushing the Boundaries</b>	Rational – become fitter/faster Fear – ‘your competitor trains here’	Spokesperson (face of firm) Actors (fit looking people)

And, of course, the firm hasn’t even considered the question of which media vehicles they should use. However, given their fairly limited budget, they are most likely restricted to:

- Radio advertising
- Local paper advertising
- Local cinema advertising
- Internet ads
- Shopping mall promotions
- Letterbox drops
- Billboards
- Taxis and buses
- Publicity
- Customer referral incentives
- YouTube videos
- Social media marketing
- Search engine marketing

### **Student Discussion Questions**

1. Which target market/s to pursue? (Limit to one or two for the simplicity of the activity)
2. Therefore, which appeal/s, message/s, and source/s to use?
3. Which media vehicles to use?
4. Outline why you think your plan is a good approach?
5. Is your approach similar/different to other students? (In other words, are there several possible approaches?)