



## Notebook

**BSBSMB403**

**Market the small business**





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## **BSBSMB403 - Market the small business**

### **Target markets**

The Sport and Fitness Industry have recently proven to be popular and very much in demand by fitness conscious consumers, but they have also been proven to be very profitable as a business opportunity, for gym and sport facility owners. Opening a fitness centre requires careful planning and research, and the following are aspects of the business that should be considered:

- Location. Where will the fitness centre be located, how much square footage will be required, what are the leasehold improvements going to cost, is there good visibility, access, and parking, and is the business located in an area comprised mainly of the target market customers?
- Operating format. Will the fitness centre cater to all people, or will the focus of the business target one specific group of people? Will the fitness centre be full service, meaning optional aerobic classes and one-on-one personal training for clients?
  - Staff. Is there access to trained fitness instructors and staff in the community where the fitness centre is being established, and if so what are the wage and benefit demands, as well as expectancy of staff in terms of career opportunities?
- Marketing. How will the fitness centre be marketed? Will it be by way of membership drive or a drop-in rate established? What enticements or services will be used as a marketing tool to draw members from competitors' fitness clubs or facilities?
  - Competition. How much local competition is there in the fitness industry, and is the competition in the form of a chain fitness centre, community-operated fitness centre, or independently-operated fitness centres? How much does the competition charge? Is there the possibility of a price war? Can the proposed business gain enough clients to be profitable? What is the effect on the business from potential future competitors? There are many aspects to carefully consider prior to starting a fitness centre.

However, with careful research and proper planning a fitness centre can be a fabulous business to start, operate, and own, not to mention that it also has the potential to be very profitable.

### **Target markets: be aware of your target market, so you know who to be marketing towards:**

Age  
Gender  
Religion  
Hobbies  
Marital status  
Occupation  
Socioeconomic group  
Income



Lifestyle  
etc

### **Marketing for Personal Trainers**

Marketing for personal trainers must go beyond the basics. The Fitness Marketing 101 approach is a great place for new trainers to start but it is no longer enough. 101 develops a trainer's product, (service), and price. What comes after 101 is the magic that brings in clients.

### **Marketing for Fitness Trainers Requires a Commitment**

There are many ways for a fitness trainer to develop a strong client base. However, it is a job that requires daily effort. It does not have to cost excessive amounts of cash but it does require a commitment from the business owner.

Business owners who make the commitment to go beyond the fitness marketing basics and invest time in their business will be greatly rewarded. They will discover that time and energy equal new and exciting clients!

### **Bull's-eye**

A market analysis is essential for marketing for fitness trainers. A trainer or business owner with x number of dollars to spend on marketing will need each cent to count. An analysis of the market will give the trainer an idea of the local clientele. It will describe demographics for the area.

After studying the analysis, the trainer can target the type of advertising that will attract local clients. Marketing for personal trainers in an industrial triangle will benefit from hi-tech options like blogs, websites, and email. Some neighbourhoods may respond to old-school advertising methods. A market analysis gives the trainer a bull's-eye every time.

### **Keep Up With the Joneses**

Most fitness trainers will find other similar establishments within blocks of their business. To stay on top and be the best it is imperative to know how the competition reaches clients. The trainer can accomplish this personal research.

First, the trainer should look into newspapers, T.V., the radio, and other media sources to get a feel for the advertising strategies of local fitness businesses. Some fitness trainers take out full-page ads in the yellow pages. Visits to local facilities can also help with marketing for personal trainers.

Fitness ads offer a lot of information. A trainer can find out if his services are unique to the area. Ads will help him discover if his pricing is too high or too low and if other clubs offer packages.

### **Incentives**

Hitting a bull's-eye on the target market and creating advertising geared directly to the market is fantastic, but it is still not enough. Many clients will require an incentive to get through the door.

A fitness trainer can have the best facilities, offer the best services, and know his target market. Nevertheless, if he does not have that one enticing thing to dangle in front of a



potential client the rest will not matter. This enticing thing can be cool t-shirt, a special boot camp, free classes, or anything extra that gets a potential client's attention.

Marketing for personal trainers is a daily endeavour. Bear in mind, a trainer will take out what he puts into his business. Breaking through Fitness Marketing 101 and including new tips in their marketing toolbox increases both the daily input and the outtake for trainers.

## **Promoting Personal Training Businesses**

Everybody wants to jump straight to the marketing campaign and web marketing when promoting personal training businesses. Its probably because it is the easiest way. You design an ad and pay somebody to run it. But the fact is effective personal training marketing takes a lot of work that you can't just outsource to somebody else.

### **Start with the Product**

Before you can focus on promoting personal training services, you need to make sure that you are consistently providing quality services. If your clients are happy, then they will talk about you. And don't be afraid to ask them to tell their friends.

### **Give them something to talk about**

People like to talk. And they like to think they are getting a good deal or a unique service. Differentiating your service from other trainers will get you talked about. Try one of these techniques:

Make your clients training and nutrition program available on the web for free. By sending them weekly workouts, menu plans, and grocery lists you provide lots of personal service with very little effort. You will be surprised how effective web marketing can be.

Allow your client to bring a friend and train them together as an introduction. Make sure you go through the initial consultation first. This is the easiest marketing campaign you will ever run.

Give your clients a sports drink at the end of their workout occasionally. Its a simple gesture that they will remember.

### **How do I get the first few clients?**

Getting the first client is always tough. But if you have been following our guide and practicing on friends, they won't really be your "first" client. So once you get over that, you can feel more confident to go out and get them.

If you work in a gym, walk around and talk to people. Offer to spot them. You don't have to give them the hard sell. A lot of times you only need to mention that you are a personal trainer and they will ask you questions.



People will respond better if you **don't try to sell**, but try to help instead. If the person responds to your help, remember to give them a business card after spending a few minutes with them.

### **Targeting Niches**

If you are promoting personal training services to a targeted niche market (seniors, kids, athletes, etc.), you need to go where those groups are. Try running a marketing campaign offering a free monthly class at a senior center, or go and offer to work with local coaches to help condition their athletes. By doing things for groups for free, you will gain exposure and a chance to convert the individuals to clients. One trainer in Australia started by working out with the Rugby team, the next season he was the official trainer for the team. Not a bad side job!

### **Be a Giver**

Often the best way for promoting your personal training business is promoting personal training in general. You can do this by organizing an event that raises money for a good cause or get involved with or sponsor a local 5K/10K run. By being a good ambassador for the industry, people will notice that you are different. Don't be surprised if you start to see referrals.

### **Personal Training Business Cards**

One of the most important tools you have to promote your business is your personal training business cards. And the best part is they cost almost nothing.

### **Give it Up**

People are funny when it comes to personal training business cards. They treat them like you can't get another 1000 printed for a few bucks. And so they tend to give them out sparingly except for clients. And I think this has a lot to do with how business cards are priced.

### **Tiny Advertisement**

We are all poor when we first start out so we choose the 100 or 250 business card package. After all, we can't possibly have more than 250 clients. But this is a big mistake.

Treat your personal training business cards as tiny advertisements. And here is the important part.

### **\*\* Leave them everywhere \*\***

If you are in a doctor's waiting room drop them by the magazines or even inside the magazines as a bookmark. I even stuff a card between the cushions of the chair. Leave a



few on the bus, on grocery store shelves and in restaurant bathrooms. **But here's the secret...**

**\*\* Don't leave a stack of them \*\***

When people see a stack of business cards, they ignore them. If they see something propped up by the bathroom sink against the mirror, they read it. And you never know, the person reading it might just pick it up and call you.

### **Go Big!**

When you order your personal training business cards make sure you buy the large quantity. That way you won't feel bad about wasting them since they cost you a fraction of a penny each. If you pick up one client by dropping those thousand cards, you have made a huge profit.

### **Logos and Design**

You can get a professional graphic design artist to design a custom logo for your personal training business cards and stationery. It looks great and is usually a great investment if you can afford it. Expect to pay a few hundred dollars for a choice of three logo concepts with a couple rounds of revisions.

If you use a custom logo your printing costs will be a little more but if you limit the number of colors you use and buy your personal training business cards in large quantities you can reduce the cost.

“I've been leaving my cards in random places for the past year and have picked up three clients this way. I always ask my clients how they heard about me. I also give extra cards to each client periodically so they can help spread them around to friends and co-workers.

“I started placing my personal training business cards on cars at some gyms. I was afraid that I was just going to piss people off. I might have, but I picked up two clients with less than 2 hours worth of promo work.

### **Common marketing strategies include:**

- word of mouth
- referral from allied health professional
- electronic media (TV, commercial, community radio, cinema advertising, internet)
- print media (magazines, newsletters, yellow pages)
- personal presentations at clubs (sport clubs, lions club etc)



- flyers
- chamber of commerce active membership
- business cards, letterheads, brochures
- product advertising on t-shirts, cars, stationary, water bottles, sports bags
- volunteering
- gift certificate donations to schools or sports club fundraisers
- webpage development
- promotional or complimentary sessions
- billboards, bus stop signs, A frames
- advertising health benefits of exercise

#### SOME Definitions:

- Advertising: the act of paying for space to actively attract clients to your business
- Promotion: anything you may do to promote your business
- Public relations: announcing to the general public information about your business, either in a passive or active manner
- Publicity: may be considered as an addition to the above, good publicity can help substantially to build your business. Most often, this form of marketing is free, and every opportunity should be considered and taken advantage of.

#### **Preparing your marketing Plan**

A good marketing plan details the actions you will take in an attempt to achieve your specific marketing objectives. Before you begin the writing process, you need to gather information....

##### *Planning*

What are your business goals?

- What are your short term goals?
- What are your long term business goals?
- How do you intend to achieve your goals?

What is the nature of your business?

- Why are you in business? Consider your services first then the product
- What is the type of service to be provided?

How are you going to distribute your services?

- Are your training sessions to be one on one or group sessions?
- Will your service be mobile or delivered in a facility?
- Are you prepared to train at your clients place of residence or an agreed location convenient to both parties?



### *Consumer analysis*

What is your market area or target populations?

- Where is the service to be offered?
- How is the service to be offered?
- Who is the service to be offered to? Classify the consumer market. Be specific when identifying the characteristics of your potential clients, as this will have a bearing on your marketing approach, pricing structure and the methods used to deliver your product.
- What service do your potential clients want?
- Can you meet the needs of your potential customers?

Yes- apparently healthy low risk clients? Good! Now plan the strategy,

Or

No- clients with a known condition or disease, high risk clients. Consider further study to achieve qualifications, Global Fitness Institute have a wide variety of Diploma courses to upskill!

### *Market analysis*

Who are your competitors?

- Research who you will be in competition with.
- What services and programs do they provide?
- Evaluate their strengths and limitations.
- Identify general barriers that may be confronted
- Identify strategies that can be taken to overcome these barriers
- What service can you offer that may be a little different from what is already being offered?
- Is there a niche market opportunity?
- How will your service and product promoted?

## **Turning your advertising into Clients!**

The simple rules of advertising; don't break the rules!

\$ You must have a detailed description of your target market

\$ Target advertise to your target market

\$ You must have a USP: Unique Selling Proposition

- you must have POD's – Points of Difference
- what makes you different from everyone else?

\$ Use a headline in all of your advertising. It gets peoples attention and makes them read on

\$ What is your ad really saying? Keep your ad copy simple and directed at your target market

- fix their problem, increase their pleasure, decrease their pain

\$ Always include a "call to action"- ask your prospects to contact you, and clearly show them how

- create urgency to buy your product

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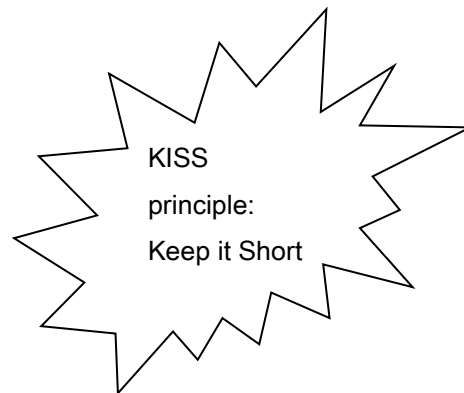
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\$ Include a risk reversal, - take the risk out of buying your product

### Main Points to remember:



### Personal Training Advertising!! Why is it so important??

When it comes to advertising personal training, a difficult task lies ahead. If you do not get your message clearly across or you reach the incorrect market, the whole goal behind advertising, which is to gain a huge client base, is lost. Personal training requires a determined personality. Getting your customers interested means that advertising once is not sufficient and you might need to keep bringing them the message.

Motivation is needed for those who are just not that keen on exercising as it is not tops on their 'to do' list. You can spend your time trying to reach this group but advertising to those who enjoy exercising or even those who don't, is just as important.

Marketing yourself is vital when advertising your personal training service. Your looks play an important role but the way you build relations with people helps the advertising process as well. When advertising as a personal trainer remember to suite the title. People will only take you serious if you follow what you teach. This is achieved through eating right and



keeping fit. You are the first thing your customer will see regardless of what you say and so your message will not have any meaning if your body does not look great.

Become known when advertising your personal training service. It is important your customers trust and know the product, you. You can ensure that your clients feel relaxed and trusting about your service by being social and bonding with people. By being social, people you talk to will potentially spread your message about your service to others. The amount of clients you will gather will grow immensely as an advantage. Talking to one person has the effect of your message reaching about three others. An increase in customers means an increase in money.

Sometimes word of mouth is not enough for marketing and so it might be a good idea to invest money into advertising. Magazines and TV will charge you for spaces to advertise.

The advertising in the long run will pay off as you reach more customers. Paid advertising however means that you need to strategically not only convey the message about your service but let your clients know how your personal training will benefit them. You will have to encourage people whilst trying to make a sale.

Excitement about your personal training service is also helpful when advertising. Your customers will pick up on this enthusiasm. When Your customers pick up on your personal training service you need to make sure that you are also following up on all of your services, offering them to your full potential because in the end, your clients want to see results.

Because building a client base can be slow you may need to offer promotions such as free training just to get started and so that people trust you more. Do not worry however; you won't lose out on money. The result of these freebies means that others will also hear about your service and marketing and money increases.

### **Ideas for On-Going marketing for your Personal Training Business**

- **continual education**
- for your current clients, prospective clients and the general public, on the benefits of your personal training
- **information seminars**
- host initial and regular client information seminars with guest speakers
- be sure you have a lucky door prize of complimentary vouchers, this way you can obtain names, addresses, and phone numbers for future mail outs
- **regular mail outs**
- post information flyers and newsletters to all current clients, expired clients, prospective corporate clients and all those who have inquired about your service
- you must keep a database of every person who has ever contacted your business. Once you have an address, fax number or email, USE IT.
- Complimentary vouchers



- Keep giving complimentary sessions to your friends, family and business acquaintances to give out ("word of mouth" referral). This should be where 80-90% of your work is coming from.

### **Marketing MIX**

The marketing mix is a business tool used in marketing products. The marketing mix is often crucial when determining a product or brand's unique selling point (the unique quality that differentiates a product from its competitors), and is often synonymous with the **four Ps**: *price, product, promotion, and place*; in recent times, however, the four Ps have been replaced by the **four Cs**

Robert F. Lauterborn proposed a four Cs classification in 1993, which is more consumer-oriented version of the four Ps that attempts to better fit the movement from mass marketing to niche marketing:

- **Product** part of the four Ps model is replaced by "**consumer**", shifting the focus to satisfying the consumer needs. Another C replacement for "product" is "capable". By defining offerings as individual capabilities that when combined and focused to a specific industry, creates a custom solution rather than pigeon-holing a customer into a product.
- **Price** is replaced by "**cost**", reflecting the total cost of ownership. Many factors affect cost, including but not limited to the customer's cost to change or implement the new product or service and the customer's cost for not selecting a competitor's product or service.
- **Promotion** is replaced by "**communication**", which represents a broader focus than simply promotions. Communications can include advertising, public relations, personal selling, viral advertising, and any form of communication between the firm and the consumer.
- **Place** is replaced by "**convenience**". With the rise of internet and hybrid models of purchasing, Place is becoming less relevant. Convenience takes into account the ease of buying the product, finding the product, finding information about the product, and several other factors.

### **Distribution Channels**

A path through which goods and services flow in one direction (from vendor to the consumer), and the payments generated by them that flow in the opposite direction (from consumer to the vendor).

A distribution channel can be as short as being direct from the vendor to the consumer or may include several interconnected intermediaries such as wholesalers, distributors, agents,



retailers. Each intermediary receives the item at one pricing point and moves it to the next higher pricing point until it reaches the final buyer.

In the fitness industry, personal trainers generally work for themselves or subcontract to a gym or personal training studio. Personal trainers that are self-employed use a direct distribution channel to their clients. They are responsible for selling their product and receiving income directly from their sales. A gym environment can work in many different ways, a common method would be for a trainer to pay rent to the facility. This means that there will either be a flat rental payment per week/month etc. this gives the trainer access to the clients of the gym but also sells their product through the gym at the gym's rates. Sometimes trainers are required to pay a percentage of their earnings back to the gym depending on the amount of clients trained. These payments are used to cover the use of the facility and direct access to the gym's membership database and clients (sometimes thousands of leads). However, the gym acts like a vendor for the PT.

### **Promotional Activities**

Promotional activities are how we as personal trainers generate leads and clients. There are many forms of promotional activities including; flyers, drops, e-marketing, seminars, open days and workshops. How we plan and deliver these promotional activities is fundamental to the success and outcome of the activity.

Tips to help your promotions succeed:

**Flyers:** Letter drops are a common regularly used form of promotion for personal trainers. It is important to make sure your campaign message is clear and to the point. You will need to ensure that you have a special offer and have a sense of urgency in your promotion. How many times have you seen a flyer in the mail and just thrown it away? With letter drops it is highly recommended to have a follow-up campaign to complement and support your initial mail out. For e.g. "1/2 PRICE PERSONAL TRAINING – LIMITED TO FIRST 30 CALLERS" → second campaign "1/2 PRICE PERSONAL TRAINING – ONLY 10 PLACES LEFT".

**E-marketing:** This method of promotion is very popular in today's hi-tech world. Facebook, Twitter, Google, YouTube are all at a finger's tip. Make sure you are out there in the world of the internet with a strong presence in your local area. Creating a website is the first step to setting up e-marketing strategies. This will be the point of where all of your other

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online marketing materials diverts to creating online leads. Promoting online can be done by spending money on ad words, search engines or online ads. Saving money with a professional created website (correct key words in website) and some online uploads and involvement can help create a well know brand. E.g. start a YouTube channel with your favourite exercises, regularly comment on health and fitness issues in a blog. Volunteer to write a column in the local online community website.

**Workshops/Seminars:** Always charge a fee for all your event marketing efforts. Fee-paid seminars and workshops almost always generate more participants than free events. The fee does two things. First, when you charge for something, there's an implied "value" built in. Your prospect will believe they "get more" when they pay, versus not paying. Second, when a prospect pays you, they're showing a commitment and are now a more qualified prospect and more likely to show up.

### **Monitoring Your Marketing Campaign**

Regularly monitoring your marketing campaign is important for it to succeed. You will need to assess and analyse its performance to ensure that it remains effective. This will allow you to have better control over the performance of your marketing strategy.

One method you can implement to monitor the performance of your marketing plan is a marketing audit. A marketing audit is a comprehensive examination of your objectives and strategies to determine problem areas and opportunities for improvement.

A marketing audit uses a systematic approach to cover all areas of marketing in a business and does not simply focus on the problem areas. It is an independent review of the direction that your campaign has taken and its outcomes, compared to what was originally laid out by your marketing objectives. They are generally performed by experienced people who are not directly involved in your marketing department.

In order to be a useful tool, a marketing audit should be conducted on a predetermined periodic basis. This is to provide regular updates and give you opportunities to improve the effectiveness of your marketing strategy.

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You may also choose to conduct internal reviews and monitoring of the performance of your marketing. These can be conducted as frequently as you need, or even run continuously to provide a regular summary of success. By conducting analysis of your original goals with the actual results of your marketing you can set yourself benchmarks to improve upon.

You can implement strategies such as surveying customers to find out if the marketing campaign has had any influence on them as well as looking specifically at your sales records. You can then determine if there were new customers or more sales after the implementation of a new marketing scheme. You can then gauge if the time and costs associated with the campaign have

### **Performance GAP**

A "performance gap" exists when the actual performance on a KPI is below the planned or expected level of performance. Examples of KPIs include return on investment (ROI), product or service quality, and extent of customer satisfaction.

Many organizations have more than one line of business. For example, one line of business may be to provide personal training services, another might be run bootcamps, and a third might be to conduct group fitness classes. Each line of business uses KPIs to measure performance, so they will know how well they are doing. Similarly, KPIs are used to monitor how well the organization is performing in relation to its goals and performance objectives.

One or more KPIs may indicate, for example, that production is lower than planned in one line of business, that costs in another line of business are higher than planned (space rental, promotional activities), and that risk exposures in a third line of business significantly exceed those planned for in the risk management plan. These constitute three "performance gaps" that the organization will have to close if it wants to achieve its goals and objectives.